

AN ACT

relating to the continuation and functions of the Texas Military Preparedness Commission.

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

SECTION 1. Section 436.001, Government Code, is amended to read as follows:

Sec. 436.001. DEFINITIONS [~~DEFINITION~~]. In this chapter:

(1) "Commission" [~~"commission"~~] means the Texas Military Preparedness Commission.

(2) "Office" means the Texas Economic Development and Tourism Office in the office of the governor.

SECTION 2. Section 436.002, Government Code, is amended to read as follows:

Sec. 436.002. COMMISSION. The commission is within the office [~~of the governor~~] and shall report to the executive director of the office [~~governor or the governor's designee~~].

SECTION 3. Section 436.051, Government Code, is amended by adding Subsection (d) to read as follows:

(d) A person may not be a public member of the commission if the person or the person's spouse:

(1) is employed by or participates in the management of a business entity or other organization regulated by or receiving money from the commission;

(2) owns or controls, directly or indirectly, more

1 than a 10 percent interest in a business entity or other
2 organization regulated by or receiving money from the commission;
3 or
4 (3) uses or receives a substantial amount of tangible
5 goods, services, or money from the commission other than
6 compensation or reimbursement authorized by law for commission
7 membership, attendance, or expenses.

8 SECTION 4. Section 436.056(a), Government Code, is amended
9 to read as follows:

10 (a) It is a ground for removal from the commission that a
11 public member:

12 (1) does not have at the time of taking office the
13 qualifications required by Section 436.051(b);

14 (2) does not maintain during service on the commission
15 the qualifications required by Section 436.051(b);

16 (3) is ineligible for membership under Section
17 436.051(d) or 436.055;

18 (4) cannot, because of illness or disability,
19 discharge the member's duties for a substantial part of the member's
20 term; or

21 (5) is absent from more than half of the regularly
22 scheduled commission meetings that the member is eligible to attend
23 during a calendar year without an excuse approved by a majority vote
24 of the commission.

25 SECTION 5. Subchapter B, Chapter 436, Government Code, is
26 amended by adding Section 436.0561 to read as follows:

27 Sec. 436.0561. TRAINING. (a) A person who is appointed to

1 and qualifies for office as a member of the commission may not vote,
2 deliberate, or be counted as a member in attendance at a meeting of
3 the commission until the person completes a training program that
4 complies with this section.

5 (b) The training program must provide the person with
6 information regarding:

7 (1) the legislation that created the commission;

8 (2) the programs, functions, rules, and budget of the
9 commission;

10 (3) the results of the most recent formal audit of the
11 commission;

12 (4) the requirements of laws relating to open
13 meetings, public information, administrative procedure, and
14 conflicts of interest; and

15 (5) any applicable ethics policies adopted by the
16 office, the commission, or the Texas Ethics Commission.

17 (c) A person appointed to the commission is entitled to
18 reimbursement, as provided by the General Appropriations Act, for
19 the travel expenses incurred in attending the training program
20 regardless of whether the attendance at the program occurs before
21 or after the person qualifies for office.

22 SECTION 6. The heading to Section 436.057, Government Code,
23 is amended to read as follows:

24 Sec. 436.057. DIRECTOR; STAFF.

25 SECTION 7. Section 436.057(c), Government Code, is amended
26 to read as follows:

27 (c) The governor shall determine the [~~director may hire~~]

1 staff for [~~within guidelines established by~~] the commission.

2 SECTION 8. Section 436.101, Government Code, is amended to
3 read as follows:

4 Sec. 436.101. POWERS AND DUTIES OF COMMISSION. The
5 commission shall:

6 (1) advise the governor and the legislature on
7 military issues and economic and industrial development related to
8 military issues;

9 (2) make recommendations regarding:

10 (A) the development of policies and plans to
11 support the long-term viability and prosperity of the military,
12 active and civilian, in this state, including promoting strategic
13 regional alliances that may extend over state lines; and

14 (B) the development of methods to assist
15 defense-dependent communities in the design and execution of
16 programs that enhance a community's relationship with military
17 installations and defense-related businesses;

18 (3) provide information to communities, the
19 legislature, the state's congressional delegation, and state
20 agencies regarding federal actions affecting military
21 installations and missions;

22 (4) serve as a clearinghouse for:

23 (A) defense economic adjustment and transition
24 information and activities along with the Texas Business and
25 Community Economic Development Clearinghouse; and

26 (B) information about:

27 (i) issues related to the operating costs,

1 missions, and strategic value of federal military installations
2 located in the state;

3 (ii) employment issues for communities that
4 depend on defense bases and in defense-related businesses; and

5 (iii) defense strategies and incentive
6 programs that other states are using to maintain, expand, and
7 attract new defense contractors;

8 (5) provide assistance to communities that have
9 experienced a defense-related closure or realignment;

10 (6) assist communities in the design and execution of
11 programs that enhance a community's relationship with military
12 installations and defense-related businesses, including regional
13 alliances that may extend over state lines;

14 (7) assist communities in the retention and recruiting
15 of defense-related businesses, including fostering strategic
16 regional alliances that may extend over state lines; ~~and~~

17 (8) encourage economic development in this state by
18 fostering the development of industries related to defense affairs;
19 and

20 (9) advocate for the preservation and expansion of
21 missions of reservists at military installations in the state.

22 SECTION 9. Section 436.152(d), Government Code, is amended
23 to read as follows:

24 (d) The commission shall refer the defense community to the
25 appropriate state agency that has an existing program to provide
26 financing for each project identified in the community's military
27 value enhancement statement that adds military value to a military

1 facility. If there is no existing program to finance a project, the
2 office [~~commission~~] may provide a loan of financial assistance to
3 the defense community for the project.

4 SECTION 10. Sections 436.153(a) through (g), Government
5 Code, are amended to read as follows:

6 (a) The office [~~commission~~] may provide a loan of financial
7 assistance to a defense community for a project that will enhance
8 the military value of a military facility located in, near, or
9 adjacent to the defense community. The loan shall be made from the
10 Texas military value revolving loan account established under
11 Section 436.156.

12 (b) On receiving an application for a loan under this
13 section, the office [~~commission~~] shall confirm with the commission
14 that the project adds military value to the military facility.

15 (c) If the commission determines that a project will enhance
16 the military value of the military facility, the office
17 [~~commission~~] shall, in accordance with the criteria adopted by the
18 office [~~commission~~] under Section 436.154(a):

19 (1) analyze the creditworthiness of the defense
20 community to determine the defense community's ability to repay the
21 loan; and

22 (2) evaluate the feasibility of the project to be
23 financed to ensure that the defense community has pledged a source
24 of revenue or taxes sufficient to repay the loan for the project.

25 (d) If the commission confirms [~~determines~~] that the funds
26 will be used to enhance the military value of the military facility
27 based on the base realignment and closure criteria and the office

1 determines that the project is financially feasible, the executive
2 director of the office [~~commission~~] may award a loan to the defense
3 community for the project. The office [~~commission~~] shall enter
4 into a written agreement with a defense community that is awarded a
5 loan. The agreement must contain the terms and conditions of the
6 loan, including the loan repayment requirements.

7 (e) The office [~~commission~~] shall notify the Texas Public
8 Finance Authority of the amount of the loan and the recipient of the
9 loan and request the authority to issue general obligation bonds in
10 an amount necessary to fund the loan. The office [~~commission~~] and
11 the authority shall determine the amount and time of a bond issue to
12 best provide funds for one or multiple loans.

13 (f) The office [~~commission~~] shall administer the loans to
14 ensure full repayment of the general obligation bonds issued to
15 finance the project.

16 (g) The office [~~commission~~] may provide a loan only for a
17 project that is included in the political subdivision's statement
18 under Section 397.002, Local Government Code, or to prepare a
19 comprehensive defense installation and community strategic impact
20 plan under Section 397.003, Local Government Code.

21 SECTION 11. Sections 436.1531(a), (c), (d), (e), and (f),
22 Government Code, as added by Chapter 396 (S.B. 1481), Acts of the
23 79th Legislature, Regular Session, 2005, are amended to read as
24 follows:

25 (a) The office [~~commission~~] may provide a loan of financial
26 assistance to a defense community for an economic development
27 project that minimizes the negative effects of a defense base

1 reduction on the defense community as a result of a United States
2 Department of Defense base realignment process that occurs during
3 2005 or later. The loan shall be made from the Texas military value
4 revolving loan account established under Section 436.156.

5 (c) If the commission determines that a project will reduce
6 the negative effects of a defense base reduction on the defense
7 community, the office [~~commission~~] shall:

8 (1) analyze the creditworthiness of the defense
9 community to determine the defense community's ability to repay the
10 loan; and

11 (2) evaluate the feasibility of the project to be
12 financed to ensure that the defense community has pledged a source
13 of revenue or taxes sufficient to repay the loan for the project.

14 (d) If the office [~~commission~~] determines that the funds
15 will be used to finance an economic development project that will
16 reduce the negative effects of a defense base reduction on the
17 defense community and that the project is financially feasible, the
18 office [~~commission~~] may award a loan to the defense community for
19 the project. The office [~~commission~~] shall enter into a written
20 agreement with a defense community that is awarded a loan. The
21 agreement must contain the terms and conditions of the loan,
22 including the loan repayment requirements.

23 (e) The office [~~commission~~] shall notify the Texas Public
24 Finance Authority of the amount of the loan and the recipient of the
25 loan and request the authority to issue general obligation bonds in
26 an amount necessary to fund the loan. The office [~~commission~~] and
27 the authority shall determine the amount and time of a bond issue to

1 best provide funds for one or multiple loans.

2 (f) The office [~~commission~~] shall administer the loans to
3 ensure full repayment of the general obligation bonds issued to
4 finance the project.

5 SECTION 12. Sections 436.1532(a), (c), (d), (e), and (f),
6 Government Code, as added by Chapter 396 (S.B. 1481), Acts of the
7 79th Legislature, Regular Session, 2005, are amended to read as
8 follows:

9 (a) The office [~~commission~~] may provide a loan of financial
10 assistance to a defense community for an infrastructure project to
11 accomodate new or expanded military missions assigned to a military
12 facility located in, near, or adjacent to the defense community as a
13 result of a United States Department of Defense base realignment
14 process that occurs during 2005 or later. The loan shall be made
15 from the Texas military value revolving loan account established
16 under Section 436.156.

17 (c) If the commission determines that the project will
18 assist the defense community in accommodating the new or expanded
19 military missions that are assigned to the military facility, the
20 office [~~commission~~] shall:

21 (1) analyze the creditworthiness of the defense
22 community to determine the defense community's ability to repay the
23 loan; and

24 (2) evaluate the feasibility of the project to be
25 financed to ensure that the defense community has pledged a source
26 of revenue or taxes sufficient to repay the loan for the project.

27 (d) If the commission determines that the funds will be used

1 to finance an infrastructure project to accommodate new or expanded
2 military missions assigned to the military facility located in,
3 near, or adjacent to the defense community and the office
4 determines that the project is financially feasible, the office
5 [~~commission~~] may award a loan to the defense community for the
6 project. The office [~~commission~~] shall enter into a written
7 agreement with a defense community that is awarded a loan. The
8 agreement must contain the terms and conditions of the loan,
9 including the loan repayment requirements.

10 (e) The office [~~commission~~] shall notify the Texas Public
11 Finance Authority of the amount of the loan and the recipient of the
12 loan and request the authority to issue general obligation bonds in
13 an amount necessary to fund the loan. The office [~~commission~~] and
14 the authority shall determine the amount and time of a bond issue to
15 best provide funds for one or multiple loans.

16 (f) The office [~~commission~~] shall administer the loans to
17 ensure full repayment of the general obligation bonds issued to
18 finance the project.

19 SECTION 13. Section 436.154, Government Code, is amended to
20 read as follows:

21 Sec. 436.154. LOAN PROCESS. (a) The office [~~commission~~]
22 shall adopt rules, in consultation with the Texas Public Finance
23 Authority, that contain the criteria for evaluating the credit of a
24 loan applicant and the financial feasibility of a project. The
25 office [~~commission~~] shall also adopt a loan application form. The
26 application form may include:

27 (1) the name of the defense community and its

1 principal officers;

2 (2) the total cost of the project;

3 (3) the amount of state financial assistance
4 requested;

5 (4) the plan for repaying the loan; and

6 (5) any other information the office [~~commission~~]
7 requires to perform its duties and to protect the public interest.

8 (b) The office [~~commission~~] may not accept an application
9 for a loan from the Texas military value revolving loan account
10 unless the application is submitted in affidavit form by the
11 officials of the defense community. The office [~~board~~] shall
12 prescribe the affidavit form.

13 SECTION 14. Section 436.156(c), Government Code, is amended
14 to read as follows:

15 (c) The office [~~commission~~] shall deposit to the credit of
16 the account all loan payments made by a political subdivision for a
17 loan under Section 436.153, 436.1531, or 436.1532. The loan
18 payments shall be used to reimburse the general revenue fund for
19 money appropriated to pay the principal, premium if any, and
20 interest on the bonds issued under Section 436.158. If loan
21 payments exceed the amounts required for reimbursement, the excess
22 shall first be applied to reimburse the expenses of administering
23 the program and secondly deposited to the credit of the Texas
24 military value revolving loan account to fund subsequent loans.

25 SECTION 15. Section 436.158(b), Government Code, is amended
26 to read as follows:

27 (b) The proceeds of the bonds and notes shall be deposited

1 into the Texas military value revolving loan account or into other
2 separate funds as may be required to provide for payment of issuance
3 and administrative costs and may be used as authorized by Section
4 49-n, Article III, Texas Constitution, including:

5 (1) to fund loans approved [~~by the commission~~] under
6 Section 436.153, 436.1531, or 436.1532;

7 (2) to pay the costs of issuing and selling bonds and
8 notes; and

9 (3) to pay the costs of administering the bonds and
10 notes and the loan program, including the payment of fees and
11 expenses of advisors.

12 SECTION 16. Section 481.502(a), Government Code, is amended
13 to read as follows:

14 (a) The office [~~, in coordination with the Texas Strategic
15 Military Planning Commission,~~] shall assist defense communities in
16 obtaining financing for economic development projects that seek to
17 address future realignment or closure of a defense base that is in,
18 adjacent to, or near the defense community. The office [~~and the
19 commission~~] shall refer the defense community to:

20 (1) a local economic development corporation created
21 under the Development Corporation Act (Subtitle C1, Title 12, Local
22 Government Code) for possible financing; or

23 (2) an appropriate state agency that has an existing
24 program to provide financing for the project, including:

25 (A) the Texas Water Development Board; or

26 (B) the Texas Department of Transportation.

27 SECTION 17. Section 486.001, Government Code, is amended by

1 adding Subdivision (3-a) to read as follows:

2 (3-a) "Office" means the Texas Economic Development
3 and Tourism Office in the office of the governor.

4 SECTION 18. Section 486.002(a), Government Code, is amended
5 to read as follows:

6 (a) The commission shall administer this chapter, and the
7 office shall monitor the implementation of this chapter.

8 SECTION 19. Section 486.003(a), Government Code, is amended
9 to read as follows:

10 (a) A local governmental entity is eligible for a grant
11 under this chapter if it is:

12 (1) a municipality or county that is a defense
13 community;

14 (2) a regional planning commission that has a defense
15 community within its boundaries;

16 (3) a public junior college district all or part of
17 which is located in a defense community;

18 (4) a campus or extension center for education
19 purposes of the Texas State Technical College System located in a
20 defense community; ~~or~~

21 (5) a defense base development authority created under
22 Chapter 379B, Local Government Code; or

23 (6) a political subdivision having the power of a
24 defense base development authority created under Chapter 379B,
25 Local Government Code.

26 SECTION 20. Section 486.007, Government Code, is amended to
27 read as follows:

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

7 (b) The office may assist a local governmental entity in
8 applying for a grant under this chapter.

9 SECTION 21. Section 486.008, Government Code, is amended to
10 read as follows:

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

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

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

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

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

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

1 SECTION 22. The following laws are repealed:

2 (1) Section 436.003, Government Code;

3 (2) Section 436.057(b), Government Code;

4 (3) Section 436.1531, Government Code, as added by
5 Chapter 1160 (H.B. 3302), Acts of the 79th Legislature, Regular
6 Session, 2005;

7 (4) Section 436.1531, Government Code, as added by
8 Chapter 1280 (H.B. 2340), Acts of the 79th Legislature, Regular
9 Session, 2005;

10 (5) Section 436.1532, Government Code, as added by
11 Chapter 1280 (H.B. 2340), Acts of the 79th Legislature, Regular
12 Session, 2005; and

13 (6) Section 481.501(3), Government Code.

14 SECTION 23. Sections 436.051(d) and 436.0561, Government
15 Code, as added by this Act, and the change in law made by this Act to
16 Section 436.056(a)(3), Government Code, apply only to a person
17 appointed or reappointed to the Texas Military Preparedness
18 Commission on or after the effective date of this Act.

19 SECTION 24. A rule, policy, procedure, or decision of the
20 Texas Military Preparedness Commission with respect to functions
21 that are transferred to the Texas Economic Development and Tourism
22 Office continues in effect as a rule, policy, procedure, or
23 decision of the Texas Economic Development and Tourism Office until
24 superseded by an act of that office.

25 SECTION 25. This Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I certify that H.B. No. 2546 was passed by the House on April 22, 2009, by the following vote: Yeas 146, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2546 was passed by the Senate on May 7, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor