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S.B. No. 1956

A BILL TO BE ENTITLED

1 AN ACT

2 relating to assistance for local areas affected by defense
3 restructuring.

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

5 SECTION 1. Subchapter A, Chapter 486, Government Code, is
6 amended to read as follows:

7 SUBCHAPTER A. GRANTS TO LOCAL AREAS AFFECTED BY DEFENSE BASE
8 RESTRUCTURING

9 Sec. 486.001. DEFINITIONS. In this chapter:

10 (1) "Commission" means the Texas Military
11 Preparedness Commission.

12 (2) "Defense worker" means:

13 (A) an employee of the United States Department
14 of Defense, including a member of the armed forces and a government
15 civilian worker;

16 (B) an employee of a government agency or private
17 business, or entity providing a department of defense related
18 function, who is employed on a defense facility;

19 (C) an employee of a business that provides
20 direct services or products to the department of defense and whose
21 job is directly dependent on defense expenditures; or

22 (D) an employee or private contractor employed by
23 the United States Department of Energy working on a defense or
24 department of energy facility in support of a department of defense

1 related project.

2 (3) [~~(2)~~] "Defense worker job" means a department of
3 defense authorized permanent position or a position held or
4 occupied by one or more defense workers for more than 12 months.

5 [~~(3) "Department" means the Texas Department of~~
6 ~~Commerce.~~]

7 (4) "Panel" means the Defense Economic Adjustment
8 Assistance Panel.

9 Sec. 486.002. GENERAL POWERS AND DUTIES. (a) The
10 commission [~~department~~] shall administer and monitor the
11 implementation of this chapter.

12 (b) The commission [~~department~~] shall establish criteria
13 and procedures [~~for evaluations~~] and [~~awarding grants.~~ ~~The~~
14 ~~department shall~~] award grants equitably based on evaluations [~~so~~
15 ~~as to not disproportionately favor one defense-dependent community~~
16 ~~over another~~]. In awarding grants under this chapter, the
17 commission [~~department~~] shall give a preference to adversely
18 affected defense [~~defense-dependent~~] communities over positively
19 affected defense [~~defense-dependent~~] communities.

20 (c) The commission [~~department~~] may use an amount equal to
21 not more than two percent of the total amount of grants authorized
22 during each biennium to administer this chapter and other law
23 relating to readjustment of defense [~~defense-dependent~~]
24 communities.

25 (d) The commission [~~department~~] shall adopt rules necessary
26 to carry out the purposes of this chapter.

27 Sec. 486.003. ELIGIBILITY FOR GRANT. (a) A local

1 governmental entity is eligible for a grant under this chapter if it
2 is:

3 (1) a municipality or county that is a defense
4 [~~defense-dependent~~] community;

5 (2) a regional planning commission that has a defense
6 [~~defense-dependent~~] community within its boundaries;

7 (3) a public junior college district all or part of
8 which is located in a defense [~~defense-dependent~~] community;

9 (4) a campus or extension center for education
10 purposes of the Texas State Technical College System located in a
11 defense [~~defense-dependent~~] community; or

12 (5) a defense base development authority created under
13 Chapter 379B, Local Government Code.

14 (b) A municipality or county is an adversely affected
15 defense [~~defense-dependent~~] community if the department determines
16 that:

17 (1) the municipality or county includes within its
18 boundaries a defense facility that the department of defense or
19 applicable military department has publicly proposed for closure or
20 realignment; or

21 (2) the municipality or county:

22 (A) requires assistance because of:

23 (i) the proposed or actual establishment,
24 realignment, or closure of a defense facility;

25 (ii) the cancellation or termination of a
26 United States Department of Defense contract or the failure of the
27 department of defense to proceed with an approved major weapon

1 system program;

2 (iii) a publicly announced planned major
3 reduction in department of defense spending that would directly and
4 adversely affect the municipality or county; or

5 (iv) the closure or a significant reduction
6 of the operations of a defense facility as the result of a merger,
7 acquisition, or consolidation of a defense contractor operating the
8 facility; and

9 (B) is expected to experience, during the period
10 between the beginning of the federal fiscal year during which an
11 event described by Subdivision (2)(A) is finally approved and the
12 date that the event is to be substantially completed, a direct loss
13 of:

14 (i) 2,500 or more defense worker jobs in any
15 area of the municipality or county that is located in an urbanized
16 area of a metropolitan statistical area;

17 (ii) 1,000 or more defense worker jobs in
18 any area of the municipality or county that is not located in an
19 urbanized area of a metropolitan statistical area; or

20 (iii) defense worker jobs representing one
21 percent of the jobs in the municipality or county.

22 (c) A municipality or county is a positively affected
23 defense [~~defense-dependent~~] community if the commission
24 [~~department~~] determines that a military facility located in or near
25 the local governmental entity receives new or expanded military
26 missions as a result of the United States Department of Defense base
27 realignment process.

