

BILL ANALYSIS

Senate Research Center
78R16632 JSA-D

C.S.H.B. 1912
By: Wolens (Shapiro)
5/18/2003
5-18-2003
Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, additional tuition revenue bonds are not authorized to be issued to The University of Texas Southwestern Medical Center at Dallas. C.S.H.B. 1912 authorizes additional tuition revenue bonds for biomedical/biotech research buildings at UT Southwestern Medical Center. This bill also exempts facilities financed by the bonds from prior approval by the Texas Higher Education Coordinating Board.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 55, Education Code, by adding Section 55.17421, as follows:

Sec. 55.17421. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL REVENUE BONDS FOR BIOMEDICAL AND BIOTECHNOLOGY FACILITIES. (a) Authorizes the board of regents of The University of Texas System (board), in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for The University of Texas Southwestern Medical Center at Dallas, to be used primarily to conduct biomedical research and to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a systemwide revenue financing program and secured as provided by that program in an aggregate principal amount not to exceed \$56 million.

(b) Authorizes the board, in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for The University of Texas M.D. Anderson Cancer center, to be used for biotechnology research and development and to be financed by the issuance of bonds in accordance with this subchapter, including bond issued in accordance with a systemwide revenue financing program and secured as provided by that program, in an aggregate principal amount not to exceed \$20 million.

(c) Authorizes, in addition to the other authority granted by this subchapter, to acquire, purchase, construct, improve, renovate, enlarge, or equip property, buildings, structures, or other facilities, including roads and related infrastructure, for The University of Texas Medical Branch at Galveston, to be used primarily to conduct biomedical research, including research related to national bio-defense, and to be financed by the issuance of bonds in accordance with this subchapter, including bonds issued in accordance with a systemwide revenue financing program and secured as provided by that program, in aggregated principal amount not to exceed \$30 million.

(d) Authorizes the board to pledge irrevocably to the payment of the bonds authorized by this section all or any part of the revenue funds of an institution, branch, or entity of The University of Texas System, including student tuition charges. Prohibits the amount of a pledge made under this subsection from being reduced or abrogated while the bonds for which the pledge is made, or bonds issued to refund those bonds, are outstanding.

(e) Authorizes the board, if sufficient funds are not available to the board to meet its obligations under this section, to transfer funds among institutions, branches, and entities of The University of Texas System to ensure the most equitable and efficient allocation of available resources for each institution, branch, or entity to carry out its duties and purposes.

(f) Prohibits the board from issuing bonds authorized by section at a time that would require the payment of any debt service on the bonds before September 1, 2004.

SECTION 2. Amends Section 61.0572(e), Education Code, to include a reference to Section 55.17421 and to make a nonsubstantive change.

SECTION 3. Amends Section 61.058(b), Education Code, to make conforming and nonsubstantive changes.

SECTION 4. Effective date: upon passage or September 1, 2003.