

BILL ANALYSIS

C.S.H.B. 3548
By: VanDeaver
Special Purpose Districts
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties explain that TexAmericas Center is a political subdivision of the state and was formed to acquire and develop property formerly used for the operation of the Red River Army Depot and the Lone Star Army Ammunition Plant in Bowie County. A portion of the property contains structures designed for the storage of explosives that are commonly known as "igloos" or "bunkers." The parties further note that TexAmericas Center wants to transfer title to such property to a nonprofit title holding corporation as a means of enhancing the protection of other assets, including the surrounding property and the center's financial resources, from the risk of explosive damage or environmental liability. The parties say that nontaxable entities often establish title holding companies to hold title to property, receive the income from the lease or sale of the property, and remit that income, less expenses, to the parent organization. The parties note that the storage igloos or bunkers will be leased to private munitions companies or other entities that need secure storage for explosives and hazardous materials. C.S.H.B. 3548 seeks to address these issues.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 3548 amends the Special District Local Laws Code to authorize the TexAmericas Center to authorize by resolution the incorporation of a nonprofit corporation under the Business Organizations Code to exercise the powers granted to the TexAmericas Center. The bill requires a nonprofit corporation created under the bill's provisions to be a nonmember, nonstock corporation and authorizes each such nonprofit corporation to acquire and hold title to real property and improvements to that property and collect and remit to the TexAmericas Center income, less expenses, from that real property and from improvements to that property. The bill requires the TexAmericas Center's board of directors to appoint the board of directors of each nonprofit corporation and establishes that a board member is not required to reside in the territory of the TexAmericas Center. The bill authorizes a board member or employee of the TexAmericas Center to simultaneously serve as a member of the board of directors of a nonprofit corporation. The bill authorizes a person serving as a board member of the TexAmericas Center and of a nonprofit corporation created by the TexAmericas Center to participate in all votes relating to the business of the TexAmericas Center or the corporation, regardless of any statutory prohibition. The bill establishes that the property, revenue, and income of each nonprofit corporation are exempt from all taxes imposed by the state or a political subdivision of the state.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3548 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter C, Chapter 3503, Special District Local Laws Code, is amended by adding Section 3503.111 to read as follows:

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Sec. 3503.111. NONPROFIT CORPORATIONS. (a) The authority may authorize by resolution the incorporation of a nonprofit corporation under the Business Organizations Code to exercise the powers granted to the authority. A corporation created under this section must be a nonmember, nonstock corporation.

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(b) The nonprofit corporation may:

(b) Each nonprofit corporation created under this section may:

(1) acquire and hold title to real property and improvements to that property; and

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(2) collect and remit to the authority income, less expenses, from that real property and from improvements to that property.

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(c) The board shall appoint the board of directors of the nonprofit corporation. A board member is not required to reside in the authority.

(c) The board shall appoint the board of directors of each nonprofit corporation created under this section. A board member is not required to reside in the authority.

(d) A board member or employee of the authority may simultaneously serve as a member of the board of directors of a nonprofit corporation. A person serving as a board member of the authority and of a nonprofit corporation created by the authority may participate in all votes relating to the business of the authority or the corporation, regardless of any statutory prohibition.

SECTION 2. Section 3503.154, Special District Local Laws Code, is amended to read as follows:

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Sec. 3503.154. EXEMPTION FROM TAXATION. The property, revenue, and income of the authority and of a nonprofit corporation created under Section 3503.111 are exempt from all taxes imposed by the

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state or a political subdivision of the state.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

by the state or a political subdivision of the state.

SECTION 3. Same as introduced version.