

## **BILL ANALYSIS**

Senate Research Center  
87R9409 SMT-F

H.B. 4579  
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Water, Agriculture & Rural Affairs  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Lubbock Reese Redevelopment Authority (LRRRA), was established by the Texas Legislature under Chapter 396 of the Texas Local Government Code to receive property of the former Reese Air Force Base from the federal government after the 1995 Base Realignment and Closure (BRAC) process.

In 2003, LRRRA enabling legislation moved from the Local Government Code to Chapter 3501 of the Special District Local Laws Code. While most BRAC bases are established under the Local Government Code, LRRRA remains in the Special District Local Laws Code. This is because unlike all other BRAC'd bases, LRRRA is not funded by city or county tax dollars. All revenues are sourced from leasing the assets of the former base in furtherance of the mission to replace jobs lost and create economic development.

H.B. 4579 puts LRRRA on par with other former military bases. The language comes directly from Chapter 379B of the Local Government Code, which is where most BRAC'd bases are governed including the former Kelly Air Force Base.

H.B. 4579 amends current law relating to the powers, duties, and bond authority of the Lubbock Reese Redevelopment Authority and provides authority to impose a fee.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 3501.001, Special District Local Laws Code, by adding Subdivision (4), to define "bond" for purposes of Chapter 3501 (Lubbock Reese Development Authority).

SECTION 2. Amends Section 3501.003(a), Special District Local Laws Code, to provide that the Lubbock Reese Redevelopment Authority (authority) has certain purposes, including to encourage the development of new industry by private businesses, and to encourage financing of projects designated under Section 3501.1024. Makes nonsubstantive changes.

SECTION 3. Amends Section 3501.004, Special District Local Laws Code, as follows:

Sec. 3501.004. EXEMPTION FROM TAXATION. (a) Creates this subsection from existing text. Provides that the property, income, and operations of the authority, rather than the property, revenue, and income of the authority, are exempt from taxes imposed by the state or a political subdivision of the state.

(b) Provides that Section 25.07(a) (relating to requirements for a leasehold or other possessory interest in real property that is exempt from taxation or interest), Tax Code, applies to a leasehold or other possessory interest in real property granted by the authority for a project designated under Section 3501.1024(a) in the same manner as it applies to a leasehold or other possessory interest in real

property constituting a project described by Section 505.161(a) (relating to the legislative finding that projects under Subchapter D (Authorized Projects) are owned, used, and held for a public purpose for and on behalf of certain municipalities), Local Government Code.

(c) Provides that a commercial aircraft to be used as an instrument of commerce that is under construction in the authority is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 (Real and Tangible Personal Property) and 21.02 (Tangible Personal Property Generally), Tax Code.

(d) Provides that tangible personal property located in the authority is presumed to be in interstate, international, or foreign commerce and not located in this state for longer than a temporary period for purposes of Sections 11.01 and 21.02, Tax Code, if the owner demonstrates to the chief appraiser for the appraisal district in which the authority is located that the owner intends to incorporate the property into or attach the property to a commercial aircraft described by Subsection (c).

(e) Defines "commercial aircraft."

SECTION 4. Amends Subchapter A, Chapter 3501, Special District Local Laws Code, by adding Section 3501.005, as follows:

Sec. 3501.005. APPLICATION OF OTHER LAW. (a) Defines "qualifying project."

(b) Provides that Chapters 2267 (Public and Private Facilities and Infrastructure) and 2269 (Contracting and Delivery Procedures for Construction Projects), Government Code, do not apply to a qualifying project of the authority.

SECTION 5. Amends Subchapter B, Chapter 3501, Special District Local Laws Code, by adding Section 3501.056, as follows:

Sec. 3501.056. HEARINGS BY TELECOMMUNICATION DEVICE. (a) Authorizes any number of the other members of the board of directors of the authority (board) or committee, notwithstanding Chapter 551 (Open Meetings), Government Code, or other law, if the president or vice president of the board, or chairperson or vice chairperson of a board committee, is physically present at a meeting of the board or committee, to attend the meeting by use of telephone conference call, video conference call, or other similar telecommunication device. Provides that a member of the board or committee who attends a meeting via a telecommunication device is considered present for purposes of constituting a quorum, voting, and any other form of participation in the board or committee meeting. Provides that this subsection applies regardless of the subject of the meeting or topics considered at the meeting.

(b) Provides that if the board or committee of the board holds a meeting using a telecommunication device in the manner provided by Subsection (a):

(1) the meeting is subject to the notice requirements for other meetings;

(2) the board or committee is required to specify in the notice the location of the meeting at which the president, vice president, chairperson, or vice chairperson will be physically present;

(3) the board or committee is required to make the meeting open and audible to the public at the location specified under Subdivision (2); and

(4) the board or committee is required to provide two-way audio communication between board or committee members attending the meeting and, if the two-way audio communication link with a member is disrupted, stop the meeting until the link is reestablished.

