

## **BILL ANALYSIS**

Senate Research Center  
87R23501 SRA-F

C.S.S.B. 2230  
By: Schwertner  
Administration  
5/4/2021  
Committee Report (Substituted)

### **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.
  - 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.
  - Under this option, the comptroller would require funds authorized by the legislature.

(Original Author's / Sponsor's Statement of Intent)

C.S.S.B. 2230 amends current law relating to the acquisition of real property or construction of buildings for the purpose of operating 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 BUILDINGS. (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 to operate the Texas Bullion Depository (depository), including the acquisition of real property for that purpose.

(b) Requires the board, after the board receives a request under Section 2116.075, promptly to issue and sell bonds in the name of TPFA to provide the requested financing. Provides that, notwithstanding Sections 1232.112 (Bond Review Board Approval) and 1232.114 (Project Analysis), the Comptroller of Public Accounts of the State of Texas (comptroller) is not required to submit a project analysis to the Texas Bond Review Board (BRB) before BRB approves the issuance of the bonds by TPFA.

(c) Requires the comptroller to accomplish its statutory authority as if the property or building acquired or constructed under this section were funded 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 regarding the property or building.

(d) Requires the comptroller, on completion of the acquisition of property or construction of a building, to contract with TPFA to purchase the property or building from TPFA under a lease-to-purchase agreement.

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

#### SUBCHAPTER C. ACQUISITION OF REAL PROPERTY FOR DEPOSITORY

Sec. 2116.071. ACQUISITION OF REAL PROPERTY. Authorizes the comptroller, by purchase, lease, donation, or other means, to acquire real property necessary for one or more buildings to operate the depository.

Sec. 2116.072. PURCHASE OF BUILDING SUBJECT TO EXISTING LEASES. Authorizes the comptroller to:

(1) acquire a building that is subject to a lease by a private tenant and is authorized to continue or renew a lease for the building if the comptroller determines that doing so is advantageous to this state; and

(2) renegotiate the terms of a lease described by Subdivision (1) to obtain terms that are more favorable to this state.

Sec. 2116.073. LEASING PROPERTY AND USE OF LEASE PROCEEDS. (a) Authorizes the comptroller to lease at fair market value any portion of a property acquired under this subchapter to a private tenant for commercial activities.

(b) Authorizes money received by the comptroller under a lease of property acquired under this subchapter to be used by the comptroller to:

(1) repay obligations issued under Section 1232.1026 and used to acquire the property or construct the building; or

(2) make payments under a lease-to-purchase agreement between the comptroller and TPFA.

Sec. 2116.074. TITLE TO AND CONTROL OF REAL PROPERTY. Requires the comptroller to obtain in the name of this state title to any real property acquired or building constructed under this subchapter and retain control of that real property at all times.

Sec. 2116.075. BORROWING MONEY; ISSUING AND SELLING BONDS. (a) Authorizes the comptroller to borrow money in the amount and under the circumstances authorized by the legislature and to request TPFA, on behalf of the comptroller, to issue and sell bonds to acquire real property or construct a building to operate the depository.

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

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