

GOVERNMENT CODE

CHAPTER 465. TEXAS NATIONAL RESEARCH LABORATORY COMMISSION
SUBCHAPTER A. COMMISSION ORGANIZATION, POWERS, AND DUTIES

Sec. 465.001. COMMISSION. The Texas National Research Laboratory Commission is an agency of the state. Acts 1987, 70th Leg., ch. 147, Sec. 1, eff. Sept. 1, 1987.

Sec. 465.003. MEMBERSHIP. (a) The commission is composed of nine members appointed by the governor with the advice and consent of the senate.

(b) A member must be a resident of the state at the time of appointment.

(c) At least one member must be a resident of Ellis County. At least two members must be scientists who are members of a nationally recognized scientific academy, board, or association. Not more than three members may be members of the faculty or administration of an institution of higher education in this state. Every effort shall be made to ensure that the members represent the population diversity and all geographic areas of the state.

(d) A person is not eligible for appointment as a member of the commission if the person or the person's spouse:

(1) is employed by or participates in the management of a for-profit business entity or other organization receiving funds from the commission except for a corporation authorized under Section 465.008(g);

(2) owns or controls, directly or indirectly, more than a 10 percent interest in a for-profit business entity or other organization receiving funds from the commission except for a corporation authorized under Section 465.008(g); or

(3) uses or receives a substantial amount of tangible goods, services, or funds from the commission, other than compensation or reimbursement authorized by law for commission membership, attendance, or expenses.

(e) Appointments to the commission shall be made without regard to the race, color, handicap, sex, religion, age, or national origin of the appointees. In making appointments under this section, the governor shall attempt to appoint members of different minority groups including females, African-Americans, Hispanic-Americans, Native Americans, and Asian-Americans. Acts 1987, 70th Leg., ch. 147, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 397, Sec. 1, eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 582, Sec. 3, eff. Sept. 1, 1991.

Sec. 465.0031. LOBBYIST PROHIBITION. A person may not serve as a member of the commission or act as the general counsel to the commission if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the commission. Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.0032. REMOVAL OF A COMMISSION MEMBER. (a) It is a ground for removal from the commission if a member:

(1) does not have at the time of appointment the qualifications required by Section 465.003;

(2) does not maintain during service on the commission the qualifications required by Section 465.003;

(3) violates a prohibition established by Section 465.0031;

(4) cannot discharge the member's duties for a substantial part of the term for which the member is appointed because of illness or disability; or

(5) is absent from more than half of the regularly scheduled commission meetings that the member is eligible to attend during a calendar year unless the absence is excused by majority vote of the commission.

(b) The validity of an action of the commission is not affected by the fact that it is taken when a ground for removal of a commission member exists.

(c) If the executive director has knowledge that a potential ground for removal exists, the executive director shall notify the chairman of the commission of the ground. The chairman shall then notify the governor that a potential ground for removal exists. Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.004. TERMS. (a) Members serve staggered six-year terms with the terms of three members expiring February 1 of each odd-numbered year.

(b) On the death, resignation, or other inability of a member to serve, the governor shall appoint a successor to serve the

remainder of the unexpired term.

Acts 1987, 70th Leg., ch. 147, Sec. 1, eff. Sept. 1, 1987.

Sec. 465.005. OFFICERS. The governor shall appoint a chairman, vice-chairman, and secretary, who serve at the will of the governor.

Acts 1987, 70th Leg., ch. 147, Sec. 1, eff. Sept. 1, 1987.

Sec. 465.006. COMPENSATION AND EXPENSES. A member serves without compensation for service on the commission, but is entitled to reimbursement for actual and necessary expenses incurred for attendance at commission meetings or while performing other official commission duties.

Acts 1987, 70th Leg., ch. 147, Sec. 1, eff. Sept. 1, 1987.

Sec. 465.007. EXECUTIVE DIRECTOR. (a) The commission shall appoint an executive director.

(b) The executive director is entitled to reimbursement for expenses and travel as provided by the General Appropriations Act.