SECTION 6. Amends Section 3501.102(b), Special District Local Laws Code, as follows:

(b) Authorizes the authority to exercise, on approval by and in coordination with the governor, any power necessary or convenient to accomplish a purpose of Chapter 3501, including the power to:

(1)-(16) makes no changes to these subdivisions;

(17) borrow money as necessary to acquire, improve, or operate a facility on the base property, not to exceed the amount determined by the board, rather than determined by the governing body of the City of Lubbock;

(18)-(19) makes nonsubstantive changes;

(20) lend money for a purpose authorized by Section 52-a (Programs and Loans or Grants of Public Money for Economic Development), Article III, Texas Constitution;

(21) authorize by resolution the incorporation of a nonprofit airport facility financing corporation in the manner provided by Subchapter E (Nonprofit Airport Facility Financing Corporations), Chapter 22 (County and Municipal Airports), Transportation Code, for the purposes provided by Section 22.152(a) (relating to certain purposes for authorizing the incorporation of a nonprofit airport facility financing corporation), Transportation Code;

(22) exercise the powers granted to a local government for the financing of facilities to be located on airport property, including powers granted by Chapter 22, Transportation Code, consistent with the requirements and the purposes of Section 52-a, Article III, Texas Constitution;

(23) lease, own, and operate an airport and exercise the powers granted to municipalities and counties by Chapter 22, Transportation Code;

(24) lease, own, and operate port facilities for air, truck, and rail transportation;

(25) provide security for port functions, facilities, and operations;

(26) cooperate with and participate in programs and security efforts of this state and the United States Department of Homeland Security; and

(27) participate as a member or partner of a limited liability company, a limited liability partnership, or other entity organized to finance a project designated as a redevelopment project under Section 3501.1024.

SECTION 7. Amends Subchapter C, Chapter 3501, Special District Local Laws Code, by adding Sections 3501.1021, 3501.1022, 3501.1023, and 3501.1024, as follows:

Sec. 3501.1021. INLAND PORT AND TRADE POWERS. (a) Authorizes the authority to establish and operate an inland port and related port facilities to engage in world trade.

(b) Authorizes the authority to participate in national and international agreements advancing world trade at the port.

Sec. 3501.1022. SERVICES. Authorizes the authority to charge a fee for a service including:

(1) professional consultation services provided in relation to international trade, planning, land use, or construction;

(2) real estate development services, including services provided by a person licensed under Chapter 1101 (Real Estate Brokers and Sales Agents), Occupations Code, acting as a broker;

(3) support or participation in the acquisition of venture capital to finance the authority's redevelopment project, both inside and outside the authority;

(4) participation in or assistance on a joint venture composed of both public and private entities;

(5) promotion of an activity that creates employment opportunities; and

(6) any other service provided in relation to a project undertaken by the authority, alone or with others, to fulfill an authority purpose or objective.

Sec. 3501.1023. TRANSPORTATION PROJECT. (a) Authorizes the authority to implement a transportation project:

(1) on the base property; or

(2) outside of the base property to provide access to the base property.

(b) Authorizes the authority to enter into an agreement with a person to plan, finance, construct, or maintain a project described by Subsection (a).

(c) Authorizes the authority to construct a building, loading dock, or other facility as part of a transportation project described by Subsection (a)(1).

Sec. 3501.1024. REDEVELOPMENT PROJECTS. (a) Authorizes the board to designate as a redevelopment project a project that relates to the development of base property and the surrounding areas, or to the development of property directly related to the purposes or goals of the authority.

(b) Provides that a project designated under Subsection (a) is for a public purpose.

SECTION 8. Amends Section 3501.106, Special District Local Laws Code, as follows:

Sec. 3501.106. New heading: BONDS. (a) Creates this subsection from existing text. Authorizes the authority to issue bonds if authorized by board resolution, rather than authorizes the authority to issue for any authority purpose bonds or other obligations payable from any source of authority revenue.

(b) Creates this subsection from existing text. Requires that a bond issued under Chapter 3501 be payable solely from authority revenue, mature not later than 40 years after its date of issuance, and state on its face that it is not an obligation of this state or a municipality.

(c) Creates this subsection from existing text. Authorizes the authority to exercise the powers granted to the governing body of an issuer with regard to the issuance of obligations and the execution of credit agreements under Chapter 1371 (Obligations for Certain Public Improvements), Government Code.

Deletes existing text authorizing the authority to issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the authority, or other type of obligation.

SECTION 9. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 10. Effective date: September 1, 2021.