

By: Delisi, Homer, Farabee, Corte, Seaman,
et al.

H.B. No. 548

Substitute the following for H.B. No. 548:

By: Hodge

C.S.H.B. No. 548

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a project of a development corporation in connection
3 with a military base or facility.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 2(11), Development Corporation Act of
6 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended
7 to read as follows:

8 (11) [~~(A)~~] "Project" shall mean the land, buildings,
9 equipment, facilities, expenditures, targeted infrastructure, and
10 improvements (one or more) that are for the creation or retention of
11 primary jobs and that are found by the board of directors to be
12 required or suitable for the development, retention, or expansion
13 of manufacturing and industrial facilities, research and
14 development facilities, military facilities, including closed or
15 realigned military bases, transportation facilities (including but
16 not limited to airports, ports, mass commuting facilities, and
17 parking facilities), sewage or solid waste disposal facilities,
18 recycling facilities, air or water pollution control facilities,
19 facilities for the furnishing of water to the general public,
20 distribution centers, small warehouse facilities capable of
21 serving as decentralized storage and distribution centers, primary
22 job training facilities for use by institutions of higher
23 education, and regional or national corporate headquarters
24 facilities.

1 "Project" also includes job training required or
2 suitable for the promotion of development and expansion of business
3 enterprises and other enterprises described by this Act, as
4 provided by Section 38 of this Act.

5 "Project" also includes expenditures found by the board
6 of directors to be required or suitable for infrastructure
7 necessary to promote or develop new or expanded business
8 enterprises limited to streets and roads, rail spurs, water and
9 electric utilities, gas utilities, drainage and related
10 improvements, and telecommunications and Internet improvements.

11 "Project" also includes the infrastructure,
12 improvements, land acquisition, buildings, or expenditures that:

13 (A) are for the creation or retention of primary
14 jobs or jobs that are included in North American Industry
15 Classification System (NAICS) sector number 926120, Regulation and
16 Administration of Transportation Programs, for the corresponding
17 index entry for Coast Guard (except academy); and

18 (B) are found by the board of directors to be
19 required or suitable for:

20 (i) promoting or supporting a military base
21 in active use to prevent the possible future closure or realignment
22 of the base;

23 (ii) attracting new military missions to a
24 military base in active use; or

25 (iii) redeveloping a military base that has
26 been closed or realigned, including a military base closed or
27 realigned according to the recommendation of the Defense Base

1 Closure and Realignment Commission under the Defense Base Closure
2 and Realignment Act of 1990 (10 U.S.C. Section 2687 note).

3 SECTION 2. Section 2(17), Development Corporation Act of
4 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to
5 read as follows:

6 (17) "Primary job" means:

7 (A) a job that is:

8 (i) [~~(A)~~] available at a company for which
9 a majority of the products or services of that company are
10 ultimately exported to regional, statewide, national, or
11 international markets infusing new dollars into the local economy;
12 and

13 (ii) [~~(B)~~] included in one of the following
14 sectors of the North American Industry Classification System
15 (NAICS):

| 16 NAICS Sector # | Description |
|-------------------|--|
| 17 111 | Crop Production |
| 18 112 | Animal Production |
| 19 113 | Forestry and Logging |
| 20 11411 | Commercial Fishing |
| 21 115 | Support Activities for Agriculture and |
| 22 | Forestry |
| 23 211-213 | Mining |
| 24 221 | Utilities |
| 25 311-339 | Manufacturing |
| 26 42 | Wholesale Trade |
| 27 48-49 | Transportation and Warehousing |

1 51 (excluding 512131 Information (excluding movie theaters and
2 and 512132) drive-in theaters)
3 523-525 Securities, Commodity Contracts, and Other
4 Financial Investments and Related
5 Activities; Insurance Carriers and Related
6 Activities; Funds, Trusts, and Other
7 Financial Vehicles
8 5413, 5415, 5416, Scientific Research and Development Services
9 5417, and 5419
10 551 Management of Companies and Enterprises
11 922140 Correctional Institutions; or
12 (B) a job that is included in North American
13 Industry Classification System (NAICS) sector number 928110,
14 National Security, for the corresponding index entries for Armed
15 Forces, Army, Navy, Air Force, Marine Corps, and Military Bases.

16 SECTION 3. Section 23(b), Development Corporation Act of
17 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to
18 read as follows:

19 (b) The corporation shall not have the power to own or
20 operate any project as a business other than as lessor, seller, or
21 lender or pursuant to the requirements of any trust agreement
22 securing the credit transaction. Accordingly, the user pursuant to
23 any lease, sale, or loan agreement relating to a project shall be
24 considered to be the owner of the project for the purposes of the
25 application of any ad valorem, sales, and use taxes or any other
26 taxes levied or imposed by this state or any political subdivision
27 of this state. The purchase and holding of mortgages, deeds of

1 trust, or other security interests and contracting for any
2 servicing thereof shall not be deemed the operation of a project.
3 The corporation shall, however, have all powers necessary to own
4 and operate a project as a business if the project is a military
5 installation or military facility that has been closed or
6 realigned, including a military installation or facility closed or
7 realigned pursuant to the Defense Base Closure and Realignment Act
8 of 1990 (10 U.S.C. Section 2687 note) as amended.

9 SECTION 4. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2005.