Acts 1987, 70th Leg., ch. 147, Sec. 1, eff. Sept. 1, 1987.

Sec. 465.008. POWERS AND DUTIES. (a) The commission is the authority in the state for formulation and presentation of the siting proposal on behalf of the state for the superconducting super collider research facility sponsored and authorized by the United States government. The commission shall coordinate the development of the plan or proposal with other state, federal, and local agencies and institutions of higher education charged with development of and interest in locating the facility in the state. State agencies and local governmental entities shall cooperate to the extent possible to accomplish the commission's duties. If Texas is selected for the site of the facility, the commission shall represent the state in the facility's development, financing, and operation.

(b) The commission may enter into a contract with another state agency, a political subdivision of the state, including a special utility district as defined by Section 65.001, Water Code, the United States, or a private agency, college, university, corporation, partnership, association, or other person for an appropriate purpose in connection with the performance of its duties, including a contract, study, investigation, or proposal necessary to conduct its duties. Subchapter B, Chapter 2254, does not apply to use by the commission of a consultant to provide services in connection with formulation or submission of two or more siting proposals under this chapter, except that in selecting the consultant the commission shall give the preference required by Section 2254.027(2).

(c) The commission shall take all other steps appropriate or necessary to effect the siting, development, and operation of the superconducting super collider research facility within the state.

(d) The commission has the power of eminent domain to acquire real property, easements, or other property or interests in real property, easements, or other property, including fee simple interests with respect to the entirety of any real property, fee simple interests with respect to specified subsurface portions of any real property, and any lesser interests, as determined by the commission to be necessary or convenient to further the purposes of the commission in the manner prescribed by Chapter 21, Property Code. All real property, easements, and other property and interests in real property, easements, and other property acquired under this subsection are considered to have been acquired by the state as provided by Section 21.021(a), Property Code, for a public use. The real property, easements, and other property and interests in real property, easements, and other property acquired under this subsection may be the property of the state, a department or agency of the state, a county, a municipality, or another entity or subdivision of one of those entities. The commission may accept a donation of and may purchase real property, easements, or other property, including interests in real property, easements, or other property, as determined by the commission to be necessary or convenient to further the purposes of the commission, on the terms and in the manner the commission considers proper. The governing body of each state department or agency, county, municipality, or other entity or subdivision of one of those entities may donate, sell, lease, or otherwise convey real property, easements, and other property and interests in real property, easements, and other property to the commission to further its purposes, without advertisement and on the terms and conditions and in the manner the governing body considers proper. Payments received by a state

department or agency that conveys real property, easements, or other property or interests in real property, easements, or other property to the commission shall be credited to an account of the department or agency as determined by the department or agency. The commission and its agents, employees, contractors, subcontractors, and designees may enter on any land to make surveys, perform core-drilling operations, or conduct other tests and evaluations with respect to the surface and the subsurface of the lands as the commission, its agents, employees, contractors, subcontractors, or designees consider necessary or convenient to further the purposes of the commission.

(e) The commission may apply for, request, solicit, contract for, receive, and accept, from any public or private source, money and other assistance necessary to conduct its duties. Money received by the commission, including rents, installment payments, or other payments or revenues derived by the commission from the lease, installment sale, or other use or disposition of property, may be pledged by the commission to the payment of bonds or may be used to carry out eligible undertakings, as determined by the commission, subject to the terms of any agreements made from time to time with the owners of bonds.

(f) The commission may acquire by eminent domain, donation, purchase, or otherwise, hold, mortgage, encumber, and convey by gift or otherwise property or an interest in property, including a leasehold interest, in any manner the commission determines appropriate and may encumber its property and pledge its revenues to secure its bonds. The commission may acquire or convey real property and improvements to the real property and may convey property or an interest in property, without the necessity of taking competitive bids.

