

BILL ANALYSIS

Senate Research Center

S.B. 479
By: Hughes
Local Government
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The TexAmericas Center (TAC) is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas. TAC was created by the Texas Legislature in 1997 and currently owns over 12,000 acres of former military property. A listing and explanation of the three (3) changes to the TAC legislation proposed in this bill are below:

For a fee, provide services or operate facilities inside or outside the boundaries of the authority and this state to promote, enhance, develop, or assist a person in the creation of a new business, industry, or commercial activity in the boundaries of the authority. Through marketing efforts to recruit businesses to TAC, and therefore to the State of Texas, multiple business prospects are interested in TAC doing work for them at an existing location outside the state (one being just 25 miles away but in Arkansas) and the goal would be to use those relationships to bring businesses and jobs to Texas. The more TAC property is marketed the more these situations present themselves, and the fact that TAC property is less than 20 miles from Arkansas, Louisiana, and Oklahoma makes those opportunities to be asked to work outside the State of Texas even more likely. The goal in each of these situations would be to use these opportunities to relocate these businesses, or part of these businesses, and associated jobs to the TAC footprint and to the State of Texas.

As a reference, the State of Texas operates and funds employees in both the Office of State-Federal Relations (OSFR) in Washington, D.C., and the State of Texas Mexico Office (STMO) in Mexico. In a 1971 Attorney General Opinion, the AG ruled that a newly enacted statute authorizing the Texas Industrial Commission to "investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Texas business, industry, agriculture, and commerce within and outside the state" was valid to legally pay for services of employees working and residing in Mexico.

The authority may exercise the powers given to a defense base development authority created under Chapter 379B, Local Government Code. This chapter prevails over Chapter 379B, Local Government Code, in the event of a conflict: Chapter 379B was created in 1999 as the statute for all future Base Redevelopment Authorities. TAC legislative authority was created in 1997 so there are some language differences. This bill will give TAC the same authority as Chapter 379B, which was the intent all along, and will reduce future legislative requests regarding these authorities. TAC has the powers of Chapter 379B, but there are legal concerns if language is not added as if TAC was created under Chapter 379B.

The authority may issue, sell, and deliver obligations and execute credit agreements as provided by Chapter 1371, Government Code. The authority may delegate its authority in connection with the issuance of bonds in the same manner as an issuer under Chapter 1371, Government Code: TAC has the authority to issue bonds, but needs Chapter 1371 authority to draw down debt as needed, which is common for governmental entities. Delegation authority allows the TAC board of directors to delegate to the executive director/CEO or any other official the authority to consummate the sale of bonds at a date later than the board meeting date, subject to certain parameters being met.

S.B. 479 amends current law relating to the powers of the TexAmericas Center, including its authority to issue bonds.

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 3503.101(b), Special District Local Laws Code, as follows:

(b) Authorizes the TexAmericas Center (authority) to exercise certain powers and duties, including, for a fee, providing services or operating facilities inside or outside the boundaries of the authority and Texas to promote, enhance, develop, or assist a person in the creation of a new business, industry, or commercial activity in the boundaries of the authority. Makes nonsubstantive changes.

SECTION 2. Amends Subchapter C, Chapter 3503, Special District Local Laws Code, by adding Section 3503.113, as follows:

Sec. 3503.113. POWERS AND AUTHORITIES OF DEFENSE BASE DEVELOPMENT AUTHORITY. (a) Authorizes the authority to exercise the powers given to a defense base development authority created under Chapter 379B (Defense Base Development Authorities), Local Government Code.

(b) Provides that Chapter 3503 (TexAmericas Center) prevails over Chapter 379B, Local Government Code, in the event of a conflict.

SECTION 3. Amends Subchapter E, Chapter 3503, Special District Local Laws Code, by adding Section 3503.205, as follows:

Sec. 3503.205. OBLIGATIONS AND CREDIT AGREEMENTS. (a) Authorizes the authority to issue, sell, and deliver obligations and execute credit agreements as provided by Chapter 1371 (Obligations for Certain Public Improvements), Government Code.

(b) Authorizes the authority to delegate its authority in connection with the issuance of bonds in the same manner as an issuer under Chapter 1371, Government Code.

SECTION 4. Provides that all requirements of the constitution and the laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 5. Effective date: upon passage or September 1, 2021.