

## **BILL ANALYSIS**

Senate Research Center

S.B. 1539  
By: Duncan  
Veteran Affairs & Military Installations  
3/27/2001  
As Filed

### **DIGEST AND PURPOSE**

The Lubbock Reese Redevelopment Authority (authority) serves as the governing body for the Reese Technology Center, also known as the former Reese Air Force Base. The enabling statute creating the authority was amended by the 76th Legislature to provide for a more effective administration and maintenance of utilities and other infrastructure on the property. Certain provisions required the Public Utility Commission (PUC), by September 1, 2001, to perform an electric utility infrastructure value assessment of the authority. Such a value, as determined by the assessment, was to serve as a required minimum value for the purposes of considering any bids for sale of the electricity infrastructure. It has since been estimated by the authority and certain business entities operating or considering establishing operations at the Reese Technology Center that, because of the deteriorating condition of the infrastructure and the technologically advanced focus of the several entities at the center, the market value of such infrastructure likely will be much less than any book value assigned to it. As proposed, S.B. 1539 removes the requirement for the infrastructure value assessment and further deletes language requiring the authority to reimburse the PUC for related, incurred expenses. The bill also removes the requirement for a competitive, sealed bid process for delegation of the provision of electric services and instead provides for the authority to delegate the provision of electric services only to entities willing to undertake steps necessary to upgrade the existing electric infrastructure. Additionally, S.B. 1539 provides that the authority may contract or sale real and personal electric infrastructure property to any such entity.

### **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 396.005(c), Local Government Code, as follows:

- Requires the Lubbock Reese Redevelopment Authority (authority), notwithstanding any provision of this subchapter, to continue to be served by the current provider of electricity and related services to the authority until a delegation of the provision of electric services is made by the authority under Subsections (a) (19) and (c) (3), rather than until September 1, 2001.
- Provides that it has been determined that the electrical system infrastructure in place at what was formally known as Reese Air Force Base, is not able to supply electricity of sufficient quality and reliability within the boundaries of the authority. Provides that this inadequacy has inhibited the authority from exercising its power pursuant to Subsection (a) (17) to expand economic development and commercial activity. Deletes text that requires the Public Utility Commission of Texas (commission) to study the electric utility infrastructure of the authority and that requires for the authority to reimburse the commission for the cost of hiring a consultant for the study.

- Requires any delegation of the exercise of power and the provision of electric services provided for in Subsection (a) (19), because of the condition of the electrical system infrastructure, to only be given to those neighboring municipalities or other utility providers that agree to undertake the steps necessary to upgrade the existing electrical system infrastructure so that the authority will be able to carry out its purpose in conducting eligible projects and be able to exercise its power to expand economic development and commercial activity. Requires the authority to determine the criteria to be used to determine the level of upgrading required to be conducted in order to allow the authority to adequately exercise its power pursuant to Subsection (a) (17). Requires such delegation to be accomplished without the need for other state regulatory approval. Deletes text that requires the delegation of the exercise of power and the provision of electric services to be effected through a competitive sealed proposal procedure.
- Requires the authority to have the power to contract to convey the real and personal property related to the supply and distribution of electrical power within the authority's boundaries to any neighboring municipality or other utility providers that require such conveyance as a condition to such upgrades as discussed in Subsection (c) (3).

SECTION 2. Effective date: upon passage or September 1, 2001.

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