(g) The commission may provide for the formation of one or more corporations under the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) to assist in carrying out the purposes of this chapter. The commission may fund eligible undertakings determined by the commission to be in furtherance of the public purposes of this Act through the use as an intermediary of any one or more of those corporations. The commission may donate money or other property to one or more of those corporations and may enter agreements with one or more of those corporations as the commission considers appropriate to carry out those purposes. Without limitation of the other powers granted by this subsection, the commission may provide for the formation of one or more financing corporations to issue revenue bonds pursuant to Section 465.022. In issuing the revenue bonds, each financing corporation may act as and is the duly authorized constituted authority and instrumentality of the state for all of the purposes of Section 103, Internal Revenue Code of 1986. Each financing corporation has all of the rights, powers, privileges, authority, and functions of a nonprofit corporation formed pursuant to the Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes), except to the extent otherwise provided by this chapter. The directors of each financing corporation must be appointed by and serve at the will of the commission and the bylaws of each financing corporation must be as approved by the commission and contain the limitations on the exercise of the powers of the financing corporation as the commission considers appropriate. The legislature finds, determines, and declares that the activities of each corporation, including each financing corporation, formed by the commission under this subsection affect all the people of the state by assuming to a material extent that which is or might otherwise become the obligation or duty of the state, and therefore each corporation is an institution of purely public charity within the tax exemption of Article VIII, Section 2, of the Texas Constitution. All real or personal property owned by each corporation is exempt from all ad valorem, sales, and use taxes, excise taxes, or any other taxes levied or imposed by the state or any political subdivision of the state, except that a corporation is exempt from the franchise tax imposed by Chapter 171, Tax Code, only if a corporation formed under this subsection is exempted by that chapter.

(h) The commission may exercise any power necessary or useful in connection with an eligible undertaking, may perform any act necessary for the full exercise of the powers vested in the commission, and has the functions, powers, authority, rights, and duties that will permit accomplishment of the public purposes of

this chapter.

(i) In exercising the power of eminent domain, if the commission or any entity used by the commission to assist in its exercising the power of eminent domain requires relocating, raising, lowering, rerouting, changing the grade, or altering the construction of any telegraph or telephone line, cable, conduit, pole, or facility, the commission must bear the actual cost of relocating, raising, lowering, rerouting, changing the grade, or altering the construction to provide comparable replacement without enhancement of facilities, after deducting the net salvage value derived from the old facility.

Acts 1987, 70th Leg., ch. 147, Sec. 1, eff. Sept. 1, 1987. Amended by Acts 1989, 71st Leg., ch. 4, Sec. 2.68(a), eff. Sept. 1, 1989; Acts 1989, 71st Leg., ch. 397, Sec. 2, 3, eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 582, Sec. 4, eff. Sept. 1, 1991; Acts 1995, 74th Leg., ch. 76, Sec. 5.95(46), eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 886, Sec. 1, eff. June 16, 1995; Acts 1997, 75th Leg., ch. 1035, Sec. 2, eff. June 19, 1997.

Sec. 465.0081. DISADVANTAGED BUSINESSES. (a) The commission shall establish a disadvantaged business program consistent with the General Appropriations Act and general law.

(b) The commission by rule shall set and strive to meet annual goals for the awarding of state-funded contracts to disadvantaged businesses. Federally mandated goals may not be utilized to offset the State of Texas' established goals for procurement and contracts.

(c) The commission shall attempt to identify disadvantaged businesses in the state that provide or have the potential to provide supplies, materials, equipment, or services to the commission. The commission shall give disadvantaged businesses full access to the contract bidding process. The commission shall inform and offer assistance to disadvantaged businesses regarding the commission's contract bidding process. To further this effort, the commission also shall identify barriers to participation by disadvantaged businesses in the commission's bidding process.

(d) This section does not exempt the commission from competitive bidding requirements provided by law.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.0082. PURCHASING RULES. The commission shall adopt rules to guide its purchases of supplies, materials, services, and equipment to carry out eligible undertakings as defined by Section 465.021. The commission shall use as a guide, whenever consistent with the commission's purposes, the rules of the State Purchasing and General Services Commission.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.009. AUDIT. The financial transactions of the commission are subject to audit by the state auditor in accordance with Chapter 321.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.70(a), eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 599, Sec. 9, eff. Sept. 1, 1991.

