

By: Corte

H.B. No. 3302

A BILL TO BE ENTITLED

AN ACT

relating to the membership and powers and duties of the Texas  
Military Preparedness Commission.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 436.051, Government Code, as renumbered  
from Section 436.003, Government Code, by Section 3, Chapter 149,  
Acts of the 78th Legislature, Regular Session, 2003, and Section  
436.003, Government Code, as amended by Section 8, Chapter 1328,  
Acts of the 78th Legislature, Regular Session, 2003, are reenacted  
and amended to read as follows:

Sec. 436.051. COMPOSITION; ELIGIBILITY. (a) The  
commission is composed of:

(1) 13 [~~nine~~] public members, appointed by the  
governor; and

(2) the following ex officio members:

(A) the chair of the committee of the Texas House  
of Representatives that has primary jurisdiction of matters  
concerning defense affairs and state-federal relations; and

(B) one member of the Texas Senate appointed by  
the lieutenant governor.

(b) To be eligible for appointment as a public member to the  
commission, a person must have demonstrated experience in economic  
development, the defense industry, military installation  
operation, environmental issues, finance, local government, or the

1 use of airspace or outer space for future military missions.

2 (c) Appointments to the commission shall be made without  
3 regard to the race, color, disability, sex, religion, age, or  
4 national origin of the appointee.

5 SECTION 2. Section 436.052(a), Government Code, is amended  
6 to read as follows:

7 (a) The 13 [~~nine~~] public members of the commission serve  
8 staggered terms of six years with the terms of four or five  
9 [~~one-third of the~~] members expiring February 1 of each odd-numbered  
10 year. A legislative member vacates the person's position on the  
11 commission if the person ceases to be the chair of the applicable  
12 legislative committee.

13 SECTION 3. Section 436.101, Government Code, is amended to  
14 read as follows:

15 Sec. 436.101. POWERS AND DUTIES OF COMMISSION. The  
16 commission shall:

17 (1) advise the governor and the legislature on  
18 military issues and economic and industrial development related to  
19 military issues;

20 (2) make recommendations regarding:

21 (A) the development of policies and plans to  
22 support the long-term viability and prosperity of the military,  
23 active and civilian, in this state, including promoting strategic  
24 regional alliances that may extend over state lines; and

25 (B) [~~the development of methods to improve~~  
26 ~~private and public employment opportunities for former members of~~  
27 ~~the military residing in this state, and~~

1            [~~(C)~~] the development of methods to assist  
2 defense-dependent communities in the design and execution of  
3 programs that enhance a community's relationship with military  
4 installations and defense-related businesses;

5            (3) [~~develop and maintain a database of the names and~~  
6 ~~public business information of all prime contractors and~~  
7 ~~subcontractors operating in this state who perform defense-related~~  
8 ~~work;~~

9            [~~(4)~~] provide information to communities, the  
10 legislature, the state's congressional delegation, and state  
11 agencies regarding federal actions affecting military  
12 installations and missions;

13            (4) [~~(5)~~] serve as a clearinghouse for:

14            (A) defense economic adjustment and transition  
15 information and activities along with the Texas Business and  
16 Community Economic Development Clearinghouse; and

17            (B) information about:

18            (i) issues related to the operating costs,  
19 missions, and strategic value of federal military installations  
20 located in the state;

21            (ii) employment issues for communities that  
22 depend on defense bases and in defense-related businesses; and

23            (iii) defense strategies and incentive  
24 programs that other states are using to maintain, expand, and  
25 attract new defense contractors;

26            (5) [~~(6)~~] provide assistance to communities that have  
27 experienced a defense-related closure or realignment;

1           (6) [~~(7)~~] assist communities in the design and  
2 execution of programs that enhance a community's relationship with  
3 military installations and defense-related businesses, including  
4 regional alliances that may extend over state lines;

5           (7) [~~(8)~~] assist communities in the retention and  
6 recruiting of defense-related businesses, including fostering  
7 strategic regional alliances that may extend over state lines;

8           ~~[(9) prepare a biennial strategic plan that:~~

9                   ~~[(A) fosters the enhancement of military value of  
10 the contributions of Texas military installations to national  
11 defense strategies;~~

12                   ~~[(B) considers all current and anticipated base  
13 realignment and closure criteria; and~~

14                   ~~[(C) develops strategies to protect the state's  
15 existing military missions and positions the state to be  
16 competitive for new and expanded military missions;]~~ and

17           (8) [~~(10)~~] encourage economic development in this  
18 state by fostering the development of industries related to defense  
19 affairs.

