

By: Van de Putte

S.B. No. 1200

A BILL TO BE ENTITLED

AN ACT

relating to 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. In this chapter:

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

(2) "Defense community" has the meaning assigned by Section 397.001, Local Government Code.

(3) "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 at a defense facility;

(C) an employee of a business that directly provides 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 related project.

1 (4) "Defense worker job" means a department of defense
2 authorized permanent position or a position held or occupied by one
3 or more defense workers for more than 12 months.

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

6 (6) "Panel" means the commission's defense economic
7 adjustment assistance panel.

8 (7) "Texas Commander's Council" means the consortium
9 of commanding officers of the military installations in this state.

10 SECTION 2. Section 436.051(a), Government Code, is amended
11 to read as follows:

12 (a) The commission is composed of:

13 (1) 13 public members, appointed by the governor; and

14 (2) the following ex officio members:

15 (A) the chair of the committee of the Texas House
16 of Representatives that has primary jurisdiction of matters
17 concerning defense affairs and military affairs [~~state-federal~~
18 ~~relations~~]; and

19 (B) the chair of the committee [~~one member~~] of
20 the Texas Senate that has primary jurisdiction of matters
21 concerning defense affairs and military affairs [~~appointed by the~~
22 ~~lieutenant governor~~].

23 SECTION 3. Section 436.101, Government Code, is amended to
24 read as follows:

25 Sec. 436.101. GENERAL POWERS AND DUTIES [~~OF COMMISSION~~].

26 (a) The commission shall[+]

27 [~~1~~] advise the governor and the legislature on

1 defense and military issues.

2 (b) The commission shall meet not less than once each year
3 with the Texas Commander's Council to:

4 (1) discuss the goals and challenges facing military
5 installations and develop recommendations for improvements;

6 (2) discuss ways the state can enhance and complement
7 the mission of the military installations in this state; and

8 (3) discuss services available to assist
9 transitioning military service members and their families.

10 (c) The commission shall act as the liaison to improve
11 coordination among the Texas Commander's Council and relevant state
12 agencies including:

13 (1) the Texas Veterans Commission;

14 (2) the Veterans' Land Board;

15 (3) the Public Utility Commission of Texas; and

16 (4) the Texas Commission on Environmental Quality.

17 (d) The commission shall:

18 (1) administer and monitor the implementation of this
19 chapter;

20 (2) establish criteria and procedures and award grants
21 equitably based on evaluations, giving preference to defense
22 communities that may be adversely affected over positively affected
23 defense communities;

24 (3) [~~and economic and industrial development related~~
25 ~~to military issues,~~

26 [~~2~~] make recommendations regarding:

27 (A) the development of policies and plans to

1 support the long-term viability and prosperity of the military,
2 active and civilian, in this state, including promoting strategic
3 regional alliances that may extend over state lines; and

4 (B) the development of methods to assist
5 defense-dependent communities in the design and execution of
6 programs that enhance a community's relationship with military
7 installations and defense-related businesses;

8 (4) [~~(3)~~] provide information to communities, the
9 legislature, the state's congressional delegation, and state
10 agencies regarding federal actions affecting military
11 installations and missions;

12 (5) [~~(4)~~] serve as a clearinghouse for:

13 (A) defense economic adjustment and transition
14 information and activities along with the Texas Business and
15 Community Economic Development Clearinghouse; and

16 (B) information about:

17 (i) issues related to the operating costs,
18 missions, and strategic value of federal military installations
19 located in the state;

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

22 (iii) defense strategies and incentive
23 programs that other states are using to maintain, expand, and
24 attract new defense contractors;

25 (6) [~~(5)~~] provide assistance to communities that have
26 experienced a defense-related closure or realignment;

27 (7) [~~(6)~~] assist communities in the design and

1 execution of programs that enhance a community's relationship with
2 military installations and defense-related businesses, including
3 regional alliances that may extend over state lines;

4 (8) [~~(7)~~] assist communities in the retention and
5 recruiting of defense-related businesses, including fostering
6 strategic regional alliances that may extend over state lines;

7 (9) [~~(8)~~] encourage economic development in this
8 state by fostering the development of industries related to defense
9 affairs; and

10 (10) [~~(9)~~] advocate for the preservation and
11 expansion of missions of reservists at military installations in
12 the state.

13 (e) The commission may use an amount equal to not more than
14 two percent of the total amount of grants authorized during each
15 biennium to administer this chapter and other law relating to
16 readjustment of defense communities.

17 (f) The commission shall adopt rules necessary to implement
18 this chapter.