Sec. 465.010. SELF-INSURANCE; INSURANCE FOR CONTRACTORS. (a) A person who contracts with the Texas National Research Laboratory Commission or the United States Department of Energy or any of its successors, contractors, or subcontractors involved in the acquisition, construction, operation, or maintenance of the superconducting super collider research facility or related facilities as contemplated in the Department of Energy Record of Decision: SSC (6450-01) dated January 18, 1989, may insure, through self-insurance, purchased insurance, government insurance rating plans, or similar means, its legal liability for damages to the person or property of others, for workers' compensation, and for officers' and employees' liability arising from the acquisition, construction, operation, or maintenance of the programs and facilities relating to the superconducting super collider research facility:

(1) at the job site, including operations elsewhere in connection with the job; and

(2) at other locations during the time services are performed at the locations for the superconducting super collider research facility.

(b) The insurance arrangements authorized by this section are not subject to any statute or rule inconsistent with this section or to the Insurance Code. Provided, however, should the federal government wholly fail to fund the coverage specified in

Subsection (a) of this section, the Texas National Research Laboratory Commission shall so advise the State Board of Insurance which shall take appropriate action.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.011. ANNUAL REPORT. The commission shall file annually with the governor and the presiding officer of each house of the legislature a complete and detailed written report accounting for all funds received and disbursed by the commission during the preceding fiscal year. The annual report must be in the form and reported in the time provided by the General Appropriations Act.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.012. RULES. (a) The commission shall adopt the rules necessary to carry out its powers and duties under this chapter and other laws of this state.

(b) The commission shall adopt reasonable procedural rules to be followed in a commission hearing. The executive director may recommend to the commission for its consideration any rules that the executive director considers necessary.

(c) The commission shall adopt rules in the manner provided by Chapter 2001.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991. Amended by Acts 1995, 74th Leg., ch. 76, Sec. 5.95(50), eff. Sept. 1, 1995.

Sec. 465.013. PERSONNEL POLICIES. (a) The commission shall develop and implement policies that clearly define the respective responsibilities of the commission and the staff of the commission.

(b) The executive director or the executive director's designee shall develop an intraagency career ladder program. The program shall require intraagency postings of all nonentry level positions concurrently with any public posting.

(c) The executive director or the executive director's designee shall prepare and maintain a written policy statement to assure implementation of a program of equal employment opportunity under which all personnel transactions are made without regard to race, color, handicap, sex, religion, age, or national origin. The policy statement must include:

(1) personnel policies, including policies relating to recruitment, evaluation, selection, appointment, training, and promotion of personnel;

(2) a comprehensive analysis of the commission's work force that meets federal and state guidelines;

(3) procedures by which a determination can be made of significant underutilization in the commission's work force for all persons for whom federal or state guidelines encourage a more equitable balance; and

(4) reasonable methods to address appropriately those areas of significant underutilization.

(d) A policy statement prepared under Subsection (c) must cover an annual period, be updated at least annually, and be filed with the governor's office.

(e) The governor's office shall deliver a biennial report to the legislature based on the information received under Subsection (d). The report may be made separately or as a part of other biennial reports made to the legislature.

(f) The executive director or the executive director's designee shall develop a system of annual performance evaluations. All merit pay for commission employees must be based on the system established under this subsection.

(g) The commission shall provide to its members and employees, as often as necessary, information regarding their qualifications for office or employment under this chapter and their responsibilities under applicable laws relating to standards of conduct for state officers or employees.

(h) A person may not be hired by the commission or the executive director as a paid officer or employee if the person is related to a member of the commission by affinity within the second degree or consanguinity within the third degree.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.014. PUBLIC INFORMATION. The commission shall prepare information of public interest describing the superconducting super collider project and the functions of the commission. The commission shall make the information available to the public and appropriate state agencies.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.015. PUBLIC HEARINGS. The commission shall develop and implement policies that provide the public with a reasonable opportunity to appear before the commission and to speak on any issue under the jurisdiction of the commission.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.016. COMPLAINTS. (a) If a written complaint is filed with the commission that the commission has authority to resolve, the commission, at least quarterly and until final disposition of the complaint, shall notify the parties to the complaint of the status of the complaint unless the notice would jeopardize an undercover investigation.

