

1-1 By: Van de Putte S.B. No. 1956  
1-2 (In the Senate - Filed March 20, 2007; March 27, 2007, read  
1-3 first time and referred to Subcommittee on Base Realignment and  
1-4 Closure; April 12, 2007, reported favorably from Committee on  
1-5 Veteran Affairs and Military Installations by the following vote:  
1-6 Yeas 5, Nays 0; April 12, 2007, sent to printer.)

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

1-9 relating to assistance for local areas affected by defense  
1-10 restructuring.

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

1-12 SECTION 1. Subchapter A, Chapter 486, Government Code, is  
1-13 amended to read as follows:

1-14 SUBCHAPTER A. GRANTS TO LOCAL AREAS AFFECTED BY DEFENSE BASE  
1-15 RESTRUCTURING

1-16 Sec. 486.001. DEFINITIONS. In this chapter:

1-17 (1) "Commission" means the Texas Military  
1-18 Preparedness Commission.

1-19 (2) "Defense worker" means:

1-20 (A) an employee of the United States Department  
1-21 of Defense, including a member of the armed forces and a government  
1-22 civilian worker;

1-23 (B) an employee of a government agency or private  
1-24 business, or entity providing a department of defense related  
1-25 function, who is employed on a defense facility;

1-26 (C) an employee of a business that provides  
1-27 direct services or products to the department of defense and whose  
1-28 job is directly dependent on defense expenditures; or

1-29 (D) an employee or private contractor employed by  
1-30 the United States Department of Energy working on a defense or  
1-31 department of energy facility in support of a department of defense  
1-32 related project.

1-33 (3) ~~[(2)]~~ "Defense worker job" means a department of  
1-34 defense authorized permanent position or a position held or  
1-35 occupied by one or more defense workers for more than 12 months.

1-36 ~~[(3) "Department" means the Texas Department of~~  
1-37 ~~Commerce.]~~

1-38 (4) "Panel" means the Defense Economic Adjustment  
1-39 Assistance Panel.

1-40 Sec. 486.002. GENERAL POWERS AND DUTIES. (a) The  
1-41 commission ~~[department]~~ shall administer and monitor the  
1-42 implementation of this chapter.

1-43 (b) The commission ~~[department]~~ shall establish criteria  
1-44 and procedures ~~[for evaluations]~~ and ~~[awarding grants. The~~  
1-45 ~~department shall]~~ award grants equitably based on evaluations ~~[so~~  
1-46 ~~as to not disproportionately favor one defense-dependent community~~  
1-47 ~~over another].~~ In awarding grants under this chapter, the  
1-48 commission ~~[department]~~ shall give a preference to adversely  
1-49 affected defense ~~[defense-dependent]~~ communities over positively  
1-50 affected defense ~~[defense-dependent]~~ communities.

1-51 (c) The commission ~~[department]~~ may use an amount equal to  
1-52 not more than two percent of the total amount of grants authorized  
1-53 during each biennium to administer this chapter and other law  
1-54 relating to readjustment of defense ~~[defense-dependent]~~  
1-55 communities.

1-56 (d) The commission ~~[department]~~ shall adopt rules necessary  
1-57 to carry out the purposes of this chapter.

1-58 Sec. 486.003. ELIGIBILITY FOR GRANT. (a) A local  
1-59 governmental entity is eligible for a grant under this chapter if it  
1-60 is:

1-61 (1) a municipality or county that is a defense  
1-62 ~~[defense-dependent]~~ community;

1-63 (2) a regional planning commission that has a defense  
1-64 ~~[defense-dependent]~~ community within its boundaries;

2-1 (3) a public junior college district all or part of  
2-2 which is located in a defense [~~defense-dependent~~] community;

2-3 (4) a campus or extension center for education  
2-4 purposes of the Texas State Technical College System located in a  
2-5 defense [~~defense-dependent~~] community; or

2-6 (5) a defense base development authority created under  
2-7 Chapter 379B, Local Government Code.

2-8 (b) A municipality or county is an adversely affected  
2-9 defense [~~defense-dependent~~] community if the department determines  
2-10 that:

2-11 (1) the municipality or county includes within its  
2-12 boundaries a defense facility that the department of defense or  
2-13 applicable military department has publicly proposed for closure or  
2-14 realignment; or

2-15 (2) the municipality or county:

2-16 (A) requires assistance because of:

2-17 (i) the proposed or actual establishment,  
2-18 realignment, or closure of a defense facility;

2-19 (ii) the cancellation or termination of a  
2-20 United States Department of Defense contract or the failure of the  
2-21 department of defense to proceed with an approved major weapon  
2-22 system program;

2-23 (iii) a publicly announced planned major  
2-24 reduction in department of defense spending that would directly and  
2-25 adversely affect the municipality or county; or

2-26 (iv) the closure or a significant reduction  
2-27 of the operations of a defense facility as the result of a merger,  
2-28 acquisition, or consolidation of a defense contractor operating the  
2-29 facility; and

2-30 (B) is expected to experience, during the period  
2-31 between the beginning of the federal fiscal year during which an  
2-32 event described by Subdivision (2)(A) is finally approved and the  
2-33 date that the event is to be substantially completed, a direct loss  
2-34 of:

2-35 (i) 2,500 or more defense worker jobs in any  
2-36 area of the municipality or county that is located in an urbanized  
2-37 area of a metropolitan statistical area;

2-38 (ii) 1,000 or more defense worker jobs in  
2-39 any area of the municipality or county that is not located in an  
2-40 urbanized area of a metropolitan statistical area; or

2-41 (iii) defense worker jobs representing one  
2-42 percent of the jobs in the municipality or county.