1 Sec. 486.004. GRANT CRITERIA. (a) From money appropriated
2 for this purpose, the commission [~~department~~] may make a grant to an
3 eligible local governmental entity to:

4 (1) allow the entity to meet a matching money or
5 investment requirement in order to receive from the United States
6 assistance that is provided to allow the local governmental entity
7 to respond to or recover from an event described by Section
8 486.003(b)(1);

9 (2) match the entity's contribution for a purpose
10 described in Section 486.005 on a closed or realigned defense
11 facility; or

12 (3) construct infrastructure and other projects
13 necessary to accommodate the new or expanded military missions at a
14 military facility located in or near the local governmental entity.

15 (b) A grant may not be less than \$50,000 or more than the
16 least of:

17 (1) 50 percent of the amount of matching money or
18 investment that the local governmental entity is required to
19 provide, subject to Subsection (c);

20 (2) 50 percent of the local governmental entity's
21 investment for purposes described in Section 486.005, in cases
22 where United States assistance is not available; or

23 (3) \$2 million.

24 (c) If the local governmental entity demonstrates to the
25 commission [~~department~~] that, because of a limited budget,
26 resources are not available to provide 50 percent of the amount of
27 matching money or investment that the local governmental entity is

1 required to provide, the grant may be not more than 80 percent of
2 the amount of that matching money or investment requirement, but
3 may not be more than \$2 million.

4 (d) The commission [~~department~~] may make a grant to an
5 eligible local governmental entity described by Section
6 486.003(a)(3) or (4) without regard to the availability or
7 acquisition of matching money.

8 Sec. 486.005. USE OF PROCEEDS. (a) The local governmental
9 entity may use the proceeds of the grant for purchase of property
10 from the department of defense or its designated agent, new
11 construction, rehabilitation, or renovation of facilities or
12 infrastructure, or purchase of capital equipment or facilities
13 insurance.

14 (b) The local governmental entity may deliver the money to a
15 special district, development corporation, or other
16 instrumentality of the state or the local governmental entity for
17 use as provided by this chapter and other applicable law.

18 (c) An eligible local governmental entity described by
19 Section 486.003(a)(3) or (4) may use the proceeds of the grant to
20 purchase or lease equipment to train defense workers whose jobs
21 have been threatened or lost because of an event described by
22 Section 486.003(b)(2)(A).

23 Sec. 486.006. DEFENSE ECONOMIC ADJUSTMENT ASSISTANCE
24 PANEL. The commission [~~department~~] shall establish a defense
25 economic adjustment assistance panel [~~within the department~~]. The
26 panel consists of at least three and not more than five professional
27 full-time employees of the Office of the Governor [~~department~~]

1 appointed by the [~~executive~~] director of the commission
2 [~~department~~].

3 Sec. 486.007. APPLICATION FOR GRANT. A local governmental
4 entity may apply for a grant under this chapter to the commission
5 [~~department~~] on a form prescribed by the commission [~~department~~].
6 The commission [~~department~~] shall establish periodic application
7 cycles to enable the panel and commission [~~department~~] to evaluate
8 groups of applicants in relation to each other.

9 Sec. 486.008. EVALUATION OF APPLICATION. The panel shall
10 evaluate each application and assign the applicant a score based
11 on:

12 (1) the significance of the adverse or positive effect
13 within the local governmental entity, including the number of jobs
14 lost or gained in relation to the workforce in the local
15 governmental entity's jurisdiction and the effect on the area's
16 economy and tax revenue;

17 (2) the extent to which the local governmental entity
18 has used its existing resources to promote local economic
19 development;

20 (3) the amount of any grant that the local
21 governmental entity has previously received under this chapter;

22 (4) the anticipated number of jobs to be created in
23 relation to the amount of the grant sought; and

24 (5) the extent to which the grant will affect the
25 region in which the local governmental entity is located.

26 Sec. 486.009. MAKING OF GRANT. The panel shall submit its
27 scores to the commission [~~department's governing body~~]. The

1 commission [~~governing body~~] shall use the scores to determine
2 whether to make a grant to an applicant. The commission [~~governing~~
3 ~~body~~] may not make a grant unless the legislature has appropriated
4 the money for the grant.

5 Sec. 486.010. DEFENSE [~~DEFENSE-DEPENDENT~~] COMMUNITY WITH
6 MORE THAN ONE MILITARY FACILITY. For purposes of the preference for
7 adversely affected defense [~~defense-dependent~~] communities under
8 Section 486.002(b), a defense [~~defense-dependent~~] community that
9 contains or is near more than one military facility is considered an
10 adversely affected defense [~~defense-dependent~~] community if the
11 local governmental entity is applying for a grant under this
12 subchapter for a project relating to the military facility that is
13 closed or whose operations are significantly reduced.

14 SECTION 2. Subchapter B, Chapter 486, Government Code, is
15 repealed.

16 SECTION 3. This Act takes effect September 1, 2007.