(b) The commission shall keep an information file about each complaint filed with the commission that the commission has authority to resolve.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.017. PROGRAM ACCESSIBILITY. The commission shall prepare and maintain a written plan that describes how a person who does not speak English or who has a physical, mental, or developmental disability may be provided reasonable access to the commission's programs.

Added by Acts 1991, 72nd Leg., ch. 582, Sec. 5, eff. Sept. 1, 1991.

Sec. 465.018. PURCHASES, CONSTRUCTION, AND DISPOSITION OF PROPERTY. (a) Subtitle D, Title 10, does not apply to:

(1) a purchase of mission-related supplies, materials, services, or equipment for the commission or for a financing corporation formed under Section 465.008(g) that is determined by the commission to be an eligible undertaking as defined by Section 465.021; or

(2) a construction project or disposition of property by or for the commission or by or for a financing corporation formed under Section 465.008(g) that is determined by the commission to be an eligible undertaking as defined by Section 465.021.

(b) This section does not prohibit the commission from using the General Services Commission's services.

(c) In this section, "mission-related supplies, materials, services, and equipment" are those designated by commission rule.

(d) The authority of the commission to manage, control, market, and dispose of real property and interests in real property is transferred to the General Land Office. The powers conferred on the General Land Office under this subsection are in addition to and not in derogation of any other legal authority the General Land Office has to acquire, manage, control, market, and dispose of real property.

Acts 1987, 70th Leg., ch. 102, Sec. 4, eff. May 14, 1987. Amended by Acts 1991, 72nd Leg., ch. 582, Sec. 14, eff. Jan. 1, 1992. Redesignated from Vernon's Ann.Civ.St. art. 601b, Sec. 3.051 and amended by Acts 1995, 74th Leg., ch. 41, Sec. 3, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 345, Sec. 1, eff. Sept. 1, 1997.

SUBCHAPTER B. BONDS

Sec. 465.021. DEFINITIONS. In this subchapter:

(1) "Bond" means any type of obligation under this chapter, including a bond, note, draft, bill, warrant, debenture, interim certificate, revenue or bond anticipation note, contract for the purchase of property, whether in the form of an installment purchase, conditional purchase, lease with option to purchase, or other form the commission considers appropriate, or other evidence of indebtedness.

(2) "Eligible undertaking" means any undertaking, whether or not capital in nature, that is described in or is necessary to the fulfillment of offers made in the siting proposal described by Section 465.008(a) or is otherwise determined by the commission to have been made necessary or desirable to effect the siting, development, and operation of the superconducting super collider research facility in the state.

(3) "Financing corporation" means any nonprofit financing corporation created by the commission pursuant to Section 465.008(g) to issue revenue bonds on behalf of the commission pursuant to this chapter.

(4) "Fund" means the superconducting super collider fund in the state treasury.

(5) "Revenue" means:

(A) revenue received by or on behalf of the commission in connection with the superconducting super collider or any eligible undertaking;

(B) money appropriated to the commission by the

legislature for the purpose of paying debt service on the commission's revenue bonds; and

(C) rents, installment payments, or other payments or revenues derived by any financing corporation from the lease, installment sale, or other use or disposition of property.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989. Amended by Acts 1989, 71st Leg., ch. 397, Sec. 4, eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 582, Sec. 6, eff. Sept. 1, 1991.

Sec. 465.022. BONDS AUTHORIZED. (a) The commission may issue, sell, and deliver general obligation bonds of the state and may issue, sell, and deliver or cause any financing corporation to issue, sell, and deliver revenue bonds. The proceeds of the bonds may be used to carry out eligible undertakings, to make loans to fund or otherwise fund eligible undertakings carried out by others, to pay the cost of interest on any bonds for the period specified in the resolution authorizing the bonds, to fund required reserves relating to any bonds, and to pay the costs of issuance of any bonds and the administration of the proceeds. The principal amount of general obligation bonds authorized by this section may not exceed \$250 million and the principal amount of revenue bonds authorized by this section, which are payable from money appropriated to the commission by the legislature for that purpose or which are payable from or secured by rents, installment payments, or other payments or revenues appropriated from time to time by the legislature for the payment of lease, contract, or other obligations of the commission, may not exceed \$250 million.

