

BILL ANALYSIS

Senate Research Center
79R8513 KEL-F

S.B. 1047
By: Seliger
Finance
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current law requires legislative approval of the issuance of any new tuition revenue bonds. As proposed, S.B. 1047 authorizes The University of Texas System to issue up to \$54 million in tuition revenue bonds for The University of Texas of the Permian Basin. Proceeds from the bonds would be used to fund two campus construction projects. The first project is the construction of a campus convocation center. The second project is the construction of a science and technology complex to serve teaching and research in science, computer science, and industrial technology.

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 55.17526, as follows:

Sec. 55.17526. THE UNIVERSITY OF TEXAS SYSTEM; ADDITIONAL BONDS.

(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 educational and related facilities, including a campus convocation center and a science and technology complex, at The University of Texas of the Permian Basin, 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 \$54 million.

(b) 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 the 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.

(c) Authorizes the board, if sufficient funds are not available 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.

SECTION 2. Amends Section 61.0572(e), Education Code, to provide that the approval of the board is not required to acquire real property that is financed by bonds issued under Section 55.17526.

SECTION 3. Amends Section 61.058(b), Education Code, to provide that this section is inapplicable to construction, repair, or rehabilitation financed by bonds issued under Section 55.17526.

SECTION 4. Effective date: upon passage or September 1, 2005.