

APPROPRIATIONS AND REVENUE SOURCES
PUBLIC FACILITIES CORPORATIONS

CAO
(LEGAL)

Authorization

A governing body of a sponsor, including a college district, that determines that it is in the public interest and to the benefit of the sponsor's residents and the citizens of this state that a corporation be created to finance, refinance, or provide the costs of public facilities of the sponsor may by resolution stating that determination authorize and approve the creation of a corporation to act on behalf of the sponsor and approve proposed articles of incorporation for the corporation as described by Local Government Code Chapter 303, Subchapter B. *Local Gov't Code 303.023*

Purpose

A sponsor may create one or more nonmember, nonstock, nonprofit public facility corporations to:

1. Issue bonds under Local Government Code Chapter 303, including bonds to purchase sponsor obligations;
2. Finance public facilities on behalf of the sponsor; or
3. Loan the proceeds of the obligations to other entities to accomplish the purposes of the sponsor.

Local Gov't Code 303.021(a)

Use of the Corporation

A sponsor may use the corporation to acquire, construct, rehabilitate, renovate, repair, equip, furnish, or place in service public facilities or to issue bonds on the sponsor's behalf to finance the cost of the public facilities. *Local Gov't Code 303.021(b)*