

1-1 By: Corte (Senate Sponsor - Shapleigh) H.B. No. 3302
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on Veteran
1-4 Affairs and Military Installations; May 21, 2005, reported
1-5 favorably by the following vote: Yeas 5, Nays 0; May 21, 2005, sent
1-6 to printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the membership and powers and duties of the Texas
1-10 Military Preparedness Commission.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Section 436.051, Government Code, as renumbered
1-13 from Section 436.003, Government Code, by Section 3, Chapter 149,
1-14 Acts of the 78th Legislature, Regular Session, 2003, and Section
1-15 436.003, Government Code, as amended by Section 8, Chapter 1328,
1-16 Acts of the 78th Legislature, Regular Session, 2003, are reenacted
1-17 and amended to read as follows:

1-18 Sec. 436.051. COMPOSITION; ELIGIBILITY. (a) The
1-19 commission is composed of:

1-20 (1) 13 [~~nine~~] public members, appointed by the
1-21 governor; and

1-22 (2) the following ex officio members:

1-23 (A) the chair of the committee of the Texas House
1-24 of Representatives that has primary jurisdiction of matters
1-25 concerning defense affairs and state-federal relations; and

1-26 (B) one member of the Texas Senate appointed by
1-27 the lieutenant governor.

1-28 (b) To be eligible for appointment as a public member to the
1-29 commission, a person must have demonstrated experience in economic
1-30 development, the defense industry, military installation
1-31 operation, environmental issues, finance, local government, or the
1-32 use of airspace or outer space for future military missions.

1-33 (c) Appointments to the commission shall be made without
1-34 regard to the race, color, disability, sex, religion, age, or
1-35 national origin of the appointee.

1-36 SECTION 2. Section 436.052(a), Government Code, is amended
1-37 to read as follows:

1-38 (a) The 13 [~~nine~~] public members of the commission serve
1-39 staggered terms of six years with the terms of four or five
1-40 [~~one-third of the~~] members expiring February 1 of each odd-numbered
1-41 year. A legislative member vacates the person's position on the
1-42 commission if the person ceases to be the chair of the applicable
1-43 legislative committee.

1-44 SECTION 3. Section 436.101, Government Code, is amended to
1-45 read as follows:

1-46 Sec. 436.101. POWERS AND DUTIES OF COMMISSION. The
1-47 commission shall:

1-48 (1) advise the governor and the legislature on
1-49 military issues and economic and industrial development related to
1-50 military issues;

1-51 (2) make recommendations regarding:

1-52 (A) the development of policies and plans to
1-53 support the long-term viability and prosperity of the military,
1-54 active and civilian, in this state, including promoting strategic
1-55 regional alliances that may extend over state lines; and

1-56 (B) [~~the development of methods to improve~~
1-57 ~~private and public employment opportunities for former members of~~
1-58 ~~the military residing in this state, and~~

1-59 [~~(C)~~] the development of methods to assist
1-60 defense-dependent communities in the design and execution of
1-61 programs that enhance a community's relationship with military
1-62 installations and defense-related businesses;

1-63 (3) [~~develop and maintain a database of the names and~~
1-64 ~~public business information of all prime contractors and~~

2-1 ~~subcontractors operating in this state who perform defense-related~~
 2-2 ~~work;~~

2-3 ~~[(4)]~~ provide information to communities, the
 2-4 legislature, the state's congressional delegation, and state
 2-5 agencies regarding federal actions affecting military
 2-6 installations and missions;

2-7 (4) ~~[(5)]~~ serve as a clearinghouse for:

2-8 (A) defense economic adjustment and transition
 2-9 information and activities along with the Texas Business and
 2-10 Community Economic Development Clearinghouse; and

2-11 (B) information about:

2-12 (i) issues related to the operating costs,
 2-13 missions, and strategic value of federal military installations
 2-14 located in the state;

2-15 (ii) employment issues for communities that
 2-16 depend on defense bases and in defense-related businesses; and

2-17 (iii) defense strategies and incentive
 2-18 programs that other states are using to maintain, expand, and
 2-19 attract new defense contractors;

2-20 (5) ~~[(6)]~~ provide assistance to communities that have
 2-21 experienced a defense-related closure or realignment;

2-22 (6) ~~[(7)]~~ assist communities in the design and
 2-23 execution of programs that enhance a community's relationship with
 2-24 military installations and defense-related businesses, including
 2-25 regional alliances that may extend over state lines;

2-26 (7) ~~[(8)]~~ assist communities in the retention and
 2-27 recruiting of defense-related businesses, including fostering
 2-28 strategic regional alliances that may extend over state lines;

2-29 ~~[(9) prepare a biennial strategic plan that:~~

2-30 ~~[(A) fosters the enhancement of military value of~~
 2-31 ~~the contributions of Texas military installations to national~~
 2-32 ~~defense strategies;~~

2-33 ~~[(B) considers all current and anticipated base~~
 2-34 ~~realignment and closure criteria; and~~

2-35 ~~[(C) develops strategies to protect the state's~~
 2-36 ~~existing military missions and positions the state to be~~
 2-37 ~~competitive for new and expanded military missions;] and~~

2-38 (8) ~~[(10)]~~ encourage economic development in this
 2-39 state by fostering the development of industries related to defense
 2-40 affairs.

