

## **BILL ANALYSIS**

Senate Research Center  
77R4526 MXM-D

H.B. 2040  
By: Hawley (Zaffirini)  
Veteran Affairs & Military Installations  
5/5/2001  
Engrossed

### **DIGEST AND PURPOSE**

Several Texas communities have faced the closure or realignment of a federal military base in recent years. In an effort to deal with the impact on their communities, some communities have created redevelopment authorities to focus on replacing the jobs and capital lost due to the military base closure. The 76th Legislature passed legislation to enable municipalities to create defense base development authorities (authority). San Antonio formed such an authority to deal with the closure of Kelly Air Force Base (Kelly AFB). When Beeville, a city of approximately 13,500 people, faced the closure of Chase Naval Air Station, the city formed a development corporation under the Development Corporation Act of 1979. However, the Development Corporation Act has not been a perfect fit for Beeville's needs, and legal counsel has advised Beeville to reorganize its redevelopment efforts under defense base development authorities which assisted San Antonio after the closure of Kelly AFB. H.B. 2040 modifies provisions relating to defense base development authorities for a municipality of 50,000 or less.

### **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 378.006, Local Government Code, as added by Chapter 1221, Acts of the 76th Legislature, Regular Session, 1999, as follows:

Sec. 378.006. New heading: UTILITIES FOR AUTHORITIES CREATED IN POPULOUS MUNICIPALITY. Provides that this section applies only to an authority created by a municipality with a population of 50,000 or more.

SECTION 2. Amends Chapter 378, Local Government Code, as added by Chapter 1221, Acts of the 76th Legislature, Regular Session, 1999, by adding Section 378.0065, as follows:

Sec. 378.0065. UTILITIES FOR AUTHORITIES CREATED IN LESS POPULOUS MUNICIPALITY. Authorizes an authority to own an electric, sewer service, or water supply utility and authorizes the authority to sell those utility services to a person who leases real property from the authority. Makes a conforming change.

SECTION 3. Amends Section 378.007, Local Government Code, as added by Chapter 1221, Acts of the 76th Legislature, Regular Session, 1999, to make nonsubstantive changes.

SECTION 4. Amends Chapter 378, Local Government Code, as added by Chapter 1221, Acts of the 76th Legislature, Regular Session, 1999, by adding Section 378.0075, as follows:

Sec. 378.0075. ADDITIONAL REQUIREMENTS FOR BOARD OF DIRECTORS CREATED IN LESS POPULOUS MUNICIPALITY. Defines "county." Sets forth a list of

entities that are required to appoint board members of a municipal development district and provides that each board member serves a two-year term. Authorizes the entity that appoints a board member to remove a board member by adopting a resolution or order, as appropriate. Provides that Sections 378.007(c) and (e) do not apply to an authority to which this section applies. Makes a conforming change.

SECTION 5. Amends Section 378.012, Local Government Code, as added by Chapter 1221, Acts of the 76th Legislature, Regular Session, 1999, as follows:

Sec. 378.012. New heading: DISSOLUTION FOR AUTHORITIES CREATED IN POPULOUS MUNICIPALITY. Makes a conforming change.

SECTION 6. Amends Chapter 378, Local Government Code, as added by Chapter 1221, Acts of the 76th Legislature, Regular Session, 1999, by adding Section 378.013, as follows:

Sec. 378.013. DISSOLUTION FOR AUTHORITIES CREATED IN LESS POPULOUS MUNICIPALITY. Authorizes the authority to be dissolved under certain circumstances. Provides that property of the authority that remains after dissolution is conveyed to the municipality. Makes conforming changes.

SECTION 7. Defines “defense base development corporation.” Provides that certain acts of a defense base development corporation are validated and confirmed as of the date each act occurred. Provides that this section does not apply to certain acts, proceedings, bonds, obligations, elections or appointments.

SECTION 8. Effective date: upon passage or September 1, 2001.