

BILL ANALYSIS

Senate Research Center
79R370 CLG-F

S.B. 252
By: Estes
S/C Base Realign and Closure
2/22/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current law authorizes local 4A/4B communities to use their 4A/4B funds for economic development projects as outlined under the appropriate North American Industry Classification System (NAICS) codes. However, this limits the use of 4A/4B taxes and hinders communities which will be attempting to preserve their bases through the upcoming round of Base Realignment and Closure.

As proposed, S.B. 252 fulfills the committee's recommendation of allowing for the strengthening of our military community infrastructure while limiting unintentional broad use of 4A/4B tax revenue. This legislation allows projects to promote or support an active military base; attract new military missions to a military base in active use; or redevelop a military base that has been closed or realigned. S.B. 252 also changes the pertinent NAICS sector number; this sector includes jobs described as national security; armed forces; Army; Navy; Air Force; Marines; and military bases.

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 2(11), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), to include military facilities in the definition of "project." Provides that "project" also includes the infrastructure improvements, land acquisition, buildings, or expenditures that are found by the board of directors to be required or suitable for certain military related activities. Makes a nonsubstantive change.

SECTION 2. Amends Section 2(17), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.) to include in the definition of "primary job" a job that is included in sector number 928110 of the North American Industry Classification System (NAICS) described as certain military entities and military bases. Makes nonsubstantive changes.

SECTION 3. Amends Section 23(b), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), to require the corporation to have all powers necessary to own and operate a project as a business if the project is a military installation or military facility that has been closed or realigned, including a military installation or facility closed or realigned pursuant to the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Section 2687 note) as amended.

SECTION 4. Effective date: upon passage or September 1, 2005.