

BILL ANALYSIS

Senate Research Center

S.B. 1214
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Veteran Affairs & Military Installations
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DIGEST AND PURPOSE

Currently, a nonprofit defense base development authority, such as the Greater Kelly Development Authority, is authorized to issue revenue bonds for certain purposes. However, the process of issuing bonds is complicated by the fact that such authorities are allowed only to issue traditional revenue bonds with a fixed interest rate. As proposed, S.B. 1214 establishes a more flexible credit agreement and bond authority by making a defense base development authority's bond authority and credit agreement authority similar to the bond and credit agreement authority of certain cities, city agencies, and school districts.

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 378.004(a), Local Government Code, as added by Chapter 1221, Acts of the 76th Legislature, Regular Session, 1999, to authorize a defense base development authority to exercise power necessary or convenient to carry out a purpose of this chapter, including the power to:

(18) authorize by resolution the incorporation of a nonprofit airport facility financing corporation as provided and authorized by Chapter 22E (Nonprofit Airport Facility Financing Corporations), Transportation Code, to provide financing to pay the costs, including interest, and reserves for the costs of an airport facility authorized by that chapter and for other purposes set forth in the articles of incorporation; and

(19) exercise the powers granted to a local government for the financing of facilities to be located on airport property, including those set out in Chapter 22 (County and Municipal Airports), Transportation Code, consistent with the requirements and the purposes of Section 52-a, Article III (Loan or Grant of Public Money for Economic Development), Texas Constitution.

SECTION 2. Amends Section 378.010, Local Government Code, by adding Subsection (c), to authorize an authority issuing bonds under this section to exercise the powers granted to the governing body of an issuer with regard to the issuance of obligations and the execution of credit agreements under Chapter 1371 (Obligations for Certain Public Improvements), Government Code.

SECTION 3. Effective date: upon passage or September 1, 2001.