

BILL ANALYSIS

C.S.H.B. 548

By: Delisi

Defense Affairs & State-Federal Relations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Voter-approved local funds of one-eighth cent to one-half cent local sales taxes, authorized under Article 5190.6, Development Corporation Act, have been used in a variety of ways by communities to raise funds for economic development projects. In the past, communities were able to address infrastructure development around military bases as economic development projects under this provision. Legislation from the 78th Legislature, however, contained a provision that removed the ability to use such funds, commonly referred to as "4A/4B," to address economic development needs around military bases. CSHB548 would restore this ability, allowing communities to once again use local 4A/4B funds for the economic development of areas in and around military facilities to promote or support local bases, attract new missions, or to redevelop a closed or realigned facility.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1 adds military facilities, including closed or realigned bases, to the definition of an authorized economic development "project." It further clarifies that infrastructure improvements, land acquisitions, buildings, or expenditures that are found suitable for supporting an active military base to prevent closure, attracting new missions to already-existing bases, or redeveloping a military base that has been closed or realigned are eligible "projects." This section also allows projects that are for the creation or retention of primary jobs, to include jobs included in the North American Industry Classification System for the corresponding index entry for Coast Guard (except academy).

SECTION 2 of the bill clarifies the definition of "primary job" by adding jobs that are classified by the North American Industry Classification System as National Security, sector number 928110, Armed Forces, Army, Navy, Air Force, Marine Corps, and Military Bases.

SECTION 3 gives permission to a corporation to own and operate a project as a business if the project is a military facility that has been closed or realigned.

EFFECTIVE DATE

Unless the Act receives the necessary votes in each house to take immediate effect, the Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

CSHB 548 modifies the original by including primary jobs involved with the Coast Guard, with jobs that may be created under the new definition of projects. It also adds closed or realigned military bases to the military facilities that qualify for authorized economic development "projects."