

CHAPTER 681

S.B. No. 1435

An Act relating to the issuance of bonds for building projects or energy efficiency improvement projects by the Texas Public Building Authority, to specific projects, to fees, and to handling of funds and bond proceeds; amending Sections 2, 9, 11, 12, 23, 24, 25, 26, and 28, Texas Public Building Authority Act (Article 601d, Vernon's Texas Civil Statutes).

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Sections 2, 9, 11, 12, 23, 24, 25, 26, and 28, Texas Public Building Authority Act (Article 601d, Vernon's Texas Civil Statutes), are amended to read as follows:

"Section 2. **PURPOSE.** The purpose of this Act is to provide a method of financing for the acquisition, construction, repair, renovation, or other improvement of buildings for the use of state agencies and institutions in Travis County, Texas, *and of energy efficiency improvement projects for the exclusive use by those state agencies or institutions listed in Section 24 of this Act in various counties of the State of Texas.*"

"Section 9. **ISSUANCE OF BONDS.** The board may issue and sell bonds in the name of the authority to finance the acquisition, construction, repair, renovation, or other improvement of buildings for the use of state agencies and institutions in Travis County, Texas, *and energy efficiency improvement projects for the exclusive use of state agencies or institutions at the specific locations listed in Section 24 of this Act in various counties of the State of Texas.*"

"Section 11. **SCOPE OF POWER.** (a) The board's authority under Section 9 of this Act is limited to the financing of a project and does not affect the authority of the State Purchasing and General Services Commission, or any other state agency or institution, to carry out its statutory authority, including its authority to construct buildings, relating to the project.

"(b) The State Purchasing and General Services Commission or other agency or institution involved shall carry out its statutory authority regarding a project financed under this Act as if the project were financed by legislative appropriation.

"(c) The board and the State Purchasing and General Services Commission, with respect to building projects, or another agency or institution involved, with respect to energy efficiency improvement projects, shall adopt a memorandum of understanding that defines the division of authority between the board and the commission or agency or institution to carry out the intent of this section.

"Section 12. **MANNER OF REPAYMENT OF BONDS.** (a) The board may provide for the payment of the principal of and interest on the bonds issued under Section 9 of this Act relating to a project ~~[building]~~:

"(1) by pledging all or any part of the designated rents, issues, and profits from leasing the project ~~[building]~~ to the state through the State Purchasing and General Services Commission or occupying or using state agency or institution; or

"(2) from any other source of funds lawfully available to the board.

"(b) From funds appropriated for the purpose of paying utility expenses or rental charges on improvements acquired, constructed, renovated, or repaired under this Act, the State Purchasing and General Services Commission or occupying or using state agency or institution shall pay to the board an amount determined by the board to be sufficient to pay the principal of and interest on the bonds and to maintain any reserve fund required for servicing the debt.

"(c) The commission shall set the rents, with respect to building projects, and the appropriate state agency or institution shall set rents or other charges, with respect to energy efficiency projects, in amounts sufficient to provide the revenue required by the board.

"(d) All lease contracts entered into under this Act shall be subject to the appropriation by the legislature of funds necessary to cover the provisions of the lease, except that if at any time the state fails or refuses to pay the rental provided in such a lease contract or fails or refuses to renew an existing lease contract at a rental provided to be paid, the board may lease or sublease the property covered by the lease contract to any person or entity on terms that the board determines.

"(e) The board may lease space in projects *financed* ~~[constructed]~~ under this Act to any person or entity under the terms that the board determines if the space cannot be leased to the State Purchasing and General Services Commission or other state agency or institution."

"Section 23. **BOND PROCEEDS.** On issuance of bonds necessary to finance the projects authorized by this Act, the board shall certify to the State Purchasing and General Services Commission, with respect to building projects, or to the appropriate agency or institution, with respect to energy efficiency improvement projects; and to the comptroller of public accounts that the funds are available and shall deposit the bond proceeds in the state treasury to the account of the State Purchasing and General Services Commission, with respect to building projects, or to the appropriate agency or institution, with respect to energy efficiency improvement projects, for the specific projects. Once the funds are deposited and the comptroller of public accounts has certified that the funds are available and after transfer of reserve funds and capitalized interest as certified to be reasonably required by the authority and payment of the costs of issuance of the bonds upon receipt of a certificate of the authority specifying the costs, the State Purchasing and General Services Commission, with respect to building projects, or the appropriate agency or institution, with respect to energy efficiency improvement projects, shall begin the projects, and the funds so deposited are appropriated to the State Purchasing and General Services Commission or the appropriate agency or institution for those purposes. The State Treasurer shall invest, with the concurrence of the board, the unexpended bond proceeds and investment income thereon, credited to the account of the State Purchasing and General Services Commission, with respect to building projects, or to the appropriate agency or institution, with respect to energy efficiency improvement projects, in investments approved by law for the investment of state funds. Investment income needed for project costs as determined by the board shall be credited to the account of the State Purchasing and General Services Commission, with respect to building projects, or to the appropriate agency or institution, with respect to energy efficiency improvement pro-

jects. Investment income not needed for project costs as determined by the board shall be credited to and accounted for in the state lease fund in the State Treasury. Notwithstanding the provisions of Article 2543d, Revised Statutes, depository interest earned on the unexpended bond proceeds [funds] shall be credited to and accounted for in the state lease fund in the state treasury.

