

CHAPTER 626

H.B. No. 1874

AN ACT

relating to the financing of the renovation of the State Capitol through bonds issued by the Texas Public Building Authority; providing an appropriation.

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

SECTION 1. DEFINITIONS. In this Act:

- (1) "Authority" means the Texas Public Building Authority.
- (2) "Board" means the board of directors of the authority.

SECTION 2. ISSUANCE OF BONDS. (a) The board may issue and sell bonds in one or more series in the name of the authority to finance the repair and renovation of the State Capitol, or other improvements related to the Capitol. The estimated cost of the repair and renovation is \$45 million.

(b) In recognition that the amounts stated in this section are estimates and that bonds may be issued to fund associated costs, including reasonably required reserve funds, capitalized interest, administrative costs incurred by the authority, and issuing expenses, the principal amount of any bond issue may equal an amount not to exceed one and one-half times the amount of the estimated cost for the project being financed.

SECTION 3. BOND PROCEEDS; APPROPRIATION. (a) On issuance of bonds under Section 2 of this Act, the board shall certify to the State Preservation Board 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 Preservation Board.

(b) Once the funds are deposited and the comptroller of public accounts has certified that the funds are available, and after transfer of any reserve funds or capitalized interest certified to be reasonably required by the authority and payment of the costs of issuance of the bonds based on a statement by the authority that specifies those costs, the State Preservation Board may begin projects under this Act, and the funds are appropriated to the State Preservation Board for that purpose. The appropriated funds may be used only for those purposes and projects certified and adopted by rule of the State Preservation Board.

(c) With the concurrence of the board, the state treasurer shall invest the unexpended bond proceeds and the investment income on those unexpended proceeds in investments approved by law for the investment of state funds. Any investment income required for project costs and not required to be rebated to the federal government, as determined by the board, shall be credited to the State Preservation Board. Investment income not required for project costs and not required to be rebated to the federal government shall be allocated as provided by Section 3.042, Treasury Act (Article 4393-1, Vernon's Texas Civil Statutes).

SECTION 4. REPAYMENT OF BONDS. (a) The board may provide for the repayment of the principal and interest on the bonds issued under this Act from any source of funds lawfully available to the board.

(b) From funds appropriated for the purpose, the State Preservation Board shall pay to the board under a lease agreement an amount determined by the board to be sufficient to:

- (1) pay the principal and interest on the bonds;
- (2) maintain any reserve fund necessary to service the debt; and
- (3) reimburse the authority for other costs and expenses incurred by the authority relating to a project under this Act or to outstanding bonds.

(c) Bonds payable from money appropriated by the legislature shall not mature or be subject to redemption before September 1, 1989, and the date of the first interest payment to be made from appropriated money shall not be scheduled to occur before September 1, 1989.

SECTION 5. APPLICATION OF PUBLIC BUILDING AUTHORITY ACT. Bonds issued under this Act are subject to the provisions of Sections 13, 14, 15, 16, 17, 18, 19, and 20 of the Texas Public Building Authority Act (Article 601d, Vernon's Texas Civil Statutes).

SECTION 6. LEASE AGREEMENTS; PAYMENTS. The State Preservation Board may enter lease agreements under this Act, and may spend funds appropriated by the legislature, or received from any other available source, for the purpose of making lease payments under this Act.

SECTION 7. STATUS OF PROPERTY. Property financed by the authority under this Act does not become part of other property to which it may be attached or affixed or into which it may be incorporated, regardless of whether the other property is real or personal. The rights of the State Preservation Board in property financed by the authority under this Act are those of a lessee, and a person claiming under or through the State Preservation Board does not acquire any greater rights with respect to that property.

SECTION 8. EFFECTIVE DATE. This Act takes effect September 1, 1987.

SECTION 9. EMERGENCY. 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.

Passed by the House on April 28, 1987, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 1874 on May 20, 1987, by a non-record vote; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas. Passed by the Senate, with amendments, on May 18, 1987, by a viva-voce vote; passed subject to the provisions of Article III, Section 49a, of the Constitution of the State of Texas.

Approved June 19, 1987.

Effective Sept. 1, 1987.