

SUBJECT: City and county bond authority to purchase land around a military base

COMMITTEE: Defense and Veterans' Affairs — committee substitute recommended

VOTE: 8 ayes — Corte, Vaught, Chavez, Edwards, Farias, Maldonado, Ortiz, Pickett

0 nays

1 absent — C. Turner

WITNESSES: For — (*Registered, but did not testify*: James Cunningham, Texas Council of Chapters, Military Officers Association of America; Jimmy Gaines, Texas Landowners Council, Inc.; Shanna Igo, Texas Municipal League; Ned Munoz, Texas Association of Builders; Patricia Shipton, City of El Paso)

Against — None

BACKGROUND: Local Government Code, ch. 280 allows municipalities and counties to acquire land for several purposes, including for use by the United States government or for hospital purposes. Tax Code, ch. 311 allows the governing body of a municipality or county to adopt an ordinance creating a reinvestment zone within the city or county, and gives them the authority to issue tax increment bonds or notes to pay for project costs for the reinvestment zone.

DIGEST: CSHB 4130 would allow a municipality to issue bonds or notes, including tax increment bonds or notes, to finance the acquisition of land adjacent to a military base in order to create a buffer zone or open space and prevent encroachment, or to construct highways, utilities, or other infrastructure that would protect or promote the military installation.

If an accompanying constitutional amendment were approved by the Legislature and by the voters, the bill would take effect December 1, 2009. Otherwise, it would have no effect.

**SUPPORTERS
SAY:**

CSHB 4130 would allow cities and counties to purchase land around a military base in order to prevent encroachment on the base's operations and training. Cities have existing authority to issue bonds to purchase blighted or distressed land, but land adjacent to military installations are also in need of protection, in order to preserve the economic benefit they provide to their surrounding communities. Military bases are often found in unincorporated areas that lie outside a city's jurisdiction, so counties also should be granted bond authority to purchase that land.

This bill would allow landowners to be compensated for their property rather than have it taken from them, and would help preserve the positive effect military bases have on their local economies. While HJR 132, the accompanying constitutional amendment, would allow municipalities and counties to pledge increases in real or personal property taxes imposed with a tax reinvestment zone to finance the repayment of the bonds or notes, this bill makes no reference to a property tax increase.

**OPPONENTS
SAY:**

No apparent opposition.

NOTES:

The substitute differs from the bill as filed by allowing municipalities and counties to issue tax increment bonds or notes authorized under ch. 311, Tax Code.

HJR 132 by Corte, proposing a constitutional amendment to authorize a municipality or county to issue bonds or notes to finance the acquisition of land adjacent to a military base in order to create a buffer zone or open space and prevent encroachment, or to construct highways, utilities, or other infrastructure that would protect or promote the military installation, was approved by the House by 137-3 on May 11 and has been referred to the Senate Subcommittee on Base Realignment and Closure.