

BILL ANALYSIS

Senate Research Center
7R9703 SMH-D

H.B. 1027
By: Cook (Brown)
Natural Resources
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Engrossed

DIGEST AND PURPOSE

Currently, many properties in Texas known as brownfields are abandoned or underused owing to the liability associated with contamination from old industrial activity. The Texas Natural Resource and Conservation Commission has undertaken initiatives to encourage the cleanup of these contaminated properties, but many brownfields still exist in Texas. As proposed, H.B. 1027 provides for the cleanup of these contaminated sites through the use of sales and use tax proceeds, the elimination of barriers discouraging the use of property tax breaks for contaminated sites, and encouraging the use of supplemental environmental projects.

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 2(4), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), to redefine "cost."

SECTION 2. Amends Section 4A, Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), by adding Subsection (t) to authorize the Texas Department of Commerce (department), with the assistance of the Texas Natural Resource Conservation Commission, to encourage the cleanup of contaminated property by corporations created under this section through the use of sales and use tax proceeds.

SECTION 3. Amends Section 4B, Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), by adding Subsection (p), to make a conforming change.

SECTION 4. Amends Chapter 2155H, Government Code, by adding Section 2155.449, as follows:

Sec. 2155.449. PREFERENCE FOR PRODUCTS OF FACILITIES ON FORMERLY CONTAMINATED PROPERTY. Requires the General Services Commission (commission) and state agencies to give preference to goods produced at a facility located on property for which the owner has received a certificate of completion under Section 361.609 (Certificate of Completion), Health and Safety Code, if the goods meet state specifications regarding certain criteria.

SECTION 5. Amends Section 2303.102, Government Code, by adding Subsection (c), to provide that individuals who are employed by a business and whose principal place of employment is on property for which the business has received a certificate of completion under Section 361.609, Health and Safety Code, are not considered for purposes of determining the average rate of unemployment in the area under Subsection (a)(1).

SECTION 6. Amends Section 312.211(a), Tax Code, to delete text regarding real property value

affected by release of a hazardous substance or contaminant.

SECTION 7. Amends Section 7.067(a), Water Code, to authorize the commission to encourage the cleanup of contaminated property through the use of supplemental environmental projects.

SECTION 8. (a) Effective date: September 1, 2001.

(b) Makes application of Section 2303.102(c) (Area of Pervasive Poverty, Unemployment, and Economic Distress), Government Code, prospective.

(c) Makes application of Section 312.211(a) (Agreement by Municipality Relating to Property Subject to Voluntary Cleanup Agreement), Tax Code, prospective.