

BILL ANALYSIS

S.B. 1895
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Urban Affairs
Committee Report (Amended)

BACKGROUND AND PURPOSE

Currently, a municipality with a population of 1.5 million or more may enter into leases for terms not to exceed 60 years if the lessee proposes to invest more than \$20 million to renovate or redevelop an existing civic center building and facilities and the governing body of the municipality finds that the renovated building and facilities will generate additional revenue for the municipality and a term that exceeds 30 years is necessary to the lessee to recoup its investment or to obtain financing for the project. As proposed, S.B. 1895 adjusts the population bracket from 1.5 million to 1 million, and adds that municipalities can enter into leases with lessees who propose to construct a new building or facilities on land administered, operated, or used as a civic center property.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1504.012, Government Code, to authorize a municipality with a population of 1 million or more, rather than 1.5 million or more, to enter into leases for terms not to exceed 60 years if, the lessee proposes to invest more than \$20 million to develop a new building or facilities on land administered, operated, or used as a civic center property and, the governing body of the municipality finds that the renovated or redeveloped building and facilities or the new building or facilities will generate additional revenue for the municipality.

SECTION 2. Effective date

EFFECTIVE DATE: Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

EXPLANATION OF AMENDMENTS

Committee Amendment #1 would allow cities of 1 million or more to enter into leases for terms not to exceed 60 years if, the lessee proposes to invest more than \$20 million to develop a new building or facilities on land administered, operated, or used as a civic center property and, the governing body of the municipality finds that the renovated or redeveloped building and facilities or the new building or facilities will generate additional revenue for the municipality.