

1-1 By: Estes, et al. S.B. No. 252
1-2 (In the Senate - Filed January 25, 2005; February 3, 2005,
1-3 read first time and referred to Subcommittee on Base Realignment
1-4 and Closure; March 2, 2005, reported to Committee on Veterans
1-5 Affairs and Military Installations; March 8, 2005, reported
1-6 adversely, with favorable Committee Substitute by the following
1-7 vote: Yeas 5, Nays 0; March 8, 2005, sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR S.B. No. 252 By: Estes

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to a project of a development corporation in connection
1-12 with a military base or facility.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subdivision (11), Section 2, Development
1-15 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
1-16 Statutes), is amended to read as follows:

1-17 (11) [~~(A)~~] "Project" shall mean the land, buildings,
1-18 equipment, facilities, expenditures, targeted infrastructure, and
1-19 improvements (one or more) that are for the creation or retention of
1-20 primary jobs and that are found by the board of directors to be
1-21 required or suitable for the development, retention, or expansion
1-22 of manufacturing and industrial facilities, research and
1-23 development facilities, military facilities, including closed or
1-24 realigned military bases, transportation facilities (including but
1-25 not limited to airports, ports, mass commuting facilities, and
1-26 parking facilities), sewage or solid waste disposal facilities,
1-27 recycling facilities, air or water pollution control facilities,
1-28 facilities for the furnishing of water to the general public,
1-29 distribution centers, small warehouse facilities capable of
1-30 serving as decentralized storage and distribution centers, primary
1-31 job training facilities for use by institutions of higher
1-32 education, and regional or national corporate headquarters
1-33 facilities.

1-34 "Project" also includes job training required or
1-35 suitable for the promotion of development and expansion of business
1-36 enterprises and other enterprises described by this Act, as
1-37 provided by Section 38 of this Act.

1-38 "Project" also includes expenditures found by the board
1-39 of directors to be required or suitable for infrastructure
1-40 necessary to promote or develop new or expanded business
1-41 enterprises limited to streets and roads, rail spurs, water and
1-42 electric utilities, gas utilities, drainage and related
1-43 improvements, and telecommunications and Internet improvements.

1-44 "Project" also includes the infrastructure,
1-45 improvements, land acquisition, buildings, or expenditures that:

1-46 (A) are for the creation or retention of primary
1-47 jobs or jobs that are included in North American Industry
1-48 Classification System (NAICS) sector number 926120, Regulation and
1-49 Administration of Transportation Programs, for the corresponding
1-50 index entry for Coast Guard (except the Coast Guard Academy); and

1-51 (B) are found by the board of directors to be
1-52 required or suitable for:

1-53 (i) promoting or supporting a military base
1-54 in active use to prevent the possible future closure or realignment
1-55 of the base;

1-56 (ii) attracting new military missions to a
1-57 military base in active use; or

1-58 (iii) redeveloping a military base that has
1-59 been closed or realigned, including a military base closed or
1-60 realigned according to the recommendation of the Defense Base
1-61 Closure and Realignment Commission under the Defense Base Closure
1-62 and Realignment Act of 1990 (10 U.S.C. Section 2687 note).

1-63 SECTION 2. Subdivision (17), Section 2, Development

2-1 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
2-2 Statutes), is amended to read as follows:

2-3 (17) "Primary job" means:

2-4 (A) a job that is:

2-5 (i) [~~(A)~~] available at a company for which
2-6 a majority of the products or services of that company are
2-7 ultimately exported to regional, statewide, national, or
2-8 international markets infusing new dollars into the local economy;
2-9 and

2-10 (ii) [~~(B)~~] included in one of the following
2-11 sectors of the North American Industry Classification System
2-12 (NAICS):

2-13	NAICS Sector #	Description
2-14	111	Crop Production
2-15	112	Animal Production
2-16	113	Forestry and Logging
2-17	11411	Commercial Fishing
2-18	115	Support Activities for Agriculture and Forestry
2-19		
2-20	211-213	Mining
2-21	221	Utilities
2-22	311-339	Manufacturing
2-23	42	Wholesale Trade
2-24	48-49	Transportation and Warehousing
2-25	51 (excluding 512131	Information (excluding movie theaters and
2-26	and 512132)	drive-in theaters)
2-27	523-525	Securities, Commodity Contracts, and Other
2-28		Financial Investments and Related
2-29		Activities; Insurance Carriers and Related
2-30		Activities; Funds, Trusts, and Other
2-31		Financial Vehicles
2-32	5413, 5415, 5416,	Scientific Research and Development Services
2-33	5417, and 5419	
2-34	551	Management of Companies and Enterprises
2-35	922140	Correctional Institutions; or

2-36 (B) a job that is included in North American
2-37 Industry Classification System (NAICS) sector number 928110,
2-38 National Security, for the corresponding index entries for Armed
2-39 Forces, Army, Navy, Air Force, Marine Corps, and Military Bases.

2-40 SECTION 3. Subsection (b), Section 23, Development
2-41 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
2-42 Statutes), is amended to read as follows:

2-43 (b) The corporation shall not have the power to own or
2-44 operate any project as a business other than as lessor, seller, or
2-45 lender or pursuant to the requirements of any trust agreement
2-46 securing the credit transaction. Accordingly, the user pursuant to
2-47 any lease, sale, or loan agreement relating to a project shall be
2-48 considered to be the owner of the project for the purposes of the
2-49 application of any ad valorem, sales, and use taxes or any other
2-50 taxes levied or imposed by this state or any political subdivision
2-51 of this state. The purchase and holding of mortgages, deeds of
2-52 trust, or other security interests and contracting for any
2-53 servicing thereof shall not be deemed the operation of a project.
2-54 The corporation shall, however, have all powers necessary to own
2-55 and operate a project as a business if the project is a military
2-56 installation or military facility that has been closed or
2-57 realigned, including a military installation or facility closed or
2-58 realigned pursuant to the Defense Base Closure and Realignment Act
2-59 of 1990 (10 U.S.C. Section 2687 note) as amended.

2-60 SECTION 4. This Act takes effect immediately if it receives
2-61 a vote of two-thirds of all the members elected to each house, as
2-62 provided by Section 39, Article III, Texas Constitution. If this
2-63 Act does not receive the vote necessary for immediate effect, this
2-64 Act takes effect September 1, 2005.

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