

BILL ANALYSIS

C.S.H.B. 2252
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Defense & Veterans' Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, the Texas Military Preparedness Commission has the authority to establish criteria and procedures for awarding grants to local areas adversely affected by a reduction in defense-related activity. In its 2005 Defense Base Closure and Realignment Commission's recommendations, the U.S. Department of Defense (DoD) recommended the closure of Naval Station Ingleside (NSI). Assuming no economic recovery, the DoD estimated that this recommendation, along with the recommended realignment of Naval Air Station Corpus Christi, could result in a potential loss of more than 6,800 jobs. NSI will close in September 2010, if not sooner, and eligibility for grant funds for local areas affected by defense base restructuring is of major importance to the City of Ingleside in light of the projected impact of NSI's closure.

This bill would put smaller communities, such as Ingleside, on more equal footing with larger communities in the application process for these grants.

C.S.H.B. 2252 provides a preference to certain smaller communities in awarding grants to areas affected by defense base restructuring and allows the commission to consider jobs lost as a percentage of the workforce, as opposed to net loss, in the commission's assessment of the adverse impact of a base closure.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2252 amends the Government Code to add any defense community with a population of less than 20,000 to those to which the Texas Military Preparedness Commission is required to give preference in awarding grants for local areas affected by defense base restructuring. The bill includes the expected direct loss of tax or utility revenue as a result of the closure or realignment of a defense facility in the criteria that the U.S. Department of Defense or applicable military department uses to determine whether a municipality or county is an adversely affected defense community.

C.S.H.B. 2252 expands the purposes for which a grant may be made by the commission to an eligible local governmental entity to include the planning of infrastructure and other projects necessary to accommodate the new or expanded military missions at a military facility located in or near the local governmental entity, or offsetting tax or utility revenue lost by a municipality or county that is a defense community as a result of closure or realignment of a defense facility. The bill makes conforming changes to a local governmental entity's authority to use the proceeds.

C.S.H.B. 2252 requires the defense economic adjustment panel to calculate in the evaluation and scoring of each grant application the significance of the effect of job loss within the local governmental entity based on the number of jobs lost that are directly or indirectly affected by the closure or realignment of a defense facility, considered as a percentage of the workforce in the entity's jurisdiction, and makes conforming changes. The bill adds a calculation of the extent to which the grant is needed to offset tax or utility revenue lost by a municipality or county that is a defense community as a result of the closure or realignment of a defense facility to the criteria that the defense economic adjustment panel is required to use in assigning a score to a grant applicant.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2252 differs from the original by adding any defense community with a population of less than 20,000, rather than any municipality with a population of less than 20,000 that is a defense community as in the original, to those to which the Texas Military Preparedness Commission is required to give preference in awarding grants for local areas affected by defense base restructuring.