

## **BILL ANALYSIS**

Senate Research Center

S.B. 853  
By: Ellis  
Education  
3-22-97  
As Filed

### **DIGEST**

Currently, a higher education facilities corporation created by a sponsoring local government may issue bonds to provide facilities for certain institutions of higher education. Because bonds issued by higher education facilities corporations are payable from revenues received from a borrowing university or college, and are not the debts of the State of Texas or any political subdivision, facilities costs may be lowered if other educational entities use these types of bonds. This bill expands the types of property or revenue which may be pledged for the issuance of bonds and authorizes the issuance of bonds by higher education facilities corporations to be used to benefit primary and secondary schools.

### **PURPOSE**

As proposed, S.B. 853 expands the types of property or revenue which may be pledged for the issuance of bonds and authorizes the issuance of bonds by higher education facilities corporations to be used to benefit primary and secondary schools.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 53.02, Education Code, by adding Subdivision (12), to define "accredited primary or secondary school."

SECTION 2. Amends Section 53.34(b), Education Code, to require bonds to be payable from and secured by a pledge of all or any part of the gross or net revenue to be derived from the operation of any facilities and any other revenue or assets pledged for the purpose. Deletes the provision that bonds are payable from revenue resulting from the ownership of the educational facilities properties.

SECTION 3. Amends Section 53.48, Education Code, as follows:

Sec. 53.48. New heading: BONDS FOR ACCREDITED PRIMARY OR SECONDARY SCHOOLS. Authorizes a corporation created under Section 53.35(b) to issue bonds to be used by an accredited, rather than a military-related, primary or secondary school. Deletes location and ownership requirements of the primary or secondary school, including a definition of "military-related primary or secondary school." Makes conforming changes.

SECTION 4. Provides that this Act does not affect the validity of bonds issued under Section 53.48, Education Code, as that section existed before amendment by this Act, to finance or refinance educational or housing facilities to be used by a military-related primary or secondary school.

SECTION 5. Emergency clause.  
Effective date: upon passage.