(b) The Texas Public Finance Authority shall exercise the authority of the commission to issue bonds under this subchapter, including the issuance of refunding bonds. The Texas Public Finance Authority is subject to all rights, duties, and conditions set forth in this subchapter with respect to the issuance of bonds by the commission.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989. Amended by Acts 1989, 71st Leg., ch. 397, Sec. 6, eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 582, Sec. 7, eff. Sept. 1, 1991; Acts 1991, 72nd Leg., 1st C.S., ch. 4, Sec. 14.06, eff. Jan. 1, 1992; Acts 1995, 74th Leg., ch. 376, Sec. 2, eff. Sept. 1, 1995; Acts 1995, 74th Leg., ch. 376, Sec. 3(a), eff. Nov. 7, 1995.

Sec. 465.023. FUND. (a) Proceeds of general obligation bonds shall be deposited in the fund and applied in accordance with the resolution authorizing the bonds. The fund may, at the direction of the commission, receive from any person money that is to be administered by the commission and used to carry out eligible undertakings or to fund eligible undertakings carried out by others.

(b) The fund consists of the project account, the interest and sinking account, and other accounts that the commission shall authorize to be created and maintained.

(c) The fund and the accounts within it shall be held in trust by the comptroller for and on behalf of the commission and the owners of the general obligation bonds issued in accordance with this section and may be used without further appropriation only as provided by this subchapter.

(d) Pending its use, money in the fund shall be invested as provided by resolution of the commission, and investment income shall be added to the fund. The comptroller shall invest the fund in investments authorized by law for state deposits.

(e) If, while general obligation bonds are payable from the fund, the commission determines that there will not be sufficient money in the interest and sinking account during the following fiscal year to pay the principal of or interest on the general obligation bonds or both the principal and interest that are to come due during the following fiscal year, the comptroller shall transfer to the fund the first money coming into the state treasury not otherwise appropriated by the constitution in an amount sufficient to pay the obligations.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989. Amended by Acts 1997, 75th Leg., ch. 1423, Sec. 8.17, eff. Sept. 1, 1997.

Sec. 465.024. REVENUE BONDS. (a) Revenue bonds issued under this subchapter are not a debt or pledge of the faith and credit or the taxing power of the state but are payable solely from revenues arising under this subchapter that are pledged to the repayment of the revenue bonds. To the extent that pledged revenues directly or indirectly include amounts appropriated by the legislature, the

revenue bonds shall state on their face that those revenues shall be available to pay debt service only if appropriated by the legislature for the payment of debt service or the payment of lease, contract, or other obligations of the commission.

(b) Each revenue bond must contain on its face a statement to the effect that:

(1) neither the state nor any agency, political corporation, or political subdivision of the state is obligated to pay the principal of or interest on the bonds except as provided by this subsection; and

(2) neither the faith and credit nor the taxing power of the state or any agency, political corporation, or political subdivision of the state is pledged to the payment of the principal of or interest on the bonds.

(c) The commission and any financing corporation may make additional covenants with respect to its revenue bonds and the pledged revenues and may provide for the flow of funds and the establishment and maintenance and investment of funds, which may include interest and sinking funds, reserve funds, and other funds. Those funds and the income from their investment shall be kept and maintained in escrow and in trust by the comptroller for and on behalf of the commission or the financing corporation, as applicable, and the owners of its revenue bonds, in funds held outside the treasury under Section 404.073. Those funds shall be used only as provided by this subchapter and pending their use shall be invested as provided by resolution of the commission or the financing corporation, as applicable. The comptroller shall invest the funds in investments authorized by law for state deposits. The comptroller, as custodian, shall administer those funds strictly and only as provided by this section and in the resolutions of the commission or the financing corporation, as applicable. The state may not take action with respect to those funds other than that specified in this chapter and in the resolutions of the commission or the financing corporation, as applicable. The commission or the financing corporation, as applicable, may provide in the resolution authorizing its revenue bonds for the issuance of additional bonds to be equally and ratably secured by a lien on the revenues and receipts or for the issuance of subordinate lien bonds.

