

BILL ANALYSIS

H.B. 4579
By: Burrows
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Lubbock Reese Redevelopment Authority was established by the Texas Legislature to receive property of the former Reese Air Force Base from the federal government after the 1995 Base Realignment and Closure process. The authority is not funded by public money, with all of its revenue sourced from leasing the former base's assets in furtherance of replacing lost jobs and creating economic development. It has been suggested that statutory changes are needed in order to put the authority on par with other defense base development authorities, which were similar to the authority but have been granted additional powers since the authority's creation. These changes will align the authority's powers with these other development authorities and better position the authority for continued economic development. H.B. 4579 seeks to provide for these changes by revising the authority's governing provisions.

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

H.B. 4579 amends the Special District Local Laws Code to include as purposes of the Lubbock Reese Redevelopment Authority the encouragement of the following:

- the development of new industry by private businesses; and
- the financing of redevelopment projects.

H.B. 4579 authorizes the authority to exercise, on approval by and in coordination with the governor, the power to do the following:

- lend money for an economic development purpose authorized by specified Texas Constitution provisions;
- authorize by resolution the incorporation of a nonprofit airport facility financing corporation in a manner and for certain purposes specified by applicable Transportation Code provisions;
- exercise the powers granted to a local government for the financing of facilities to be located on airport property consistent with the requirements and the purposes of those Texas Constitution provisions;
- lease, own, and operate an airport and exercise the powers granted to municipalities and counties by Transportation Code provisions relating to county and municipal airports;
- lease, own, and operate port facilities for air, truck, and rail transportation;
- provide security for port functions, facilities, and operations;

- cooperate with and participate in programs and security efforts of the state and the U.S. Department of Homeland Security; and
- 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.

The bill changes from the governing body of the City of Lubbock to the authority's board of directors the entity that determines the cap on the amount of money the authority may borrow to acquire, improve, or operate a facility on the base property.

H.B. 4579 authorizes the authority's board of directors to designate as a redevelopment project a project that relates to the following:

- the development of base property and the surrounding areas; or
- the development of property directly related to the authority's purposes or goals.

The bill establishes that a project designated as such is for a public purpose.

H.B. 4579 authorizes the authority to establish and operate an inland port and related port facilities to engage in world trade and authorizes the authority to participate in national and international agreements advancing world trade at the port.

H.B. 4579 authorizes the authority to do the following with respect to a transportation project:

- implement a transportation project on the base property, or outside of the base property to provide access to the base property;
- enter into an agreement with a person to plan, finance, construct, or maintain the project; and
- construct a building, loading dock, or other facility as part of such a project on the base property.

H.B. 4579 revises the authority's bonding authority by doing the following:

- conditioning that bonding authority on the board's authorization by resolution;
- requiring that the bond mature not later than 40 years after its date of issuance;
- requiring that the bond state on its face that it is not an obligation of the state or a municipality;
- removing provisions describing the form of the authorized bond or other obligation and instead defining "bond" as an interest-bearing obligation issued by the authority under its governing provisions, including a bond, certificate, note, or other evidence of indebtedness; and
- authorizing 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 Government Code provisions relating to obligations for certain public improvements.

H.B. 4579 revises provisions relating to the authority's tax exemption with respect to authority property, income, and operations; a leasehold or other possessory interest in real property granted by the authority for a redevelopment project; and commercial aircraft, as defined by the Tax Code. The bill provides for the authority's board and committee hearings by telecommunication device, authorizes the authority to charge a fee for a service, and lists services included in that authorization. The bill exempts a qualifying real estate project of the authority from Government Code provisions relating to public and private facilities and infrastructure and contracting and delivery procedures for construction projects and defines "qualifying project" for that purpose.

EFFECTIVE DATE

September 1, 2021.