"Section 24. SPECIFIC PROJECTS. (a) The following projects are approved for financing under this Act:

(I) Buildings:

Project	Estimated Cost of Project
(1) Construction related to the Texas Youth Commission, Texas Rehabilitation Commission state office building	\$ 10,500,000
(2) Purchase and renovation of the Texas Employment Commission property	26,750,000
(3) Addition to Supreme Court Building and associated parking structure	55,177,000
(4) Texas Education Agency Building renovation	5,385,000
(5) Addition to State Library Records Storage Center	7,046,000
(6) Addition to Central Services Building	2,630,943
(7) John H. Winters Human Services Warehouse	4,705,000
(8) New office building at Texas Department of Health Complex	10,218,000
(9) Expansion of Texas Youth Commission, Texas Rehabilitation Commission	18,683,000
Total	141,094,943

(II) Energy Efficiency Improvement Projects:

Project	Estimated Cost of Project
(1) University of Houston	1,775,057
(2) Texas Woman's University	395,045
(3) East Texas State University	419,871
(4) University of Houston, Clear Lake	566,465
(5) Texas Tech University	479,014
(6) Texas Southern University	1,223,129
(7) Texas Tech Health Science Center (Lubbock)	587,724
(8) Texas A&I University	577,700
(9) Prairie View A&M University	901,860
(10) Texas Department of Health	530,100
(11) Midwestern State University	479,000
(12) Texas Department of MHMR	3,885,987
Total	11,820,952

"(b) In recognition that the amounts herein are estimated and that bonds may be issued to fund associated costs, including but not limited to reasonably required reserve funds, capitalized interest, administrative costs of the authority, and issuing expenses, the principal amount of any bond issue may be one and one-half the amount of the estimated cost for the project

(s) being financed.

"Section 25. RENT AND FEES. The State Purchasing and General Services Commission, with respect to building projects, or the appropriate state agency or institution, with respect to energy efficiency improvement projects, shall establish schedules necessary to properly charge state agencies occupying or using projects authorized by this Act for the expenses incurred in financing the project. Using state agencies shall pay to the State Purchasing and General Services Commission, with respect to building projects, or to the appropriate state agency or institution, with respect to energy efficiency improvement projects, from all funds appropriated to the agency for those purposes, in their proper proportion, the amount determined by the State Purchasing and General Services Commission or the appropriate state agency or institution as the necessary payment for the period or periods when [the commission has determined] the payments are due. Payments received by the commission or agency or institution under this section shall be deposited to the credit to the state lease fund. The legislature may, in the alternative, provide for direct appropriation of the necessary funds for using agencies to the state lease fund.

"Section 26. STATE LEASE FUND. The state lease fund created by Article II, Chapter 700, Acts of the 68th Legislature, Regular Session, 1983 (Article 601c, Vernon's Texas Civil Statutes), may be used to finance appropriations to the State Purchasing and General Services Commission or other state agencies or institutions for payment of rents and fees to the

authority. In addition, the legislature may transfer funds on deposit in the state lease fund to the *Texas capital trust fund* [~~General Revenue Fund~~] for such other purposes as the legislature may determine *after all bonds have been duly paid or provided for.*"

"Section 28. CONVEYANCE OF PROPERTY. (a) When the principal of and interest on bonds relating to a project financed under this Act are paid in full and the building or facility involved in the project is free of all liens, the board shall certify to the State Purchasing and General Services Commission or occupying or using state agency or institution that rentals are no longer required to service the bond debt.

"(b) On making the determination called for in Subsection (a) of this section, the board shall, for the sum of \$1.00, convey title of the completed project, including any real property involved in the project, to the State Purchasing and General Services Commission or designated occupying or using state agency or institution."

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed the Senate on May 15, 1985, by the following vote: Yeas 30, Nays 0; May 24, 1985, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 26, 1985, House granted request of the Senate; May 27, 1985, Senate adopted Conference Committee Report by the following vote: Yeas 30, Nays 1; passed the House, with amendments, on May 23, 1985, by a non-record vote; May 26, 1985, House granted request of the Senate for appointment of Conference Committee; May 27, 1985, House adopted Conference Committee Report by a non-record vote.

Approved: June 14, 1985

Effective: August 26, 1985