

By: Shapleigh

S.B. No. 1481

Substitute the following for S.B. No. 1481:

By: Corte

C.S.S.B. No. 1481

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 436.101, Government Code, is amended to read as follows:

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

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

(2) make recommendations regarding:

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

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

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

~~(3) [develop and maintain a database of the names and~~

1 ~~public business information of all prime contractors and~~  
2 ~~subcontractors operating in this state who perform defense-related~~  
3 ~~work;~~

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

8 (4) ~~(5)~~ serve as a clearinghouse for:

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

12 (B) information about:

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

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

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

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

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

27 (7) ~~(8)~~ assist communities in the retention and

1 recruiting of defense-related businesses, including fostering  
2 strategic regional alliances that may extend over state lines;

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

4 ~~[(A) fosters the enhancement of military value of~~  
5 ~~the contributions of Texas military installations to national~~  
6 ~~defense strategies;~~

7 ~~[(B) considers all current and anticipated base~~  
8 ~~realignment and closure criteria; and~~

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

12 (8) ~~[(10)]~~ encourage economic development in this  
13 state by fostering the development of industries related to defense  
14 affairs.

15 SECTION 2. Sections 436.103(b) and (d), Government Code,  
16 are amended to read as follows:

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

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

25 (2) a statewide assessment of active military  
26 installations and current missions;

27 (3) a statewide strategy to attract new military

1 missions and defense-related business and include specific actions  
2 that add military value to existing military installations;

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

6 (5) a statement identifying:

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

10 (B) the efforts to coordinate state agency  
11 programs and services that assist communities in retaining active  
12 military installations and current missions;

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

15 (7) a list of agencies with regulations, policies,  
16 programs, or services that impact the operating costs or strategic  
17 value of federal military installations and activities in the  
18 state.

19 (d) The commission shall periodically meet [~~coordinate~~  
20 ~~annual meetings~~] with [~~the head of~~] each state agency that has  
21 defense-related programs or is engaged in a project in a  
22 defense-dependent community and with each [~~or~~] member of the  
23 legislature whose district contains an active, closed, or realigned  
24 military installation to discuss defense-related issues and the  
25 implementation of the recommendations outlined in the report  
26 required under Subsection (b).

27 SECTION 3. Subchapter D, Chapter 436, Government Code, is

1 amended by adding Sections 436.1531 and 436.1532 to read as  
2 follows:

3 Sec. 436.1531. LOANS FOR COMMUNITIES ADVERSELY AFFECTED BY  
4 DEFENSE BASE REDUCTION. (a) The commission may provide a loan of  
5 financial assistance to a defense community for an economic  
6 development project that minimizes the negative effects of a  
7 defense base reduction on the defense community as a result of a  
8 United States Department of Defense base realignment process that  
9 occurs during 2005 or later. The loan shall be made from the Texas  
10 military value revolving loan account established under Section  
11 436.156.

12 (b) On receiving an application for a loan under this  
13 section, the commission shall evaluate the economic development  
14 project to determine how the project will minimize the negative  
15 effects of a defense base reduction on the defense community,  
16 including the number of jobs that the project will create and the  
17 economic impact the project will have on the community.

18 (c) If the commission determines that a project will reduce  
19 the negative effects of a defense base reduction on the defense  
20 community, the commission shall:

21 (1) analyze the creditworthiness of the defense  
22 community to determine the defense community's ability to repay the  
23 loan; and

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

27 (d) If the commission determines that the funds will be used

1 to finance an economic development project that will reduce the  
2 negative effects of a defense base reduction on the defense  
3 community and that the project is financially feasible, the  
4 commission may award a loan to the defense community for the  
5 project. The commission shall enter into a written agreement with a  
6 defense community that is awarded a loan. The agreement must  
7 contain the terms and conditions of the loan, including the loan  
8 repayment requirements.

9 (e) The commission shall notify the Texas Public Finance  
10 Authority of the amount of the loan and the recipient of the loan  
11 and request the authority to issue general obligation bonds in an  
12 amount necessary to fund the loan. The commission and the authority  
13 shall determine the amount and time of a bond issue to best provide  
14 funds for one or multiple loans.