19 SECTION 4. The heading to Section 436.103, Government Code,
20 is amended to read as follows:

21 Sec. 436.103. BIENNIAL [~~ANNUAL~~] REPORT; ANNUAL MEETING.

22 SECTION 5. Section 436.103(b), Government Code, is amended
23 to read as follows:

24 (b) Not later than July 1 of each even-numbered year, the
25 commission shall prepare and submit a report to the governor and the
26 legislature about the active military installations, communities
27 that depend on military installations, and defense-related

1 businesses in this state. The commission may update the report in
2 an odd-numbered year. The report must include:

3 (1) an economic impact statement describing in detail
4 the effect of the military on the economy of this state;

5 (2) a statewide assessment of active military
6 installations and current missions;

7 (3) a statewide strategy to attract new military
8 missions and defense-related business and include specific actions
9 that add military value to existing military installations;

10 (4) a list of state and federal activities that have
11 significant impact on active military installations and current
12 missions;

13 (5) a statement identifying:

14 (A) the state and federal programs and services
15 that assist communities impacted by military base closures or
16 realignments and the efforts to coordinate those programs; and

17 (B) the efforts to coordinate state agency
18 programs and services that assist communities in retaining active
19 military installations and current missions;

20 (6) an evaluation of initiatives to retain existing
21 defense-related businesses; ~~and~~

22 (7) a list of agencies with regulations, policies,
23 programs, or services that impact the operating costs or strategic
24 value of federal military installations and activities in the
25 state; and

26 (8) a summary of the commission's meetings with the
27 Texas Commander's Council under Section 436.101(b), including

1 recommendations, goals, and challenges based on those meetings.

2 SECTION 6. Section 436.152, Government Code, is amended to
3 read as follows:

4 Sec. 436.152. ANALYSIS OF PROJECTS THAT ADD MILITARY OR
5 DEFENSE VALUE; FINANCING. (a) A defense community may submit the
6 community's defense base military value enhancement statement
7 prepared under Chapter 397, Local Government Code, to the
8 commission.

9 (b) On receiving a defense community's defense base
10 military value enhancement statement, the commission shall analyze
11 the projects included in the statement using the criteria it has
12 developed. The commission shall develop project analysis criteria
13 based on the criteria the United States Department of Defense uses
14 for evaluating military facilities in the department's base
15 realignment and closure process.

16 (c) The commission shall determine whether each project
17 identified in the defense community's defense base military value
18 enhancement statement will enhance the military or defense value of
19 the military base or defense facility. The commission shall assist
20 the community in prioritizing the projects that enhance the
21 military or defense value of a military base or defense facility,
22 giving the highest priority to projects that add the most
23 [~~military~~] value under the commission's project analysis criteria.

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 defense
27 base military value enhancement statement that adds military or

1 defense value to a military base or defense facility. If there is
2 no existing program to finance a project, the office may provide a
3 loan of financial assistance to the defense community for the
4 project.

5 SECTION 7. Sections 436.153(a), (b), (c), and (d),
6 Government Code, are amended to read as follows:

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

13 (b) On receiving an application for a loan under this
14 section, the office shall confirm with the commission that the
15 project adds military or defense value to the military base or
16 defense facility.

17 (c) If the commission determines that a project will enhance
18 the military or defense value of the military base or defense
19 facility, the office shall, in accordance with the criteria adopted
20 by the office under Section 436.154(a):

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 confirms that the funds will be used

1 to enhance the military or defense value of the military base or
2 defense facility based on the base realignment and closure
3 criteria, to overcome an action of the United States Department of
4 Defense that will negatively impact the military base or defense
5 facility, or for the recruitment or retention of a defense facility
6 and the office determines that the project is financially feasible,
7 the executive director of the office may award a loan to the defense
8 community for the project. The office shall enter into a written
9 agreement with a defense community that is awarded a loan. The
10 agreement must contain the terms and conditions of the loan,
11 including the loan repayment requirements.

12 SECTION 8. Section 436.1532(a), Government Code, is amended
13 to read as follows:

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

22 SECTION 9. Section 436.155(a), Government Code, is amended
23 to read as follows:

24 (a) A defense community in this state may borrow money from
25 the state, including by direct loan, based on the credit of the
26 defense community to finance a project included in the community's
27 defense base military value enhancement statement.

1 SECTION 10. Chapter 436, Government Code, is amended by
2 adding Subchapter E to read as follows:

3 SUBCHAPTER E. GRANTS

4 Sec. 436.201. ELIGIBILITY FOR GRANT. (a) The following
5 local governmental entities are eligible for a grant under this
6 subchapter:

7 (1) a municipality or county that is a defense
8 community;

9 (2) a regional planning commission that has a defense
10 community within its boundaries;

11 (3) a public junior college district that is wholly or
12 partly located in a defense community;

13 (4) a campus or education extension center of the
14 Texas State Technical College System that is located in a defense
15 community;

16 (5) a defense base development authority created under
17 Chapter 379B, Local Government Code; and

18 (6) a political subdivision that has the power of a
19 defense base development authority created under Chapter 379B,
20 Local Government Code.

