

BILL ANALYSIS

Senate Research Center
77R9895 ATP-D

C.S.S.B. 1539
By: Duncan
Veteran Affairs & Military Installations
4-2-2001
Committee Report (Substituted)

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 through S.B. 1427 to provide for a more effective administration and maintenance of utilities and other infrastructure on the property. Certain provisions contained in S.B. 1427 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. Since passage of S.B. 1427, it has 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. C.S.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, C.S.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 Sections 396.005(a) and (c), Local Government Code, to authorize the Lubbock Reese Redevelopment Authority (authority) to exercise, on approval by and in coordination with the governor, all the powers necessary or convenient to carry out a purpose of this subchapter, including the power to exercise those powers granted to general law districts, municipal utility districts, and provide all other utility services that may be provided by a utility, on an immediate basis without the need for other state regulatory approvals and to have the unrestricted right to delegate the exercise of these powers and the provision of these services to a neighboring municipality, a municipally owned utility, a cooperative corporation, or other utility providers as may be necessary and appropriate to carry out the purposes for which the authority was established. Authorizes any delegation of the exercise of power and the provision of electric services provided for in Subsection (a) (19) to be given only to a neighboring municipality or other utility provider, including a municipally owned electric utility or electric cooperative, that agrees to upgrade the existing electrical system infrastructure so that the authority can carry out its intended purposes. Requires the authority to determine the criteria to be used for determining the level of infrastructure improvements necessary to encourage the expansion of economic development and commercial activity, as provided by Subsection (a) (17). Authorizes the authority to delegate the provision of electric services without other state regulatory approval. Authorizes the authority 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 provider, including a municipally owned electric utility or electric cooperative, that requires the conveyance as a condition to an upgrade prescribed by Subdivision (2). Deletes text that requires the Public Utility Commission (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. 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. Makes a conforming change.

SECTION 2. Amends the heading to Chapter 396A, Local Government Code, to read as follows:

SUBCHAPTER A. LUBBOCK REESE REDEVELOPMENT AUTHORITY

SECTION 3. Effective date: upon passage or September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Differs from As Filed version by adding a new subsection regarding the delegation of the exercise of power and provision of electric services.

SECTION 2. Differs from As Filed version by amending the heading to an existing subchapter.

SECTION 3. Renumbers proposed SECTION 2 as SECTION 3.

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RULEMAKING AUTHORITY

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SECTION BY SECTION ANALYSIS

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distribution of electrical power within the authority's boundaries to any neighboring municipality or other utility provider, including a municipally owned electric utility or electric cooperative, that requires the conveyance as a condition to an upgrade prescribed by Subdivision (2). Deletes text that requires the Public Utility Commission (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. 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. Makes a conforming change.

SECTION 2. Amends the heading to Chapter 396A, Local Government Code, to read as follows:

SUBCHAPTER A. LUBBOCK REESE REDEVELOPMENT AUTHORITY

SECTION 3. Effective date: upon passage or September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Differs from As Filed version by adding a new subsection regarding the delegation of the exercise of power and provision of electric services.

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