15 (f) The commission shall administer the loans to ensure full  
16 repayment of the general obligation bonds issued to finance the  
17 project.

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

21 (h) The amount of a loan under this section may not exceed  
22 the total cost of the project.

23 Sec. 436.1532. LOANS FOR COMMUNITIES POSITIVELY AFFECTED BY  
24 DEFENSE BASE RESTRUCTURING. (a) The commission may provide a loan  
25 of financial assistance to a defense community for an  
26 infrastructure project to accomodate new or expanded military  
27 missions assigned to a military facility located in, near, or

1 adjacent to the defense community as a result of a United States  
2 Department of Defense base realignment process that occurs during  
3 2005 or later. The loan shall be made from the Texas military value  
4 revolving loan account established under Section 436.156.

5 (b) On receiving an application for a loan under this  
6 section, the commission shall evaluate the infrastructure project  
7 to determine how the project will assist the defense community in  
8 accommodating the new or expanded military missions that are  
9 assigned to the military facility.

10 (c) If the commission determines that the project will  
11 assist the defense community in accommodating the new or expanded  
12 military missions that are assigned to the military facility, the  
13 commission shall:

14 (1) analyze the creditworthiness of the defense  
15 community to determine the defense community's ability to repay the  
16 loan; and

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

20 (d) If the commission determines that the funds will be used  
21 to finance an infrastructure project to accommodate new or expanded  
22 military missions assigned to the military facility located in,  
23 near, or adjacent to the defense community and that the project is  
24 financially feasible, the commission may award a loan to the  
25 defense community for the project. The commission shall enter into  
26 a written agreement with a defense community that is awarded a loan.  
27 The agreement must contain the terms and conditions of the loan,

1 including the loan repayment requirements.

2 (e) The commission shall notify the Texas Public Finance  
3 Authority of the amount of the loan and the recipient of the loan  
4 and request the authority to issue general obligation bonds in an  
5 amount necessary to fund the loan. The commission and the authority  
6 shall determine the amount and time of a bond issue to best provide  
7 funds for one or multiple loans.

8 (f) The commission shall administer the loans to ensure full  
9 repayment of the general obligation bonds issued to finance the  
10 project.

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

14 (h) The amount of a loan under this section may not exceed  
15 the total cost of the project.

16 SECTION 4. Section 397.001(1), Local Government Code, is  
17 amended to read as follows:

18 (1) "Defense base" means a federally owned or operated  
19 military installation or facility that is presently functioning or  
20 was closed as a result of the United States Department of Defense  
21 base realignment process.

22 SECTION 5. Section 397.002(a), Local Government Code, is  
23 amended to read as follows:

24 (a) A defense community that applies for financial  
25 assistance from the Texas military value revolving loan account  
26 under Section 436.153, Government Code, shall prepare, in  
27 consultation with the authorities from each defense base associated



1 with the community, a defense base military value enhancement  
2 statement that illustrates specific ways the funds will enhance the  
3 military value of the installations and must include the following  
4 information for each project:

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

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

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

10 (4) whether the defense community has coordinated the  
11 project with authorities of the military installation and whether  
12 any approval has been obtained from those authorities;

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

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

17 (7) a description of any known negative factors  
18 arising from the project that will affect the community or the  
19 military installation; and

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

22 SECTION 6. Chapter 397, Local Government Code, is amended  
23 by adding Section 397.0021 to read as follows:

24 Sec. 397.0021. DEFENSE COMMUNITY ECONOMIC REDEVELOPMENT  
25 VALUE STATEMENT. (a) A defense community that is adjacent to a  
26 closed military installation and applies for financial assistance  
27 from the Texas military value revolving loan account shall prepare

1 an economic redevelopment value statement that illustrates  
2 specific ways the funds will be used to promote economic  
3 development in the community and include the following information  
4 for each project:

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

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

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

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

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

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

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

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

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

26 (d) A copy of the economic redevelopment value statement  
27 shall be distributed to the Texas Military Preparedness Commission

1 and any defense community which may be affected by the resulting  
2 project.

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

6 SECTION 7. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2005.