

1-1 By: Van de Putte S.B. No. 1295
1-2 (In the Senate - Filed March 12, 2003; March 19, 2003, read
1-3 first time and referred to Subcommittee on Base Realignment and
1-4 Closure; April 22, 2003, reported to Committee on Veteran Affairs
1-5 and Military Installations; April 29, 2003, reported adversely,
1-6 with favorable Committee Substitute by the following vote: Yeas 3,
1-7 Nays 0; April 29, 2003, sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR S.B. No. 1295 By: Van de Putte

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to providing financial assistance to defense communities.
1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-13 SECTION 1. Chapter 481, Government Code, is amended by
1-14 adding Subchapter DD to read as follows:

1-15 SUBCHAPTER DD. DEFENSE COMMUNITY ASSISTANCE

1-16 Sec. 481.501. DEFINITIONS. In this subchapter:

1-17 (1) "Defense base" means a federally owned or operated
1-18 military installation, facility, or mission that is presently
1-19 functioning or that has been closed or realigned under the federal
1-20 defense base closure and realignment process.

1-21 (2) "Defense community" means a political
1-22 subdivision, including a municipality, county, defense base
1-23 development authority, or special district, that is adjacent to, is
1-24 near, or encompasses any part of a defense base.

1-25 (3) "Office" means the Office of Defense Affairs.

1-26 Sec. 481.502. FINANCIAL ASSISTANCE. (a) The office, in
1-27 coordination with the Texas Strategic Military Planning
1-28 Commission, shall assist defense communities in obtaining
1-29 financing for economic development projects that will improve the
1-30 function of a defense base that is in, adjacent to, or near the
1-31 defense community. The office and the commission shall refer the
1-32 defense community to:

1-33 (1) a local economic development corporation created
1-34 under the Development Corporation Act of 1979 (Article 5190.6,
1-35 Vernon's Texas Civil Statutes) for possible financing; or

1-36 (2) an appropriate state agency that has an existing
1-37 program to provide financing for the project, including:

1-38 (A) the Texas Water Development Board; or

1-39 (B) the Texas Department of Transportation.

1-40 (b) A state agency making a loan to a defense community
1-41 under this section shall evaluate the project and determine whether
1-42 the project may be financed through the agency's program. The state
1-43 agency has sole discretion on whether to finance the project.

1-44 (c) In reviewing applications for financing from defense
1-45 communities, state agencies shall consider the office's priority
1-46 for the project. The office shall maintain a record of each loan
1-47 granted to a defense community that includes the amount of the loan,
1-48 the agency making the loan, and a description of the project. The
1-49 office shall submit to the state agencies a priority list of
1-50 economic development projects under this subsection that totals up
1-51 to \$150 million. This subsection expires September 1, 2007.

1-52 Sec. 481.503. MEMORANDUM OF UNDERSTANDING. The office
1-53 shall enter into a memorandum of understanding with each state
1-54 agency that has a program to fund economic development projects for
1-55 defense communities. The memorandum of understanding shall include
1-56 each agency's responsibilities in granting and administering a loan
1-57 to a defense community.

1-58 Sec. 481.504. SECURITY FOR LOANS. In addition to any other
1-59 security provided by law if a defense community defaults on a loan,
1-60 a state agency making a loan to the defense community for a project
1-61 described by Section 481.502(a) may foreclose under a loan
1-62 agreement in the manner provided by law for foreclosure and
1-63 liquidate any collateral provided under the loan agreement to

2-1 recover any outstanding debt.

2-2 Sec. 481.505. GIFTS AND GRANTS. The office may accept gifts
2-3 and grants from any source for the purposes of this subchapter.

2-4 SECTION 2. This Act takes effect immediately if it receives
2-5 a vote of two-thirds of all the members elected to each house, as
2-6 provided by Section 39, Article III, Texas Constitution. If this
2-7 Act does not receive the vote necessary for immediate effect, this
2-8 Act takes effect September 1, 2003.

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