2-41 SECTION 4. Sections 436.103(b) and (d), Government Code,
 2-42 are amended to read as follows:

2-43 (b) Not later than July 1 of each even-numbered year, the
 2-44 commission shall prepare and submit a report to the governor and the
 2-45 legislature about the active military installations, communities
 2-46 that depend on military installations, and defense-related
 2-47 businesses in this state. The commission may update the report in
 2-48 an odd-numbered year. The report must include:

2-49 (1) an economic impact statement describing in detail
 2-50 the effect of the military on the economy of this state;

2-51 (2) a statewide assessment of active military
 2-52 installations and current missions;

2-53 (3) a statewide strategy to attract new military
 2-54 missions and defense-related business and include specific actions
 2-55 that add military value to existing military installations;

2-56 (4) a list of state and federal activities that have
 2-57 significant impact on active military installations and current
 2-58 missions;

2-59 (5) a statement identifying:

2-60 (A) the state and federal programs and services
 2-61 that assist communities impacted by military base closures or
 2-62 realignments and the efforts to coordinate those programs; and

2-63 (B) the efforts to coordinate state agency
 2-64 programs and services that assist communities in retaining active
 2-65 military installations and current missions;

2-66 (6) an evaluation of initiatives to retain existing
 2-67 defense-related businesses; and

2-68 (7) a list of agencies with regulations, policies,
 2-69 programs, or services that impact the operating costs or strategic

3-1 value of federal military installations and activities in the
3-2 state.

3-3 (d) The commission shall periodically meet [~~coordinate~~
3-4 ~~annual meetings~~] with [~~the head of~~] each state agency that has
3-5 defense-related programs or is engaged in a project in a
3-6 defense-dependent community and with each [~~or~~] member of the
3-7 legislature whose district contains an active, closed, or realigned
3-8 military installation to discuss defense-related issues and the
3-9 implementation of the recommendations outlined in the report
3-10 required under Subsection (b).

3-11 SECTION 5. The heading to Section 436.152, Government Code,
3-12 is amended to read as follows:

3-13 Sec. 436.152. ANALYSIS OF PROJECTS THAT ADD MILITARY VALUE;
3-14 FINANCING.

3-15 SECTION 6. Subchapter D, Chapter 436, Government Code, is
3-16 amended by adding Section 436.1531 to read as follows:

3-17 Sec. 436.1531. LOANS FOR COMMUNITIES ADVERSELY AFFECTED BY
3-18 DEFENSE BASE REDUCTION. (a) The commission may provide a loan of
3-19 financial assistance to a defense community for an economic
3-20 development project that minimizes the negative effects of a
3-21 defense base reduction on the defense community. The loan shall be
3-22 made from the Texas military value revolving loan account
3-23 established under Section 436.156.

3-24 (b) On receiving an application for a loan under this
3-25 section, the commission shall evaluate the economic development
3-26 project to determine how the project will minimize the negative
3-27 effects of a defense base reduction on the defense community,
3-28 including the number of jobs that the project will create and the
3-29 economic impact the project will have on the community.

3-30 (c) If the commission determines that a project will reduce
3-31 the negative effects of a defense base reduction on the defense
3-32 community, the commission shall:

3-33 (1) analyze the creditworthiness of the defense
3-34 community to determine the defense community's ability to repay the
3-35 loan; and

3-36 (2) evaluate the feasibility of the project to be
3-37 financed to ensure that the defense community has pledged a source
3-38 of revenue or taxes sufficient to repay the loan for the project.

3-39 (d) If the commission determines that the funds will be used
3-40 to finance an economic development project that will reduce the
3-41 negative effects of a defense base reduction on the defense
3-42 community and that the project is financially feasible, the
3-43 commission may award a loan to the defense community for the
3-44 project. The commission shall enter into a written agreement with a
3-45 defense community that is awarded a loan. The agreement must
3-46 contain the terms and conditions of the loan, including the loan
3-47 repayment requirements.