(d) A financing corporation may provide for the payment of the principal and interest on its revenue bonds by pledging all or part of the rents, installment payments, or other payments or revenues derived from contracts or the lease, installment sale, or other use or disposition of property. However, all payments pursuant to contracts, leases, installment sale contracts, or other agreements with the commission are contingent on the legislature's appropriation of sufficient funds for the payments during each fiscal period. If sufficient appropriated funds are unavailable, if the commission fails or refuses to pay rents, installment payments, or other payments, or if the commission fails or refuses to renew a contract or lease agreement, a financing corporation may take whatever action is necessary to ensure that the payment of principal of and interest on its revenue bonds is continued without interruption, including repossession, re-leasing, subleasing, or sale of the property in question.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989. Amended by Acts 1989, 71st Leg., ch. 397, Sec. 7, eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 582, Sec. 8, eff. Sept. 1, 1991; Acts 1997, 75th Leg., ch. 1423, Sec. 8.18, eff. Sept. 1, 1997.

Sec. 465.025. FORM. (a) The bonds may be issued from time to time in one or more series or issues, in bearer, registered, or any other form, which may include registered uncertificated obligations not represented by written instruments and commonly known as book-entry obligations, the registration of ownership and transfer of which shall be provided for by the commission or any financing corporation, with respect to revenue bonds issued by the financing corporation, under a system of books and records maintained by the commission or the financing corporation, as applicable, or by an agent appointed by the commission or the financing corporation, as applicable, in a resolution providing for issuance of its bonds. The revenue bonds may be sold and delivered pursuant to a negotiated or competitive sale. The general obligation bonds may be sold pursuant to a competitive sale. The bonds may be sold and delivered at a price that may include an original discount or premium, all in the manner and under the terms, conditions, and details determined by the commission or the

financing corporation, as applicable, in the resolution authorizing their issuance. Bonds may mature serially or otherwise not more than 50 years from their date.

(b) Bonds may bear no interest or may bear interest at a rate or rates, fixed, variable, floating, or otherwise, determined by the commission or a financing corporation, as applicable, or determined pursuant to any contractual arrangements approved by the commission or the financing corporation, as applicable, not to exceed the maximum net effective interest rate allowed by Chapter 1204. Interest on the bonds may be payable at any time and the rate of interest on the bonds may be adjusted at a time determined by the commission or the financing corporation, as applicable, or as determined by contractual arrangement approved by the commission or the financing corporation, as applicable.

(c) In connection with the issuance of its bonds, the commission and any financing corporation may exercise the powers granted to the governing body of an issuer in connection with the issuance of obligations under Chapter 1371 to the extent not inconsistent with this section.

(d) The bonds may be issued in the form and denominations and executed in the manner and under the terms, conditions, and details determined by the commission or a financing corporation, as applicable, in the resolution authorizing their issuance. The bonds issued by the commission must be signed on behalf of the state by the governor, have the state seal impressed on them, and be attested by the secretary of state. If any officer whose manual or facsimile signature appears on the bonds ceases to be an officer, the signature is still valid and sufficient for all purposes as if the officer had remained in office.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989. Amended by Acts 1989, 71st Leg., ch. 397, Sec. 8, eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 582, Sec. 9, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 300, Sec. 32, eff. Aug. 30, 1993; Acts 2001, 77th Leg., ch. 1420, Sec. 8.234, eff. Sept. 1, 2001.

Sec. 465.026. ADDITIONAL SECURITY. The bonds may be secured additionally by a trust indenture, under which the trustee may be a financial institution, domiciled inside or outside the state, that has trust powers.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989.

