

BILL ANALYSIS

Senate Research Center

S.B. 2230
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Administration
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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 Texas Bullion Depository.
 - o 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 determined that it would be advantageous to the state.
 - o Under this option, the comptroller would require funds authorized by the legislature.

As proposed, S.B. 2230 amends current law relating to the operation and administration of 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. (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 by the Texas Bullion Depository.

(b) Requires the board, after receiving a request under Section 2116.063, to promptly issue and sell bonds in the name of TPFA to provide the requested financing.

(c) Requires the Comptroller of Public Accounts of the State of Texas (comptroller) to accomplish its statutory authority as if the property or building were financed 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.

(d) Requires the comptroller, on completion of the acquisition or construction, to lease the building from TPFA.

(e) Provides that Section 1232.114 (Project Analysis) does not apply to a building purchased under this section.

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

SUBCHAPTER C. DEPOSITORY FACILITY

Sec. 2116.061. ACQUISITION OF PROPERTY. Authorizes the comptroller to by purchase, lease, donation, or otherwise acquire real property to operate the depository.

Sec. 2116.062. PURCHASE OF BUILDING SUBJECT TO EXISTING LEASE; AUTHORITY TO LEASE. (a) Authorizes the comptroller, if the comptroller determines that doing so is advantageous to the state, to purchase property that is subject to existing leases by private tenants and to continue or renew an existing lease. Authorizes the comptroller to renegotiate the terms of an already existing lease to obtain terms that are more favorable to the state.

(b) Authorizes the comptroller to lease at fair market value any portion of a building acquired under this subchapter to a private tenant for commercial activities.

(c) Authorizes money received from a lease under this section to be used by the comptroller to repay any debt or bonds used to acquire the property.

Sec. 2116.063. BORROWING MONEY; ISSUING AND SELLING BONDS. (a) Authorizes the comptroller to borrow money in the amount and under circumstances authorized by the legislature and to request TPFA, on behalf of the comptroller, to issue and sell bonds to acquire real property to operate the depository.

(b) Authorizes TPFA to sell the bonds in any manner it determines to be in the best interest of the comptroller, except that it is prohibited from selling a bond that has not been approved by the attorney general and registered with the comptroller.

Sec. 2116.064. TITLE TO AND CONTROL OF FACILITY. Requires the comptroller to obtain title for the state and retain control of real property acquired for the depository facility.

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