

BILL ANALYSIS

C.S.H.B. 967
By: VanDeaver
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that local entities in the vicinity of the TexAmericas Center have expressed an interest in developing a regional economic development entity to bring jobs to the area and contend that the TexAmericas Center should participate in this endeavor. C.S.H.B. 967 seeks to address this issue by providing for the creation of a nonprofit corporation by the TexAmericas Center.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

C.S.H.B. 967 amends the Special District Local Laws Code to authorize the TexAmericas Center to authorize by resolution the creation of a nonprofit corporation under the Business Organizations Code solely to undertake on behalf of the TexAmericas Center a project the board of directors of the TexAmericas Center considers necessary or incidental to the industrial, commercial, or business development, redevelopment, maintenance, and expansion of new or existing businesses on and for the property on the TexAmericas Center. The bill requires the board to appoint the board of directors of each nonprofit corporation created under the bill's provisions. The bill expressly does not require a board member of such a nonprofit corporation to reside in the TexAmericas Center. The bill authorizes a board member or employee of the TexAmericas Center to simultaneously serve as a member of the board of directors of a nonprofit corporation and authorizes a person serving as a board member of the TexAmericas Center and of a nonprofit corporation created under the bill's provisions to participate in all votes relating to the business of the TexAmericas Center or the corporation, regardless of any statutory prohibition. The bill prohibits the nonprofit corporation from exercising the power of eminent domain and subjects a nonprofit corporation created under the bill's provisions to state open meetings law and state public information law.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 967 may differ from the original in minor or nonsubstantive ways, the following

85R 21754

17.95.652

Substitute Document Number: 85R 19341

comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 3503.003(a), Special District Local Laws Code, is amended to read as follows:

- (a) The authority is created to:
- (1) accept title on approval by, and in coordination with, the governor to all or a portion of the property on, adjacent to, or related to the property described by Section 3503.004 from the United States;
 - (2) promote the location and development of new businesses, industries, and commercial activities on or related to the property;
 - (3) undertake a project the board considers necessary or incidental to the industrial, commercial, or business development, redevelopment, maintenance, and expansion of new or existing businesses on and for the property described by Section 3503.004, including the acquisition, construction, operation, maintenance, repair, rehabilitation, replacement, improvement, extension, expansion, or enhancement of:
 - (A) roads, bridges, and rights-of-way;
 - (B) housing;
 - (C) property;
 - (D) police, fire, medical, cultural, educational, and research services, equipment, institutions, and resources;
 - (E) other community support services;
 - (F) flood control, water, wastewater treatment, natural gas, electricity, solid waste disposal, steam generation, communications, and all other utility facilities and services;
 - (G) other infrastructure improvements; and
 - (H) any other services or facilities acquired by the authority from the United States;
 - (4) promote or support an active military base located in the same county as the authority to prevent closure or realignment of the base and attract new military missions to the base; ~~and~~
 - (5) exercise the powers granted to a conservation and reclamation district under Section 59, Article XVI, Texas Constitution; and
 - (6) promote regional economic development and job creation inside and outside of the district's boundaries.

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 3503.003(a), Special District Local Laws Code, is amended to read as follows:

- (a) The authority is created to:
- (1) accept title on approval by, and in coordination with, the governor to all or a portion of the property on, adjacent to, or related to the property described by Section 3503.004 from the United States;
 - (2) promote the location and development of new businesses, industries, and commercial activities on or related to the property;
 - (3) undertake a project the board considers necessary or incidental to the industrial, commercial, or business development, redevelopment, maintenance, and expansion of new or existing businesses on and for the property described by Section 3503.004, including the acquisition, construction, operation, maintenance, repair, rehabilitation, replacement, improvement, extension, expansion, or enhancement of:
 - (A) roads, bridges, and rights-of-way;
 - (B) housing;
 - (C) property;
 - (D) police, fire, medical, cultural, educational, and research services, equipment, institutions, and resources;
 - (E) other community support services;
 - (F) flood control, water, wastewater treatment, natural gas, electricity, solid waste disposal, steam generation, communications, and all other utility facilities and services;
 - (G) other infrastructure improvements; and
 - (H) any other services or facilities acquired by the authority from the United States;
 - (4) promote or support an active military base located in the same county as the authority to prevent closure or realignment of the base and attract new military missions to the base; ~~and~~
 - (5) exercise the powers granted to a conservation and reclamation district under Section 59, Article XVI, Texas Constitution; and
 - (6) promote regional economic development and job creation inside the district's boundaries and outside of the

district's boundaries in Bowie County and adjacent counties.

SECTION 2. Subchapter C, Chapter 3503, Special District Local Laws Code, is amended by adding Section 3503.112 to read as follows:

Sec. 3503.112. NONPROFIT CORPORATIONS FOR SPECIAL PROJECTS. (a) The authority may authorize by resolution the creation of a nonprofit corporation under the Business Organizations Code solely to undertake on behalf of the authority a project described by Section 3503.003(a)(3).

(b) The board shall appoint the board of directors of each nonprofit corporation created under this section. A board member is not required to reside in the authority.

(c) A board member or employee of the authority may simultaneously serve as a member of the board of directors of a nonprofit corporation. A person serving as a board member of the authority and of a nonprofit corporation created by the authority may participate in all votes relating to the business of the authority or the corporation, regardless of any statutory prohibition.

SECTION 3. This Act takes effect September 1, 2017.

SECTION 2. Subchapter C, Chapter 3503, Special District Local Laws Code, is amended by adding Section 3503.112 to read as follows:

Sec. 3503.112. NONPROFIT CORPORATIONS FOR SPECIAL PROJECTS. (a) The authority may authorize by resolution the creation of a nonprofit corporation under the Business Organizations Code solely to undertake on behalf of the authority a project described by Section 3503.003(a)(3).

(b) The board shall appoint the board of directors of each nonprofit corporation created under this section. A board member is not required to reside in the authority.

(c) A board member or employee of the authority may simultaneously serve as a member of the board of directors of a nonprofit corporation. A person serving as a board member of the authority and of a nonprofit corporation created under this section may participate in all votes relating to the business of the authority or the corporation, regardless of any statutory prohibition.

(d) The nonprofit corporation may not exercise the power of eminent domain.

(e) A nonprofit corporation created under this section is subject to Chapters 551 and 552, Government Code.

SECTION 3. Same as introduced version.