

BILL ANALYSIS

C.S.H.B. 5092
By: Tepper
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that the Texas Legislature established the Lubbock Reese Redevelopment Authority to receive property of the former Reese Air Force Base from the federal government after the base realignment and closure process in the 1990s. The mission of the authority, also known as the Reese Technology Center, was to replace the jobs lost by the base closure and provide a site for regional economic activity. The bill author has also informed the committee that this work has led to a complex that has become the premier site for research, technology, education, engineering, and light manufacturing in the region and that public entities such as Texas Tech University and its National Wind Institute, Sandia National Labs, and the Texas A&M Forest Service now work alongside private sector entities like Bayer Crop Science, Oxy USA, and KBR Aerospace Division to provide a unique site for research and engineering. The bill author has further informed the committee of the need to revise the authority's enabling legislation to allow the authority to research national security-related technology and critical infrastructure technology in collaboration with applicable partners. C.S.H.B. 5092 seeks to make such revisions.

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. 5092 amends the Special District Local Laws Code to include as purposes of the Lubbock Reese Redevelopment Authority research related to national security and critical infrastructure conducted on the property now or formerly known as Reese Air Force Base and the facilitation of the establishment of an applied research site in cooperation and collaboration with Texas Tech University. The bill defines "critical infrastructure" by reference to Business & Commerce Code provisions relating to a prohibition on agreements with certain foreign-owned companies in connection with critical infrastructure.

C.S.H.B. 5092 includes as property in the authority that is presumed to be in interstate, international, or foreign commerce and not located in Texas for longer than a temporary period for purposes of certain real and tangible personal property Tax Code provisions tangible personal property that is used primarily to develop national security-related technology or critical infrastructure technology and tangible personal property that is national security-related technology or critical infrastructure technology that is under development. The bill defines "national security-related technology" as technology that is used in qualified research, as defined

by specified Tax Code provisions relating to certain property used in research and development activities, and that is researched or developed in collaboration with Texas Tech University for a use related to national security by the U.S. Department of Defense (DOD), the DOD's component services and agencies, the U.S. Department of Energy (DOE), the U.S. Department of Homeland Security (DHS), or another collaborating partner in the public or private sector.

C.S.H.B. 5092 includes as a qualifying project that is exempt from Government Code provisions relating to state and local contracts and fund management regarding public and private facilities and infrastructure and regarding contracting and delivery procedures for construction projects a real estate project involving the construction of an income-producing facility that generates revenue for the authority and is constructed by an entity whose purpose is to support the research and development of national security-related technology or critical infrastructure technology or services in collaboration with Texas Tech University.

C.S.H.B. 5092 changes the entities that appoint the appointed members of the authority's board of directors. Under current law, five directors are appointed by the governing body of the City of Lubbock from a list of persons recommended by the authority's board and one director is appointed by the commissioners court of Lubbock County from a list of persons recommended by the board. Under the bill's provisions, for the appointed members of the authority's board, the board appoints six directors in consultation with the president of Texas Tech University or the president's designee, and the bill provides for the appointment of successor directors by the board, in consultation with the president or the president's successor. The bill, with respect to the required experience of the board, replaces experience in general business with experience in national security-related technology or critical infrastructure technology. These provisions of the bill do not affect the entitlement of a member serving on the board immediately before the bill's effective date to continue to carry out the board's functions for the remainder of the member's term. The provisions apply only to a member appointed on or after the bill's effective date. The bill does not prohibit a person who is a board member on the bill's effective date from being reappointed to the board if the person has the applicable qualifications required for a member as amended by the bill.

C.S.H.B. 5092 removes the condition on the authority's authority to exercise any power necessary or convenient to accomplish a purpose of its enabling legislation that such exercise be on the approval by and in coordination with the governor. The bill includes in the list of such explicit powers the power to enter into interagency agreements with Texas Tech University in the manner provided by the Interagency Cooperation Act as necessary to facilitate and support Texas Tech University research and development activities on base property or to facilitate the transfer of portions of the base property to Texas Tech University to further a purpose of the authority. The bill does the following with respect to the authority's explicit power to cooperate with and participate in programs and security efforts of the state and DHS:

- specifies that such security efforts are critical infrastructure and national security efforts; and
- includes among the programs and efforts programs and efforts of the DOD, the component services and agencies of the DOD, DOE, or another collaborating partner in the public or private sector.

C.S.H.B. 5092 establishes that the legislature intends that the authority transfer ownership of portions of the base property to Texas Tech University in a manner authorized by the authority's enabling legislation as necessary for the purposes of an interagency agreement provided by the bill. The bill authorizes the agreement to provide for the continued operation of the authority after the transfer. The bill changes the condition under which the legislature intends that the authority be dissolved from after conveyance and sale of all of the base property to after conveyance or transfer of all such property. The bill provides that such dissolution is under the dissolution provisions, as revised by the bill, after conveyance or transfer of all such property.

Accordingly, C.S.H.B. 5092 revises those means of dissolution by removing the following requirements:

- that the authority be dissolved on approval of the City of Lubbock and Lubbock County when all the authority's functions are performed and completed and after all debts or obligations have been satisfied or retired with the authority's assets; and
- that, on dissolution, any remaining authority assets be conveyed or transferred to the city and county in proportion to any initial contribution of money made.

The bill replaces those requirements with a provision establishing that the authority may be dissolved only under the following conditions:

- when the board determines that all authority functions are performed and completed;
- after all debts or obligations have been satisfied or retired with authority assets; and
- after any remaining real property and other assets of the authority have been conveyed or transferred to Texas Tech University, if approved by the Board of Regents of the Texas Tech University System, or, if the university declines to accept any remaining real property and other assets of the authority, to the City of Lubbock.

C.S.H.B. 5092 amends the Education Code to establish that a facility transferred to Texas Tech University from the authority under the authority's enabling legislation is not required to be included in a facilities inventory audit under the Higher Education Coordinating Act of 1965 and is not subject to the facilities inventory rules of the Texas Higher Education Coordinating Board until the facility is placed in service and assigned an educational and general function by the university.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

C.S.H.B. 5092 differs from the introduced in minor or nonsubstantive ways to make technical corrections.