

BILL ANALYSIS

Senate Research Center

S.B. 2230
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Administration
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Background

The Texas Bullion Depository (TxBD) is located in Leander, Texas, in Senate District 5. The facility was purpose-built as the TxBD with state-of-the-art security and the capacity required to store precious metals, and to expand in the future.

Unfortunately, the state does not own the TxBD facility. The owner plans to sell the facility in order to recoup upfront building costs. The Comptroller of Public Accounts of the State of Texas (comptroller) believes the state should secure the facility for long-term use.

S.B. 2230 authorizes the comptroller to purchase the TxBD facility.

Key Provisions of S.B. 2230

- ❖ Authorizes the Texas Public Finance Authority to issue revenue bonds to finance the purchase of the TxBD.
 - The comptroller must collect lease payments in order to cover the debt service so there would be no cost to the state.
- ❖ Authorizes the comptroller to purchase the TxBD facility if it is determined that it would be advantageous to the state.
 - Under this option, the comptroller would require funds authorized by the legislature.

(Original Author's / Sponsor's Statement of Intent)

S.B. 2230 amends current law relating to the acquisition of real property or construction of buildings for the purpose of operating the Texas Bullion Depository.

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 Subchapter C, Chapter 1232, Government Code, by adding Section 1232.1026, as follows:

Sec. 1232.1026. ISSUANCE OF BONDS FOR TEXAS BULLION DEPOSITORY BUILDINGS. (a) Authorizes the board of directors (board) of the Texas Public Finance Authority (TPFA) to issue and sell bonds in the name of TPFA to finance the acquisition or construction of buildings to be used to operate the Texas Bullion Depository (depository), including the acquisition of real property for that purpose.

(b) Requires the Comptroller of Public Accounts of the State of Texas (comptroller) to accomplish its statutory authority as if the property or building acquired or constructed under this section were funded by legislative appropriation. Requires the board and the comptroller to adopt a memorandum of understanding that defines the division of authority between the board and comptroller regarding the property or building.

(c) Requires the comptroller, to accomplish the bond financing of the acquisition of property or a building under this section, to contract with TPFA to purchase the property or building from TPFA under a lease-to-purchase agreement or other comparable financing agreement, as determined by the board and the comptroller to be in the best interest of the state.

SECTION 2. Amends Chapter 2116, Government Code, by adding Subchapter C, as follows:

SUBCHAPTER C. ACQUISITION OF REAL PROPERTY FOR DEPOSITORY

Sec. 2116.071. ACQUISITION OF REAL PROPERTY. Authorizes the comptroller, by purchase, lease, donation, or other means, to acquire real property necessary for one or more buildings to operate the depository.

Sec. 2116.072. PURCHASE OF BUILDING SUBJECT TO EXISTING LEASES. Authorizes the comptroller to:

(1) acquire a building that is subject to a lease by a private tenant and to continue or renew a lease for the building if the comptroller determines that doing so is advantageous to this state; and

(2) renegotiate the terms of a lease described by Subdivision (1) to obtain terms that are more favorable to this state.

Sec. 2116.073. LEASING PROPERTY AND USE OF LEASE PROCEEDS. (a) Authorizes the comptroller to lease at fair market value any portion of a property acquired under this subchapter to a private tenant for commercial activities.

(b) Authorizes money received by the comptroller under a lease of property acquired under this subchapter to be used by the comptroller to:

(1) repay obligations issued under Section 1232.1026 and used to acquire the property or construct the building; or

(2) make payments under a lease-to-purchase agreement or other comparable financing agreement between the comptroller and TPFA.

Sec. 2116.074. TITLE TO AND CONTROL OF REAL PROPERTY. Requires the comptroller, subject to the lease-to-purchase agreement or other comparable financing agreement executed under Section 1232.1026, to obtain in the name of this state title to any real property acquired or building constructed under this subchapter and retain control of that real property.

Sec. 2116.075. BORROWING MONEY; ISSUING AND SELLING BONDS. (a) Authorizes the comptroller to borrow money in the amount and under the circumstances authorized by the legislature and to request TPFA, on behalf of the comptroller, to issue and sell bonds to acquire real property or construct a building to operate the depository.

(b) Authorizes TPFA to issue and sell bonds for the purposes of Subsection (a) in any manner and on such terms TPFA determines to be in the best interest of the comptroller, subject to the requirements of Chapter 1202 (Examination and Registration of Public Securities).

SECTION 3. Effective date: upon passage or September 1, 2021.