2-43 (c) A municipality or county is a positively affected  
2-44 defense [~~defense-dependent~~] community if the commission  
2-45 [~~department~~] determines that a military facility located in or near  
2-46 the local governmental entity receives new or expanded military  
2-47 missions as a result of the United States Department of Defense base  
2-48 realignment process.

2-49 Sec. 486.004. GRANT CRITERIA. (a) From money appropriated  
2-50 for this purpose, the commission [~~department~~] may make a grant to an  
2-51 eligible local governmental entity to:

2-52 (1) allow the entity to meet a matching money or  
2-53 investment requirement in order to receive from the United States  
2-54 assistance that is provided to allow the local governmental entity  
2-55 to respond to or recover from an event described by Section  
2-56 486.003(b)(1);

2-57 (2) match the entity's contribution for a purpose  
2-58 described in Section 486.005 on a closed or realigned defense  
2-59 facility; or

2-60 (3) construct infrastructure and other projects  
2-61 necessary to accommodate the new or expanded military missions at a  
2-62 military facility located in or near the local governmental entity.

2-63 (b) A grant may not be less than \$50,000 or more than the  
2-64 least of:

2-65 (1) 50 percent of the amount of matching money or  
2-66 investment that the local governmental entity is required to  
2-67 provide, subject to Subsection (c);

2-68 (2) 50 percent of the local governmental entity's  
2-69 investment for purposes described in Section 486.005, in cases

3-1 where United States assistance is not available; or

3-2 (3) \$2 million.

3-3 (c) If the local governmental entity demonstrates to the  
3-4 commission [~~department~~] that, because of a limited budget,  
3-5 resources are not available to provide 50 percent of the amount of  
3-6 matching money or investment that the local governmental entity is  
3-7 required to provide, the grant may be not more than 80 percent of  
3-8 the amount of that matching money or investment requirement, but  
3-9 may not be more than \$2 million.

3-10 (d) The commission [~~department~~] may make a grant to an  
3-11 eligible local governmental entity described by Section  
3-12 486.003(a)(3) or (4) without regard to the availability or  
3-13 acquisition of matching money.

3-14 Sec. 486.005. USE OF PROCEEDS. (a) The local governmental  
3-15 entity may use the proceeds of the grant for purchase of property  
3-16 from the department of defense or its designated agent, new  
3-17 construction, rehabilitation, or renovation of facilities or  
3-18 infrastructure, or purchase of capital equipment or facilities  
3-19 insurance.

3-20 (b) The local governmental entity may deliver the money to a  
3-21 special district, development corporation, or other  
3-22 instrumentality of the state or the local governmental entity for  
3-23 use as provided by this chapter and other applicable law.

3-24 (c) An eligible local governmental entity described by  
3-25 Section 486.003(a)(3) or (4) may use the proceeds of the grant to  
3-26 purchase or lease equipment to train defense workers whose jobs  
3-27 have been threatened or lost because of an event described by  
3-28 Section 486.003(b)(2)(A).

3-29 Sec. 486.006. DEFENSE ECONOMIC ADJUSTMENT ASSISTANCE  
3-30 PANEL. The commission [~~department~~] shall establish a defense  
3-31 economic adjustment assistance panel [~~within the department~~]. The  
3-32 panel consists of at least three and not more than five professional  
3-33 full-time employees of the Office of the Governor [~~department~~]  
3-34 appointed by the [~~executive~~] director of the commission  
3-35 [~~department~~].

3-36 Sec. 486.007. APPLICATION FOR GRANT. A local governmental  
3-37 entity may apply for a grant under this chapter to the commission  
3-38 [~~department~~] on a form prescribed by the commission [~~department~~].  
3-39 The commission [~~department~~] shall establish periodic application  
3-40 cycles to enable the panel and commission [~~department~~] to evaluate  
3-41 groups of applicants in relation to each other.

3-42 Sec. 486.008. EVALUATION OF APPLICATION. The panel shall  
3-43 evaluate each application and assign the applicant a score based  
3-44 on:

3-45 (1) the significance of the adverse or positive effect  
3-46 within the local governmental entity, including the number of jobs  
3-47 lost or gained in relation to the workforce in the local  
3-48 governmental entity's jurisdiction and the effect on the area's  
3-49 economy and tax revenue;

3-50 (2) the extent to which the local governmental entity  
3-51 has used its existing resources to promote local economic  
3-52 development;

3-53 (3) the amount of any grant that the local  
3-54 governmental entity has previously received under this chapter;

3-55 (4) the anticipated number of jobs to be created in  
3-56 relation to the amount of the grant sought; and

3-57 (5) the extent to which the grant will affect the  
3-58 region in which the local governmental entity is located.

3-59 Sec. 486.009. MAKING OF GRANT. The panel shall submit its  
3-60 scores to the commission [~~department's governing body~~]. The  
3-61 commission [~~governing body~~] shall use the scores to determine  
3-62 whether to make a grant to an applicant. The commission [~~governing~~  
3-63 ~~body~~] may not make a grant unless the legislature has appropriated  
3-64 the money for the grant.

3-65 Sec. 486.010. DEFENSE [~~DEFENSE-DEPENDENT~~] COMMUNITY WITH  
3-66 MORE THAN ONE MILITARY FACILITY. For purposes of the preference for  
3-67 adversely affected defense [~~defense-dependent~~] communities under  
3-68 Section 486.002(b), a defense [~~defense-dependent~~] community that  
3-69 contains or is near more than one military facility is considered an

4-1 adversely affected defense [~~defense-dependent~~] community if the  
4-2 local governmental entity is applying for a grant under this  
4-3 subchapter for a project relating to the military facility that is  
4-4 closed or whose operations are significantly reduced.

4-5 SECTION 2. Subchapter B, Chapter 486, Government Code, is  
4-6 repealed.

4-7 SECTION 3. This Act takes effect September 1, 2007.

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