

BILL ANALYSIS

S.B. 1090
By: Madla
Defense Affairs & State-Federal Relations
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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

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 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 authorizes 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 provides 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.

EFFECTIVE DATE

This Act takes effect September 1, 2005.