

GOVERNMENT CODE

CHAPTER 1434. COUNTY AND MUNICIPAL HIGHER EDUCATION IMPROVEMENT BONDS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1434.001. APPLICABILITY OF CHAPTER. This chapter applies only to:

(1) a home-rule municipality with a population of 25,000 or more that has a general academic teaching institution located within its boundaries; or

(2) a county within which a municipality described by Subdivision (1) is located.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1434.002. DEFINITIONS. In this chapter:

(1) "Institution of higher education" means:

(A) an institution of higher education as defined by Section 61.003, Education Code; or

(B) a private, nonprofit institution of higher education that is accredited by the recognized accrediting agency and is located and authorized to operate in this state, other than a private institution of higher education operated exclusively for sectarian purposes.

(2) "Public security" has the meaning assigned by Section 1201.002.

(3) "Recognized accrediting agency" has the meaning assigned by Section 61.003, Education Code.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1434.003. LEGISLATIVE FINDING. The legislature finds that the assistance provided by counties and municipalities in promoting and providing higher education opportunities for residents of this state will encourage the development and diversification of the economy of this state and the elimination of unemployment and underemployment in this state.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER B. ISSUANCE OF BONDS

Sec. 1434.051. FINANCING OF PERMANENT IMPROVEMENTS BY COUNTY OR MUNICIPALITY. (a) A county or a municipality may:

(1) issue public securities, including certificates of obligation, to acquire, construct, or improve land, buildings, or other permanent improvements for use by an institution of higher education located within a county to which this chapter applies; and

(2) impose ad valorem taxes to pay the principal of and interest on those securities and to provide a sinking fund.

(b) The county or municipality shall:

(1) issue any public securities and impose the taxes in accordance with the applicable provisions of Subtitles A, C, D, and E; and

(2) if the securities are certificates of obligation, issue any certificates and impose the taxes in accordance with Subchapter C, Chapter 271, Local Government Code.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1434.052. JOINT FINANCING BY COUNTY AND MUNICIPALITY. (a) A county and a municipality may jointly issue public securities and impose ad valorem taxes for a purpose described by Section 1434.051.

(b) The commissioners court of the county and the governing body of the municipality shall determine the appropriate proportion of the ad valorem taxes to be imposed by the county and by the municipality.

(c) A public security proposition that is submitted must distinctly specify the proportion of ad valorem taxes to be imposed by the county and by the municipality.

(d) The county and municipality shall issue the public securities and impose the taxes in accordance with the applicable provisions of Subtitles A, C, D, and E.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1434.053. LIMIT ON TAXES. The only limits on the amount of taxes that may be imposed to pay the principal of and interest on public securities, including certificates of obligation, issued under this chapter are those provided by the Texas Constitution.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1434.054. PROJECT APPROVAL BY TEXAS HIGHER EDUCATION COORDINATING BOARD. (a) Before public securities are issued under this chapter, the Texas Higher Education Coordinating Board or its successor agency must review the project to be acquired,

constructed, or improved. The board or its successor agency shall conduct hearings to review the project in accordance with Chapter 61, Education Code.

(b) Public securities may not be issued under this chapter unless the board or its successor agency approves the acquisition, construction, or improvement of the project to be financed through the issuance of the public securities.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

SUBCHAPTER C. DONATION OR USE OF PERMANENT IMPROVEMENTS

Sec. 1434.101. DONATION OF PERMANENT IMPROVEMENTS. (a) A county or municipality may donate to a general academic teaching institution a permanent improvement acquired, constructed, or improved by the county, by the municipality, or by the county and the municipality jointly.

(b) The donation is not subject to any law of this state governing the disposition of property owned by a county or municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.

Sec. 1434.102. USE OF PERMANENT IMPROVEMENTS. (a) A municipality may allow a state four-year institution of higher education or a university system to use land or buildings acquired by the municipality.

(b) This section does not apply to an institution of higher education that is supported in any way by revenue from a local tax base.

(c) A use under this section is a municipal purpose and a public use for the municipality.

Added by Acts 1999, 76th Leg., ch. 227, Sec. 1, eff. Sept. 1, 1999.