

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1558
By: Madla
Veteran Affairs & Military Installations
4/24/2001
Committee Report (Substituted)

DIGEST AND PURPOSE

Recently, Kelly Air Force Base lost its ad valorem tax exemption status due to certain changes to the 4B Development Corporation law under which the base was previously organized. Unlike new economic development projects, base property has never been subject to school property taxes since the property has been in the hands of the federal government. C.S.S.B. 1558 returns Kelly Air Force Base to its previous tax exempt status.

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 378.011, Local Government Code, as follows:

(b) Provides that Section 25.07(a) (Leasehold and Other Possessory Interests in Exempt Property), Tax Code, does not apply, rather than applies, to a leasehold or other possessory interest in real property granted by an authority for a project designated under Section 378.009(a). Deletes existing text relating to the manner in which Section 25.07(a), Tax Code, applies to a leasehold or other possessory interest in real property. Provides that projects are exempt from taxation under Section 11.11 (Public Property), Tax Code, for the period of such lease or other possessory interest.

(c) Provides that Section 378.011(b) expires on September 1, 2007.

[It is assumed, though not specifically stated, that this bill proposes to amend Section 378.011(b), Local Government Code, as added by Chapter 1221, Acts of the 76th Legislature, Regular Session, 1999.]

SECTION 2. Effective date: upon passage or September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

Differs from original in SECTION 1 by adding a new Subsection (c) to Section 378.011, Local Government Code to provide that Section 378.011(b) expires on September 1, 2007.