21 (b) An eligible local governmental entity may be awarded a
22 grant if the commission determines that the entity may be adversely
23 or positively affected by an anticipated, planned, announced, or
24 implemented action of the United States Department of Defense to
25 close, reduce, increase, or otherwise realign defense worker jobs
26 or facilities.

27 Sec. 436.202. GRANT CRITERIA. (a) From money appropriated

1 for this purpose, the commission may make a grant to an eligible
2 local governmental entity to:

3 (1) enable the entity to match money or meet an
4 investment requirement necessary to receive federal assistance
5 provided to the local governmental entity for responding to or
6 recovering from an event described by Section 436.201(b);

7 (2) match the entity's contribution for a purpose
8 described by Section 436.203 at a closed or realigned defense
9 facility; or

10 (3) construct infrastructure and other projects
11 necessary to accommodate a new or expanded military mission at a
12 military base or to reduce the impact of an action of the United
13 States Department of Defense that will negatively impact a defense
14 facility located in or near the entity.

15 (b) The commission may not make a grant for an amount less
16 than \$50,000 or an amount more than the lesser of:

17 (1) 50 percent of the amount of matching money or
18 investment that the local governmental entity is required to
19 provide, subject to Subsection (c);

20 (2) 50 percent of the local governmental entity's
21 investment for purposes described by Section 436.203 if federal
22 assistance is unavailable; or

23 (3) \$2 million.

24 (c) If the local governmental entity demonstrates to the
25 commission that, because of a limited budget, the entity lacks the
26 resources necessary to provide 50 percent of the amount of matching
27 money or investment that the entity is required to provide, the

1 commission may make a grant in an amount of not more than 80 percent
2 of the amount of that matching money or investment requirement but
3 may not make a grant in an amount that exceeds \$2 million.

4 (d) The commission may make a grant to an eligible local
5 governmental entity without regard to the availability or
6 acquisition of matching money.

7 Sec. 436.203. USE OF PROCEEDS. (a) A local governmental
8 entity may use the proceeds of a grant awarded under this subchapter
9 for the purchase of property, including the purchase of property
10 from the United States Department of Defense or its designated
11 agent, new construction, rehabilitation or renovation of
12 facilities or infrastructure, or purchase of capital equipment or
13 facilities insurance.

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

18 (c) An eligible local governmental entity described by
19 Section 436.201(a)(3) or (4) may use the proceeds of the grant to
20 purchase or lease equipment to train defense workers whose jobs
21 have been threatened or lost because of an event described by
22 Section 436.201(b).

23 Sec. 436.204. APPLICATION FOR GRANT. (a) A local
24 governmental entity may apply for a grant under this subchapter to
25 the commission on a form prescribed by the commission. The
26 commission shall establish periodic application cycles to enable
27 the evaluation of groups of applicants.

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

3 Sec. 436.205. PANEL: EVALUATION OF APPLICATION. (a) The
4 commission shall establish a defense economic adjustment
5 assistance panel composed of at least three and not more than five
6 professional full-time employees of the office of the governor
7 appointed by the director of the commission.

8 (b) The panel shall evaluate each grant application and
9 assign the applicant a score based on:

10 (1) the significance of the adverse or positive effect
11 within the local governmental entity, including the number of jobs
12 that may be lost or gained in relation to the workforce in the local
13 governmental entity's jurisdiction and the effect on the entity's
14 and surrounding area's economy and tax revenue;

15 (2) the extent to which the local governmental entity
16 may have used its existing resources to promote local economic
17 development;

18 (3) the amount of any grant that the local
19 governmental entity has previously received under this subchapter;

20 (4) the anticipated number of jobs that may be created
21 or retained in relation to the amount of the grant sought; and

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

24 Sec. 436.206. MAKING OF GRANT. The panel shall submit its
25 scores to the commission. The commission shall use the scores to
26 determine whether to make a grant to an applicant. The commission
27 may not make a grant unless the legislature has appropriated the

1 money for the grant.

2 Sec. 436.207. DEFENSE COMMUNITY WITH MORE THAN ONE MILITARY
3 BASE. For purposes of the preference for adversely affected
4 defense communities, a defense community that contains or is in
5 proximity to more than one military base is considered an adversely
6 affected defense community if the local governmental entity is
7 applying for a grant under this subchapter for a project relating to
8 the military base that is closed or whose operations are
9 significantly reduced.

10 SECTION 11. Section 436.151, Government Code, is repealed.

11 SECTION 12. Section 486, Government Code, is repealed.

12 SECTION 13. This Act takes effect September 1, 2013.