

## **BILL ANALYSIS**

Senate Research Center  
78R6815 MTB-D

S.B. 1497  
By: Madla  
Finance  
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As Filed

### **DIGEST AND PURPOSE**

Under current law, in order for a school district to build a facility by way of bonds, the school district must first go receive voter approval in order to issue bonds. As proposed, S.B. 1497 allows the Texas Public Finance Authority to create a bond pool from which it would issue bonds for participating school districts. This bill also allows the Texas Building and Procurement Commission to enter into an agreement to construct a school facility from pre-approved blueprints for instructional facilities.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Building and Procurement Commission in SECTION 3 (Section 2166.554, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1232.066(a), Government Code, to add a school district instructional facility to the authority of the board of directors of the Texas Public Finance Authority (board).

SECTION 2. Amends Chapter 1232C, Government Code, by adding Section 1232.1025, as follows:

Sec. 1232.1025. ISSUANCE OF BONDS FOR SCHOOL DISTRICT INSTRUCTIONAL FACILITIES. (a) Requires the board to promptly issue and sell bonds in the name of the Texas Public Finance Authority (TPFA) under this chapter to finance the construction of a school district instructional facility that has been authorized under Section 2166.554.

(b) Requires the Texas Building and Procurement Commission (TBPC) to accomplish its statutory authority as if the facility were a state office building financed by legislative appropriation. Requires the board and TBPC to adopt a memorandum of understanding that defines the division of authority between the board, TBPC, and the school district.

(c) Provides that a school district, with respect to an instructional facility financed under this section, is considered to be a state agency leasing a state office building from TBPC for the purposes of this chapter, including Subchapter D, except in circumstances under which this chapter states that a building is considered to be state-owned space. Requires the board to convey title to the school district in accordance with Section 1232.006, when the school district has paid a sufficient amount in rentals so that the principal of and interest on obligations issued by TPFA relating to the instructional facility are fully paid and the facility is free of all liens.

SECTION 3. Amends Chapter 2166L, Government Code, by adding Section 2166.554, as follows:

Sec. 2166.554. CONSTRUCTION OF FACILITIES FOR SCHOOL DISTRICTS. (a)

Provides that this section applies only to a school district that does not qualify for aid under Section 1402.124.

(b) Authorizes TBPC to provide for the construction of the facility under the procedures of this chapter if TBPC determines the request is feasible, at the request of a school district for construction of an instructional facility. Requires the construction of the facility to be financed through revenue bonds issued by the TPFC under Section 1232.1025.

(c) Requires TBPC to offer the school district a choice of pre-approved blueprints for instructional facilities from a list of choices created by TBPC.

(d) Requires TBPC to adopt rules to implement this section.

SECTION 4. Effective date: September 1, 2003.