

## **BILL ANALYSIS**

Senate Research Center  
82R26529 NAJ-F

C.S.S.B. 1493  
By: Uresti  
Veteran Affairs & Military Installations  
5/6/2011  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Defense Adjustment Management Authority Act was enacted by the Texas Legislature in 2001, to counteract potential negative impacts on the economic development of areas near military defense bases closed under the Base Realignment and Closure Act of 1990 and its subsequent amendments. It allowed the governing bodies of municipalities with a population of at least 1.1 million to create by resolution or ordinance an authority in an area that has been annexed for full or limited purposes of fostering economic opportunity, job generation, and capital investment by promoting a favorable business climate, preparing the workforce for productive employment, and supporting infrastructure development in areas around defense bases that are intended to be annexed by the municipality. The authority is a specific type of municipal management district with municipal zoning and platting powers within predefined limits.

Along with residents of the district and owners of property in the district, the original Act allowed owners of stock of a corporate owner of property, owners of trusts that own property in the district or agents, employees, or tenants of any of those property owners to be appointed to the board of an authority.

C.S.S.B. 1493 amends current law relating to the directors of a defense base management authority and to a study on the effectiveness of the authority.

### **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 Sections 375.306(a), (b), (c), and (h), Local Government Code, as follows:

- (a) Provides that the board of directors of a defense adjustment management authority (board; authority) consists of 11, rather than 15, directors.
- (b) Requires the municipality to appoint four, rather than six, members of the board.
- (c) Requires the county in which the municipality is primarily located to appoint four, rather than six, members of the board.
- (h) Provides that Sections 375.061 (Number of Directors; Terms), 375.063 (Qualifications of Director), 375.066 (Board Vacancy), and 375.068 (Officers) and the limitations of Section 375.072(c) (relating to public entity employees' service on boards) do not apply to this subchapter.

SECTION 2. Amends Section 375.307, Local Government Code by amending Subsection (a) and adding Subsection (c), as follows:

(a) Requires at least three directors appointed by the municipality and at least three directors appointed by the county to reside in the authority or own property in the authority. Deletes existing text requiring that a majority of the directors of an authority meet the qualifications of Section 375.063, except as provided by Subsection (b).

(c) Requires a person who does not meet the qualifications of Subsection (a), to be qualified to serve as a director appointed by the municipality or the county, to be:

(1) an owner of stock, whether beneficial or otherwise, of a corporate owner of property in the authority;

(2) an owner of a beneficial interest in a trust that owns property in the authority;  
or

(3) an agent, employee, or tenant of a person who owns property or is covered by Subdivision (1) or (2).

SECTION 3. Amends Subchapter O, Chapter 375, Local Government Code, by adding Section 375.315, as follows:

Sec. 375.315. EFFECTIVENESS STUDY; REPORT. (a) Requires the board to study the effectiveness of the authority.

(b) Requires the board, not later than December 31 of each even-numbered year, to report to the legislature on the effectiveness of the authority. Requires that the report:

(1) compare utility and infrastructure development in the authority since the authority's creation, and areas in the municipality that created the authority that are not in the authority;

(2) identify methods for improving residential, commercial, and industrial development in the authority;

(3) identify limitations and impediments to development in the authority;

(4) identify methods to improve the authority's accountability to property owners in the authority; and

(5) identify any competitive advantage opportunities of the authority.

SECTION 4. (a) Provides that the change in law made by this Act applies only to a director appointed on or after the effective date of this Act. Provides that a director appointed before the effective date of this Act is governed by the law in effect on the date the director was appointed, and the former law is continued in effect for that purpose.

(b) Provides that a director appointed by a municipality or county under Section 375.306, Local Government Code, as it existed immediately before the effective date of this Act, continues to serve until the director's term expires. Provides that until the number of directors appointed by the municipality or county is four for that entity, on expiration of the term of each director appointed by the entity, the director's position is abolished.

(c) Prohibits a municipality or county from appointing a director under Section 375.306, Local Government Code, as amended by this Act, until the number of directors appointed by the municipality or county, after existing terms expire and positions are abolished, is four or fewer directors for that entity. Authorizes an initial appointment by a municipality or county under Section 375.306, Local Government Code, as amended by this Act, to replace a director whose term expires but whose position is not abolished to be limited to one year to achieve staggering of terms under Section 375.306(e), Local Government Code.

SECTION 5. Effective date: upon passage or September 1, 2011.