

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 18, 2005

TO: Honorable Frank Corte, Jr., Chair, House Committee on Defense Affairs & State-Federal Relations

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB1481 by Shapleigh (Relating to powers and duties of the Texas Military Preparedness Commission.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill provides that the Texas Military Preparedness Commission is no longer required to make recommendations regarding the development of methods to improve employment opportunities for former members of the military, maintain a database of all prime defense-related contractors, or prepare a biennial strategic plan. The bill permits the commission to submit a report on defense issues each even-numbered year rather than every year.

The bill authorizes the commission to use the Texas Military Value Revolving Loan Account to provide loans to defense communities for economic development projects that minimize the negative effects of a defense base reduction on the defense community or for an infrastructure project to accommodate new or expanded military missions as a result of the United States Department of Defense 2005 base realignment process. The bill also directs the awarding of defense economic assistance grants.

The bill would require a defense community that is adjacent to a closed military installation and applies for financial assistance from the Texas Military Value Revolving Loan Account to prepare an economic redevelopment value statement.

Local Government Impact

The fiscal impact to defense-dependent communities would depend on the funds available for loans or grants, the number of communities that applied, and the number of communities that were awarded loans or grants. In addition, the requirements regarding the preparation of an economic redevelopment value statement could have a fiscal impact to local units of government.

Source Agencies:

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