20           SECTION 4. Sections 436.103(b) and (d), Government Code,  
21 are amended to read as follows:

22           (b) Not later than July 1 of each even-numbered year, the  
23 commission shall prepare and submit a report to the governor and the  
24 legislature about the active military installations, communities  
25 that depend on military installations, and defense-related  
26 businesses in this state. The commission may update the report in  
27 an odd-numbered year. The report must include:

1 (1) an economic impact statement describing in detail  
2 the effect of the military on the economy of this state;

3 (2) a statewide assessment of active military  
4 installations and current missions;

5 (3) a statewide strategy to attract new military  
6 missions and defense-related business and include specific actions  
7 that add military value to existing military installations;

8 (4) a list of state and federal activities that have  
9 significant impact on active military installations and current  
10 missions;

11 (5) a statement identifying:

12 (A) the state and federal programs and services  
13 that assist communities impacted by military base closures or  
14 realignments and the efforts to coordinate those programs; and

15 (B) the efforts to coordinate state agency  
16 programs and services that assist communities in retaining active  
17 military installations and current missions;

18 (6) an evaluation of initiatives to retain existing  
19 defense-related businesses; and

20 (7) a list of agencies with regulations, policies,  
21 programs, or services that impact the operating costs or strategic  
22 value of federal military installations and activities in the  
23 state.

24 (d) The commission shall periodically meet [~~coordinate~~  
25 ~~annual meetings~~] with [~~the head of~~] each state agency that has  
26 defense-related programs or is engaged in a project in a  
27 defense-dependent community and with each [~~or~~] member of the

1 legislature whose district contains an active, closed, or realigned  
2 military installation to discuss defense-related issues and the  
3 implementation of the recommendations outlined in the report  
4 required under Subsection (b).

5 SECTION 5. The heading to Section 436.152, Government Code,  
6 is amended to read as follows:

7 Sec. 436.152. ANALYSIS OF PROJECTS THAT ADD MILITARY VALUE;  
8 FINANCING.

9 SECTION 6. Subchapter D, Chapter 436, Government Code, is  
10 amended by adding Section 436.1531 to read as follows:

11 Sec. 436.1531. LOANS FOR COMMUNITIES ADVERSELY AFFECTED BY  
12 DEFENSE BASE REDUCTION. (a) The commission may provide a loan of  
13 financial assistance to a defense community for an economic  
14 development project that minimizes the negative effects of a  
15 defense base reduction on the defense community. The loan shall be  
16 made from the Texas military value revolving loan account  
17 established under Section 436.156.

18 (b) On receiving an application for a loan under this  
19 section, the commission shall evaluate the economic development  
20 project to determine how the project will minimize the negative  
21 effects of a defense base reduction on the defense community,  
22 including the number of jobs that the project will create and the  
23 economic impact the project will have on the community.

24 (c) If the commission determines that a project will reduce  
25 the negative effects of a defense base reduction on the defense  
26 community, the commission shall:

27 (1) analyze the creditworthiness of the defense

1 community to determine the defense community's ability to repay the  
2 loan; and

3 (2) evaluate the feasibility of the project to be  
4 financed to ensure that the defense community has pledged a source  
5 of revenue or taxes sufficient to repay the loan for the project.

6 (d) If the commission determines that the funds will be used  
7 to finance an economic development project that will reduce the  
8 negative effects of a defense base reduction on the defense  
9 community and that the project is financially feasible, the  
10 commission may award a loan to the defense community for the  
11 project. The commission shall enter into a written agreement with a  
12 defense community that is awarded a loan. The agreement must  
13 contain the terms and conditions of the loan, including the loan  
14 repayment requirements.

15 (e) The commission shall notify the Texas Public Finance  
16 Authority of the amount of the loan and the recipient of the loan  
17 and request the authority to issue general obligation bonds in an  
18 amount necessary to fund the loan. The commission and the authority  
19 shall determine the amount and time of a bond issue to best provide  
20 funds for one or multiple loans.

