

BILL ANALYSIS

H.B. 1640
By: Sheffield
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Temple Health and Bioscience Economic Development District was created by legislation passed in the 78th Legislature in 2003 and subsequently approved by Temple voters. The first such district created in Texas, the Temple Health and Bioscience District is tasked with the development and creation of health and bioscience and biotechnology opportunities within the City of Temple.

The district, its partners, and the City of Temple work in cooperation to provide educational opportunities, a competent workforce, economic development, and increased research and research funding. The end result will see the creation of new, higher-paying jobs in the Central Texas community.

H.B. 1640 clarifies the ability of the district to issue various types of obligations and bonds and strengthens the district's ability to achieve its goals.

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

H.B. 1640 amends the Special District Local Laws Code establish that public purposes of the creation of the Temple Health and Bioscience Economic Development District include the following:

- development and diversification of the economy of the state;
- the elimination of unemployment or underemployment in the state;
- the stimulation of agricultural innovation;
- fostering the growth of enterprises based on agriculture; and
- the development or expansion of transportation or commerce in the state.

H.B. 1640 establishes that property owners in the district benefit from the district and its activities.

H.B. 1640 provides that all or part of the area of the district is eligible to be included in a tax increment reinvestment zone or a tax abatement reinvestment zone created by the City of Temple under provisions of the Tax Code. The bill authorizes the city and the board of directors of the zone, by contract with the district, if the City of Temple creates a tax increment reinvestment zone, to grant money deposited in the tax increment fund to the district for any purpose, including pledging the money as security for any bonds issued by the district for an improvement project or to give the district the power to manage or implement a reinvestment zone's project or financing plans.

H.B. 1640 authorizes the district to exercise any type of property right regarding any type of property interest located inside or outside the boundaries of the district and removes the requirement that the property be in the district or for use in the district. The bill includes the use of the improvements leased to or by the district among the uses of certain improvements for which the district may establish and maintain reasonable and nondiscriminatory rates, fares, charges, rents, or other fees or compensation. The bill authorizes the district to establish certain projects inside or outside the boundaries of the district.

H.B. 1640 specifies that a nonprofit corporation created by the board may be organized to perform biomedical or scientific research or biomedical or scientific education for the benefit of the public, and requires a nonprofit to assist and act for the district in implementing a project or providing a service authorized by the Texas Transportation Corporation Act.

H.B. 1640 prohibits the board from using the proceeds of bonds or other obligations that are payable wholly or partly from property taxes for a project located outside the district. The bill provides that revenue bonds or other district obligations may be payable and secured by revenue derived from the district's operations, including district projects; proceeds of a grant or other funds received by the district; revenue derived from a lease or contract entered into by the district; or assessments collected by the district. The bill provides that revenue bonds or other district obligations may be secured by a mortgage or deed of trust lien on the district's interest in a project or property, including a fee title or a leasehold interest.

H.B. 1640 authorizes the district to issue general obligation bonds if such bonds are approved by an election. The bill specifies that the district is an issuer under provisions of the Government Code relating to obligations for certain public improvements. The bill authorizes the district to issue bonds or obligations under those provisions, and to issue refunding bonds or obligations. The bill permits the district to issue bonds or other obligations and pursue projects without an order of the Texas Commission on Environmental Quality except for water, sewer, or drainage projects financed by taxes imposed by the district. The bill authorizes the district to impose an annual property tax to pay for district operating expenses.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.