

## **BILL ANALYSIS**

Senate Research Center

S.B. 1090  
By: Madla  
Veteran Affairs & Military Installations  
6/13/2005  
Enrolled

### **AUTHOR'S/SPONSOR'S STATEMENT OF INTENT**

Currently, the board of Kelly USA must seek approval from the City of San Antonio in order to borrow money or issue bonds. Current language is unclear as to whether Kelly USA can operate the former air force base as a cargo airport, rail facility, and port of entry. When Kelly USA, previously Greater Kelly Development Authority, was initially created, it enjoyed the same benefits as all other 4A/4B corporations as an economic development corporation. Kelly lost those privileges when it converted to "authority" status.

S.B. 1090 accomplishes three purposes. It allows the board of a defense base development authority to borrow and issue bonds by resolution. It clarifies that a defense base development authority may operate the facility as a cargo airport or a port facility, provide security for the port, and exercise any other requirement of the United States Department of Homeland Security. Lastly, it restores the tax status of the authority that was utilized when Kelly USA was first organized as a defense development corporation, but was subsequently lost in its transformation to a defense development authority.

### **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 379B.004(a), Local Government Code, as follows:

- (a) Makes modifications to the powers, necessary or convenient, that a defense base development authority established under this chapter (authority) is authorized to exercise to carry out a purpose of this chapter.

SECTION 2. Amends Section 379B.010(a), Local Government Code, to authorize an authority to issue bonds if authorized by a resolution of the board of directors of the authority, rather than only if the municipality that established the authority authorizes the issuance by resolution.

SECTION 3. Amends Section 379B.011(b), Local Government Code, to provide an exception to the requirement that voters of the municipality that created the authority have authorized the levy of a sales and use tax for the benefit of the authority.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2005.