

By: Van de Putte

S.B. No. 1956

A BILL TO BE ENTITLED

AN ACT

relating to assistance for local areas affected by defense restructuring.

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

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

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

Sec. 486.001. DEFINITIONS. In this chapter:

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

(2) "Defense worker" means:

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

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

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

(D) an employee or private contractor employed by the United States Department of Energy working on a defense or 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 and award grants equitably based on evaluations [~~for~~  
14 ~~evaluations and awarding grants. The department shall award grants~~  
15 ~~equitably based on evaluations so as to not disproportionately favor~~  
16 ~~one defense-dependent community over another~~]. In awarding grants  
17 under this chapter, the commission [~~department~~] shall give a  
18 preference to adversely affected defense [~~defense-dependent~~]  
19 communities over positively affected defense [~~defense-dependent~~]  
20 communities.

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

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

1           Sec. 486.003. ELIGIBILITY FOR GRANT.       (a) A local  
2 governmental entity is eligible for a grant under this chapter if it  
3 is:

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

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

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

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

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

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

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

22           (2) the municipality or county:

23               (A) requires assistance because of:

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

26                       (ii) the cancellation or termination of a  
27 United States Department of Defense contract or the failure of the

1 department of defense to proceed with an approved major weapon  
2 system program;

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

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

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

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

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

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

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

1 realignment process.

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

5                   (1) allow the entity to meet a matching money or  
6 investment requirement in order to receive from the United States  
7 assistance that is provided to allow the local governmental entity  
8 to respond to or recover from an event described by Section  
9 486.003(b)(1);

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

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

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

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

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

24                   (3) \$2 million.

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

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

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

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

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

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

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

1 full-time employees of the Office of the Governor [~~department~~]  
2 appointed by the [~~executive~~] director of the commission  
3 [~~department~~].

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

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

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

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

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

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

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

27       Sec. 486.009. MAKING OF GRANT. The panel shall submit its

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

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

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

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