

BILL ANALYSIS

Senate Research Center
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H.B. 2772
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Natural Resources & Economic Development
5/20/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties contend that while some development corporations may lease and sell, by installment contract or otherwise, all or any part of certain development projects to support manufacturing and industrial development, these corporations may not own or operate a project as a business, except for closed or realigned military facilities. The parties explain that the authorization for certain corporations created by border area municipalities to undertake projects that promote new or expanded business enterprises through various transportation facilities would be beneficial. H.B. 2772 seeks to address this issue.

H.B. 2772 amends the Local Government Code to expand the definition of "project," for purposes of airport facilities or other projects by a development corporation authorized by a municipality, any part of which is located within 25 miles of an international border, under the Development Corporation Act, to include the land, buildings, facilities, infrastructure, and improvements that the development corporation's board of directors finds are required or suitable for the promotion of new or expanded business enterprises through transportation facilities including airports, hangars, railports, rail switching facilities, maintenance and repair facilities, cargo facilities, marine ports, inland ports, mass commuting facilities, parking facilities, and related infrastructure located on or adjacent to an airport or railport facility. The bill grants a corporation under the Development Corporation Act all the powers necessary to own and operate a project as a business if the project for those same purposes is authorized.

H.B. 2772 amends current law relating to the authority of certain economic development corporations to undertake and operate transportation-related 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 501.106(b), Local Government Code, as follows:

(b) Provides that, for a corporation to which this section applies, in this subtitle, "project" includes the land, buildings, facilities, infrastructure, and improvements that:

(1) the corporation's board of directors finds are required or suitable for the development or promotion of new or expanded business enterprises through transportation facilities including airports, hangars, railports, rail switching facilities, maintenance and repair facilities, cargo facilities, marine ports, inland ports, mass commuting facilities, parking facilities, and related infrastructure located on or adjacent to an airport or railport facility; or

(2) Makes no change to this subdivision.

Deletes existing definition text providing that, for a corporation to which this section applies, in this subtitle, "project" includes the land, buildings, facilities, infrastructure,

and improvements that the corporation's board of directors finds are required or suitable for expansion of airport facilities.

SECTION 2. Amends Section 501.160(d), Local Government Code, as follows:

(d) Provides that a corporation has all the powers necessary to own and operate a project as a business if:

(1) Creates this subdivision from existing text; or

(2) the project is authorized under Section 501.106 (Airport Facilities or Other Projects by Corporations Authorized by Certain Border Municipalities).

SECTION 3. Effective date: upon passage or September 1, 2015.