Sec. 465.027. BOND REVIEW. (a) All bonds issued by the commission or any financing corporation are subject to review and approval by the attorney general and, if approved, shall be registered by the comptroller. If bonds issued by any financing corporation are secured by a contract, lease, installment sale contract, or other agreement with the commission, the contract, lease, installment sale contract, or other agreement shall also be submitted to the attorney general for review and approval. After approval of the bonds and any contract, lease, installment sale contract, or other agreement and the registration of the bonds by the comptroller, the bonds and any contract, lease, installment sale contract, or other agreement are incontestable in any court or other forum for any reason and are valid and binding obligations for all purposes in accordance with their terms.

(b) Bonds may not be issued under this section unless the issuance has been reviewed and approved by the bond review board.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 582, Sec. 10, eff. Sept. 1, 1991.

Sec. 465.028. BOND OWNERS' RIGHTS. The state pledges to and agrees with the owners of any bonds issued in accordance with this section that the state will not limit or alter the rights vested in the commission or any financing corporation, as applicable, to fulfill the terms of agreements made with the owners of the bonds or impair the rights and remedies of those owners until those bonds, together with any premium and the interest on the bonds and all costs and expenses in connection with an action or proceeding by or on behalf of those owners, are fully met and discharged. The commission or any financing corporation, as applicable, may include this pledge and agreement of the state in an agreement with the owners of those bonds. Payment of the bonds and performance by the commission or any financing corporation, as applicable, of its functions and duties under this section and the Texas Constitution may be enforced in the state supreme court by mandamus or other appropriate proceeding.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 582, Sec. 11, eff. Sept. 1, 1991.

Sec. 465.029. AS AUTHORIZED INVESTMENTS OR SECURITY. (a) The bonds are a legal and authorized investment for a bank, trust company, savings and loan association, insurance company, fiduciary, trustee, or guardian or a sinking fund of a municipality, county, school district, or political subdivision of the state.

(b) The bonds may secure deposits of public funds of the state, a municipality, a county, a school district, or another political corporation or subdivision of the state. A coupon bond may provide this security up to its value if all unmatured coupons are attached.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989.

Sec. 465.030. REFUNDING. The commission and any financing corporation may issue bonds to refund all or part of the outstanding bonds of the commission or the financing corporation, including matured but unpaid interest, in whole or in part, in the manner provided by other applicable statutes, including Chapter 1207. If the provision for the payment of all interest and applicable premiums on and principal of revenue bonds issued under this subchapter has been made through the irrevocable deposit of money with the comptroller as provided by an applicable statute, the amount of the revenue bonds may no longer be charged against the issuing authority of the commission and the financing corporations, and on the making of that provision the issuing authority is restored to the extent of the principal amount of the revenue bonds. Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989. Amended by Acts 1989, 71st Leg., ch. 397, Sec. 9, eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 582, Sec. 11, eff. Sept. 1, 1991; Acts 1997, 75th Leg., ch. 1423, Sec. 8.19, eff. Sept. 1, 1997; Acts 2001, 77th Leg., ch. 1420, Sec. 8.235, eff. Sept. 1, 2001.

Sec. 465.031. TAX EXEMPT. The bonds, a transaction relating to the bonds, or a profit made in the sale of the bonds is exempt from taxation by the state, an agency or subdivision of the state, a municipality, or a special district.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989.

Sec. 465.032. AUTHORIZATION CONTINGENCY AND LIMITATION. (a) The commission may not issue bonds before the Secretary of Energy or other officer of the United States government has signed a record of decision setting forth a decision to locate a superconducting super collider in this state. However, the commission may enter into agreements with the United States government or others that will commit the commission to issue bonds for eligible undertakings conditioned on siting of the superconducting super collider in the state.

(b) The commission and any financing corporation may not issue bonds after August 31, 1999.

Added by Acts 1989, 71st Leg., ch. 4, Sec. 2.69(a), eff. Sept. 1, 1989. Amended by Acts 1989, 71st Leg., ch. 397, Sec. 10, eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 582, Sec. 12, eff. Sept. 1, 1991.