21 (f) The commission shall administer the loans to ensure full  
22 repayment of the general obligation bonds issued to finance the  
23 project.

24 (g) A project financed with a loan under this section must  
25 be completed on or before the fifth anniversary of the date the loan  
26 is awarded.

27 (h) The amount of a loan under this section may not exceed

1 the total cost of the project.

2 SECTION 7. Section 397.001(1), Local Government Code, is  
3 amended to read as follows:

4 (1) "Defense base" means a federally owned or operated  
5 military installation or facility that is presently functioning or  
6 was closed as a result of the United States Department of Defense  
7 base realignment process.

8 SECTION 8. Section 397.002(a), Local Government Code, is  
9 amended to read as follows:

10 (a) A defense community that applies for financial  
11 assistance from the Texas military value revolving loan account  
12 under Section 436.153, Government Code, shall prepare, in  
13 consultation with the authorities from each defense base associated  
14 with the community, a defense base military value enhancement  
15 statement that illustrates specific ways the funds will enhance the  
16 military value of the installations and must include the following  
17 information for each project:

18 (1) the purpose for which financial assistance is  
19 requested, including a description of the project;

20 (2) the source of other funds for the project;

21 (3) a statement on how the project will enhance the  
22 military value of the installation;

23 (4) whether the defense community has coordinated the  
24 project with authorities of the military installation and whether  
25 any approval has been obtained from those authorities;

26 (5) whether any portion of the project is to occur on  
27 the military installation;



1           (6) whether the project will have any negative impact  
2 on the natural or cultural environment;

3           (7) a description of any known negative factors  
4 arising from the project that will affect the community or the  
5 military installation; and

6           (8) a description of how the project will address  
7 future base realignment or closure.

8           SECTION 9. Chapter 397, Local Government Code, is amended  
9 by adding Section 397.0021 to read as follows:

10           Sec. 397.0021. DEFENSE COMMUNITY ECONOMIC REDEVELOPMENT  
11 VALUE STATEMENT. (a) A defense community that is adjacent to a  
12 closed military installation and applies for financial assistance  
13 from the Texas military value revolving loan account shall prepare  
14 an economic redevelopment value statement that illustrates  
15 specific ways the funds will be used to promote economic  
16 development in the community and include the following information  
17 for each project:

18           (1) the purpose for which financial assistance is  
19 requested, including a description of the project;

20           (2) the source of other funds for the project;

21           (3) a statement on how the project will promote  
22 economic development in the community;

23           (4) whether any portion of the project is to occur on a  
24 closed military installation;

25           (5) whether any approval has been obtained from those  
26 authorities retaining or receiving title to that portion of the  
27 closed installation to be affected by the project;

1           (6) whether the project will have any negative impact  
2 on the natural or cultural environment; and

3           (7) a description of any known negative factors  
4 arising from the project that will affect the defense community.

5           (b) The Texas Military Preparedness Commission may require  
6 a defense community to provide any additional information the  
7 commission requires to evaluate the community's request for  
8 financial assistance under this section.

9           (c) Two or more defense communities near the same defense  
10 base that apply for financial assistance from the Texas military  
11 value revolving loan account may prepare a joint statement.

12           (d) A copy of the economic redevelopment value statement  
13 shall be distributed to the Texas Military Preparedness Commission  
14 and any defense community which may be affected by the resulting  
15 project.

16           (e) This section does not prohibit a defense community that  
17 is not applying for financial assistance from preparing an economic  
18 redevelopment value statement under this section.

19           SECTION 10. (a) Not later than October 1, 2005, the  
20 governor shall appoint the four additional public members of the  
21 Texas Military Preparedness Commission as required by Section  
22 436.051, Government Code, as amended by this Act. The governor  
23 shall appoint:

24           (1) one public member to serve a term expiring  
25 February 1, 2007;

26           (2) one public member to serve a term expiring  
27 February 1, 2009; and

1                   (3) two public members to serve terms expiring  
2 February 1, 2011.

3                   (b) Until all of the members appointed under this section  
4 have qualified for office, a quorum of the commission is a majority  
5 of the number of members who have qualified for office.

6                   SECTION 11. This Act takes effect September 1, 2005.