

AN ACT

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

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

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

(11) [~~(A)~~] "Project" shall mean the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements (one or more) that are for the creation or retention of primary jobs and that are found by the board of directors to be required or suitable for the development, retention, or expansion of manufacturing and industrial facilities, research and development facilities, military facilities, including closed or realigned military bases, transportation facilities (including but not limited to airports, ports, mass commuting facilities, and parking facilities), sewage or solid waste disposal facilities, recycling facilities, air or water pollution control facilities, facilities for the furnishing of water to the general public, distribution centers, small warehouse facilities capable of serving as decentralized storage and distribution centers, primary job training facilities for use by institutions of higher education, and regional or national corporate headquarters 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 the Coast Guard 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. Subdivision (17), Section 2, Development  
4 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
5 Statutes), is amended to 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):

NAICS Sector #	Description
111	Crop Production
112	Animal Production
113	Forestry and Logging
11411	Commercial Fishing
115	Support Activities for Agriculture and Forestry
211-213	Mining
221	Utilities
311-339	Manufacturing
42	Wholesale Trade
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. Subsection (b), Section 23, Development  
17 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil  
18 Statutes), is amended to 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.

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 252 passed the Senate on March 17, 2005, by the following vote: Yeas 31, Nays 0.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 252 passed the House on April 5, 2005, by the following vote: Yeas 145, Nays 0, two present not voting.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor