

By: Isett

H.B. No. 2546

A BILL TO BE ENTITLED

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 486.007, Government Code, is amended to  
9 read as follows:

10 Sec. 486.007. APPLICATION FOR GRANT. (a) A local  
11 governmental entity may apply for a grant under this chapter to the  
12 commission on a form prescribed by the commission. The commission  
13 shall establish periodic application cycles to enable the panel and  
14 commission to evaluate groups of applicants in relation to each  
15 other.

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

18 SECTION 20. Section 486.008, Government Code, is amended to  
19 read as follows:

20 Sec. 486.008. EVALUATION OF APPLICATION. The panel shall  
21 evaluate each application and assign the applicant a score based  
22 on:

23 (1) the significance of the adverse or positive effect  
24 within the local governmental entity, including the number of jobs  
25 lost or gained in relation to the workforce in the local  
26 governmental entity's jurisdiction and the effect on the area's  
27 economy and tax revenue;

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

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

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

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

10           SECTION 21. The following laws are repealed:

11           (1) Section 436.003, Government Code;

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

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

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

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

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

23           SECTION 22. Sections 436.051(d) and 436.0561, Government  
24 Code, as added by this Act, and the change in law made by this Act to  
25 Section 436.056(a)(3), Government Code, apply only to a person  
26 appointed or reappointed to the Texas Military Preparedness  
27 Commission on or after the effective date of this Act.

1           SECTION 23. A rule, policy, procedure, or decision of the  
2 Texas Military Preparedness Commission with respect to functions  
3 that are transferred to the Texas Economic Development and Tourism  
4 Office continues in effect as a rule, policy, procedure, or  
5 decision of the Texas Economic Development and Tourism Office until  
6 superseded by an act of that office.

7           SECTION 24. This Act takes effect September 1, 2009.