

AN ACT

relating to authorizing the issuance of revenue bonds to finance certain facilities and projects at certain public institutions of higher education and exempting the facilities and projects financed by the bonds from prior approval by the Texas Higher Education Coordinating Board.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 55.1732(a), Education Code, is amended to read as follows:

(a) In addition to the other authority granted by this subchapter, the board of regents of The University of Texas System may issue in accordance with this subchapter and in accordance with a systemwide revenue financing program adopted by the board bonds for the following institutions not to exceed the following aggregate principal amounts to finance projects specified as follows:

(1) The University of Texas at Arlington, \$16,635,945 to construct a science building;

(2) The University of Texas at Brownsville, \$26,010,000 to construct a life and health science and education facility (Phase II) and to procure and install permanent equipment and other fixtures in the facility;

(3) The University of Texas at Dallas, \$21,993,750 to renovate and develop space at the Founders Hall, Founders Annex,

1 and Berkner Hall;

2 (4) The University of Texas at El Paso, \$12,750,000 to
3 construct a biomedical and health sciences research center;

4 (5) The University of Texas--Pan American,
5 \$29,950,000 for education complex, library, and multipurpose
6 center renovation and construction;

7 (6) The University of Texas of the Permian Basin,
8 \$5,610,000 for integrated Mesa Building renovations and gymnasium
9 renovations;

10 (7) The University of Texas at San Antonio,
11 \$22,950,000 to construct a science building on the main campus;

12 (8) The University of Texas at Tyler, \$20,910,000 to
13 construct an engineering, sciences, and technology building and
14 make other physical plant improvements;

15 (9) The University of Texas Southwestern Medical
16 Center at Dallas, \$40 million for North Campus phase IV
17 construction;

18 (10) The University of Texas Medical Branch at
19 Galveston, \$20 million to renovate and expand research facilities;

20 (11) The University of Texas Health Science Center at
21 Houston, \$19,550,000 to construct or purchase a classroom building
22 that includes facilities for clinical teaching and clinical
23 research;

24 (12) The University of Texas Health Science Center at
25 San Antonio, \$28.9 million to construct a facility for student
26 services and academic administration and to construct and develop a
27 facility at the Laredo Extension Campus for educational and

1 administrative purposes;

2 (13) the Regional Academic Health Center established
3 under Section 74.611, \$25.5 million to construct a teaching and
4 learning laboratory in or near the city of Harlingen;

5 (14) The University of Texas Health Center at Tyler,
6 \$11,513,250 to construct a biomedical research center addition; and

7 (15) The University of Texas M. D. Anderson Cancer
8 Center, \$20 million to construct a basic sciences research
9 building.

10 SECTION 2. Subchapter B, Chapter 55, Education Code, is
11 amended by adding Section 55.1741 to read as follows:

12 Sec. 55.1741. THE TEXAS A&M UNIVERSITY SYSTEM; ADDITIONAL
13 REVENUE BONDS. (a) In addition to the other authority granted by
14 this subchapter, the board of regents of The Texas A&M University
15 System may acquire, purchase, construct, improve, renovate,
16 enlarge, or equip facilities to support kinesiology and related
17 programs, campus utility infrastructure facilities, and campus
18 support services facilities (phase V), including roads and related
19 infrastructure, for Texas A&M International University, to be
20 financed by the issuance of bonds in accordance with this
21 subchapter, including bonds issued in accordance with a systemwide
22 revenue financing program and secured as provided by that program,
23 in an aggregate principal amount not to exceed \$12.5 million.

24 (b) The board may pledge irrevocably to the payment of the
25 bonds authorized by this section all or any part of the revenue
26 funds of an institution, branch, or entity of The Texas A&M
27 University System, including student tuition charges. The amount

1 of a pledge made under this subsection may not be reduced or
2 abrogated while the bonds for which the pledge is made, or bonds
3 issued to refund those bonds, are outstanding.

4 (c) If sufficient funds are not available to the board to
5 meet its obligations under this section, the board may transfer
6 funds among institutions, branches, and entities of The Texas A&M
7 University System to ensure the most equitable and efficient
8 allocation of available resources for each institution, branch, or
9 entity to carry out its duties and purposes.

10 SECTION 3. Subchapter B, Chapter 55, Education Code, is
11 amended by adding Section 55.1742 to read as follows:

12 Sec. 55.1742. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL
13 REVENUE BONDS. (a) In addition to the other authority granted by
14 this subchapter, the board of regents of The University of Texas
15 System may acquire, purchase, construct, improve, renovate,
16 enlarge, or equip property, buildings, structures, facilities,
17 roads, or related infrastructure for The University of Texas Health
18 Science Center at Houston for recovery from the damage caused by
19 Tropical Storm Allison, to be financed by the issuance of bonds in
20 accordance with this subchapter, including bonds issued in
21 accordance with a systemwide revenue financing program and secured
22 as provided by that program, in an aggregate principal amount not to
23 exceed \$34.9 million.

24 (b) In addition to the other authority granted by this
25 subchapter, the board of regents of The University of Texas System
26 may acquire, purchase, construct, improve, renovate, enlarge, or
27 equip property, buildings, structures, facilities, roads, or

1 related infrastructure for The University of Texas M. D. Anderson
2 Cancer Center for biotechnology research and development
3 facilities, to be financed by the issuance of bonds in accordance
4 with this subchapter, including bonds issued in accordance with its
5 systemwide revenue financing program and secured as provided by
6 that program, in an aggregate principal amount not to exceed \$20
7 million.

8 (c) In addition to the other authority granted by this
9 subchapter, the board of regents of The University of Texas System
10 may acquire, purchase, construct, improve, renovate, enlarge, or
11 equip property, buildings, structures, or other facilities,
12 including roads and related infrastructure, for The University of
13 Texas Southwestern Medical Center at Dallas, to be used primarily
14 to conduct biomedical research and to be financed by the issuance of
15 bonds in accordance with this subchapter, including bonds issued in
16 accordance with a systemwide revenue financing program and secured
17 as provided by that program, in an aggregate principal amount not to
18 exceed \$56 million.

19 (d) In addition to the other authority granted by this
20 subchapter, the board of regents of The University of Texas System
21 may acquire, purchase, construct, improve, renovate, enlarge, or
22 equip property, buildings, structures, or other facilities,
23 including roads and related infrastructure, for The University of
24 Texas Health Science Center at Houston for the replacement of
25 research and academic facilities lost in Tropical Storm Allison, to
26 be financed by the issuance of bonds in accordance with this
27 subchapter, including bonds issued in accordance with a systemwide

1 revenue financing program and secured as provided by that program,
2 in an aggregate principal amount not to exceed \$30 million.

3 (e) The board may pledge irrevocably to the payment of the
4 bonds authorized by this section all or any part of the revenue
5 funds of an institution, branch, or entity of The University of
6 Texas System, including student tuition charges. The amount of a
7 pledge made under this subsection may not be reduced or abrogated
8 while the bonds for which the pledge is made, or bonds issued to
9 refund those bonds, are outstanding.

10 (f) If sufficient funds are not available to the board to
11 meet its obligations under this section, the board may transfer
12 funds among institutions, branches, and entities of The University
13 of Texas System to ensure the most equitable and efficient
14 allocation of available resources for each institution, branch, or
15 entity to carry out its duties and purposes.

16 (g) The board may not issue bonds authorized by Subsection
17 (c) at a time that would require the payment of any debt service on
18 the bonds before September 1, 2004.

19 SECTION 4. Subchapter B, Chapter 55, Education Code, is
20 amended by adding Section 55.1743 to read as follows:

21 Sec. 55.1743. THE UNIVERSITY OF HOUSTON SYSTEM. (a) In
22 addition to the other authority granted by this subchapter, the
23 board of regents of the University of Houston System may acquire,
24 purchase, construct, improve, renovate, enlarge, or equip
25 property, buildings, structures, facilities, roads, or related
26 infrastructure for the University of Houston System, including the
27 individual campuses of the system, to be financed by the issuance of

1 bonds in accordance with this subchapter and in accordance with a
2 systemwide revenue financing program adopted by the board in an
3 aggregate principal amount not to exceed \$25 million.

4 (b) The board may pledge irrevocably to the payment of those
5 bonds all or any part of the revenue funds of an institution,
6 branch, or entity of the University of Houston System, including
7 student tuition charges. The amount of a pledge made under this
8 subsection may not be reduced or abrogated while the bonds for which
9 the pledge is made, or bonds issued to refund those bonds, are
10 outstanding.

11 (c) If sufficient funds are not available to the board to
12 meet its obligations under this section, the board may transfer
13 funds among institutions, branches, and entities of the University
14 of Houston System to ensure the most equitable and efficient
15 allocation of available resources for each institution, branch, or
16 entity to carry out its duties and purposes.

17 SECTION 5. Section 61.0572(e), Education Code, is amended
18 to read as follows:

19 (e) Approval of the board is not required to acquire real
20 property that is financed by bonds issued under Section 55.17(e)(3)
21 or (4), 55.1713-55.1718, 55.1721-55.1728, [~~ex~~] 55.174, 55.1742, or
22 55.1743, except that the board shall review all real property to be
23 financed by bonds issued under those sections to determine whether
24 the property meets the standards adopted by the board for cost,
25 efficiency, and space use. If the property does not meet those
26 standards, the board shall notify the governor, the lieutenant
27 governor, the speaker of the house of representatives, and the

1 Legislative Budget Board.

2 SECTION 6. Section 61.058(b), Education Code, is amended to
3 read as follows:

4 (b) This section does not apply to construction, repair, or
5 rehabilitation financed by bonds issued under Section 55.17(e)(3)
6 or (4), 55.1713-55.1718, 55.1721-55.1728, [~~or~~] 55.174, 55.1742, or
7 55.1743, except that the board shall review all construction,
8 repair, or rehabilitation to be financed by bonds issued under
9 those sections to determine whether the construction,
10 rehabilitation, or repair meets the standards adopted by board rule
11 for cost, efficiency, and space use. If the construction,
12 rehabilitation, or repair does not meet those standards, the board
13 shall notify the governor, the lieutenant governor, the speaker of
14 the house of representatives, and the Legislative Budget Board.

15 SECTION 7. This Act takes effect immediately if it receives
16 a vote of two-thirds of all the members elected to each house, as
17 provided by Section 39, Article III, Texas Constitution. If this
18 Act does not receive the vote necessary for immediate effect, this
19 Act takes effect September 1, 2003.

Ronald Newkirk

President of the Senate

Jim Cusick

Speaker of the House

I certify that H.B. No. 1941 was passed by the House on April 23, 2003, by the following vote: Yeas 141, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1941 on May 30, 2003, by the following vote: Yeas 143, Nays 0, 2 present, not voting.

Robert Honey

Chief Clerk of the House

I certify that H.B. No. 1941 was passed by the Senate, with amendments, on May 28, 2003, by the following vote: Yeas 30, Nays 1.

Patsy Saw

Secretary of the Senate

APPROVED: 20 JUN '03

Date

Rick Peery
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
10:30 PM O'CLOCK

Ann Shea
Secretary of State