3-48 (e) The commission shall notify the Texas Public Finance
3-49 Authority of the amount of the loan and the recipient of the loan
3-50 and request the authority to issue general obligation bonds in an
3-51 amount necessary to fund the loan. The commission and the authority
3-52 shall determine the amount and time of a bond issue to best provide
3-53 funds for one or multiple loans.

3-54 (f) The commission shall administer the loans to ensure full
3-55 repayment of the general obligation bonds issued to finance the
3-56 project.

3-57 (g) A project financed with a loan under this section must
3-58 be completed on or before the fifth anniversary of the date the loan
3-59 is awarded.

3-60 (h) The amount of a loan under this section may not exceed
3-61 the total cost of the project.

3-62 SECTION 7. Section 397.001(1), Local Government Code, is
3-63 amended to read as follows:

3-64 (1) "Defense base" means a federally owned or operated
3-65 military installation or facility that is presently functioning or
3-66 was closed as a result of the United States Department of Defense
3-67 base realignment process.

3-68 SECTION 8. Section 397.002(a), Local Government Code, is
3-69 amended to read as follows:

4-1 (a) A defense community that applies for financial
4-2 assistance from the Texas military value revolving loan account
4-3 under Section 436.153, Government Code, shall prepare, in
4-4 consultation with the authorities from each defense base associated
4-5 with the community, a defense base military value enhancement
4-6 statement that illustrates specific ways the funds will enhance the
4-7 military value of the installations and must include the following
4-8 information for each project:

4-9 (1) the purpose for which financial assistance is
4-10 requested, including a description of the project;

4-11 (2) the source of other funds for the project;

4-12 (3) a statement on how the project will enhance the
4-13 military value of the installation;

4-14 (4) whether the defense community has coordinated the
4-15 project with authorities of the military installation and whether
4-16 any approval has been obtained from those authorities;

4-17 (5) whether any portion of the project is to occur on
4-18 the military installation;

4-19 (6) whether the project will have any negative impact
4-20 on the natural or cultural environment;

4-21 (7) a description of any known negative factors
4-22 arising from the project that will affect the community or the
4-23 military installation; and

4-24 (8) a description of how the project will address
4-25 future base realignment or closure.

4-26 SECTION 9. Chapter 397, Local Government Code, is amended
4-27 by adding Section 397.0021 to read as follows:

4-28 Sec. 397.0021. DEFENSE COMMUNITY ECONOMIC REDEVELOPMENT
4-29 VALUE STATEMENT. (a) A defense community that is adjacent to a
4-30 closed military installation and applies for financial assistance
4-31 from the Texas military value revolving loan account shall prepare
4-32 an economic redevelopment value statement that illustrates
4-33 specific ways the funds will be used to promote economic
4-34 development in the community and include the following information
4-35 for each project:

4-36 (1) the purpose for which financial assistance is
4-37 requested, including a description of the project;

4-38 (2) the source of other funds for the project;

4-39 (3) a statement on how the project will promote
4-40 economic development in the community;

4-41 (4) whether any portion of the project is to occur on a
4-42 closed military installation;

4-43 (5) whether any approval has been obtained from those
4-44 authorities retaining or receiving title to that portion of the
4-45 closed installation to be affected by the project;

4-46 (6) whether the project will have any negative impact
4-47 on the natural or cultural environment; and

4-48 (7) a description of any known negative factors
4-49 arising from the project that will affect the defense community.

4-50 (b) The Texas Military Preparedness Commission may require
4-51 a defense community to provide any additional information the
4-52 commission requires to evaluate the community's request for
4-53 financial assistance under this section.

4-54 (c) Two or more defense communities near the same defense
4-55 base that apply for financial assistance from the Texas military
4-56 value revolving loan account may prepare a joint statement.

4-57 (d) A copy of the economic redevelopment value statement
4-58 shall be distributed to the Texas Military Preparedness Commission
4-59 and any defense community which may be affected by the resulting
4-60 project.

4-61 (e) This section does not prohibit a defense community that
4-62 is not applying for financial assistance from preparing an economic
4-63 redevelopment value statement under this section.

4-64 SECTION 10. (a) Not later than October 1, 2005, the
4-65 governor shall appoint the four additional public members of the
4-66 Texas Military Preparedness Commission as required by Section
4-67 436.051, Government Code, as amended by this Act. The governor
4-68 shall appoint:

4-69 (1) one public member to serve a term expiring

5-1 February 1, 2007;
5-2 (2) one public member to serve a term expiring
5-3 February 1, 2009; and
5-4 (3) two public members to serve terms expiring
5-5 February 1, 2011.
5-6 (b) Until all of the members appointed under this section
5-7 have qualified for office, a quorum of the commission is a majority
5-8 of the number of members who have qualified for office.
5-9 SECTION 11. This Act takes effect September 1, 2005.

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