

BILL ANALYSIS

C.S.H.B. 3808
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Defense & Veterans' Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Certain assistance programs in Texas help local governmental entities and defense communities address the effects of military base realignments and closures. Funds from the Texas military value revolving loan fund and grants from the defense economic adjustment assistance grant program are used in these efforts. Interested parties note that this type of assistance has been shown to expand new development opportunities, and the parties assert that many defense communities across Texas have already seen success because of this assistance. C.S.H.B. 3808 seeks to assist more local governmental entities and defense communities affected by such realignments and closures.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 3808 amends the Government Code, for purposes of a provision authorizing the Texas Economic Development and Tourism Office (TEDTO) to provide a loan of financial assistance to a defense community for an economic development project that minimizes the negative effects of a base reduction on a defense community as a result of a U.S. Department of Defense base realignment process that occurs during a specified period, to change that specified period from 2005 or later to 1995 or later. The bill, for purposes of a provision authorizing TEDTO to provide a loan of financial assistance to a defense community for an infrastructure project to accommodate new or expanded military missions assigned to a military base or defense facility located in, near, or adjacent to the defense community as a result of a base realignment process that occurs during a specified period, changes that specified period from 2005 or later to 1995 or later.

C.S.H.B. 3808 includes the construction of infrastructure and other projects necessary to prevent the reduction or closing of a defense facility among the purposes for which a grant may be awarded by the Texas Military Preparedness Commission to certain eligible local governmental entities that may be affected by an anticipated, planned, announced, or implemented action of the U.S. Department of Defense to realign defense worker jobs or facilities. The bill raises from \$2 million to \$5 million an alternative cap amount for the grant. The bill includes a defense base development authority among the entities authorized to use the proceeds from such a grant to purchase or lease equipment to train defense workers whose jobs have been threatened or lost as a result of such an anticipated, planned, announced, or implemented action and adds the training

of workers to support military installations or defense facilities to the authorized uses of proceeds from such grants.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3808 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 436.1531(a), Government Code, is amended.

SECTION 1. Same as introduced version.

No equivalent provision.

SECTION 2. Section 436.1532(a), Government Code, is amended to read as follows:

(a) The office may provide a loan of financial assistance to a defense community for an infrastructure project to accommodate new or expanded military missions assigned to a military base or defense facility located in, near, or adjacent to the defense community as a result of a United States Department of Defense base realignment process that occurs during 1995 [2005] or later. The loan shall be made from the Texas military value revolving loan account established under Section 436.156.

SECTION 2. Section 436.202(b), Government Code, is amended to read as follows:

SECTION 3. Sections 436.202(a) and (b), Government Code, are amended to read as follows:

(a) From money appropriated for this purpose, the commission may make a grant to an eligible local governmental entity to:

- (1) enable the entity to match money or meet an investment requirement necessary to receive federal assistance provided to the local governmental entity for responding to or recovering from an event described by Section 436.201(b);
- (2) match the entity's contribution for a purpose described by Section 436.203 at a closed or realigned defense facility; [ø]
- (3) construct infrastructure and other projects necessary to accommodate a new or expanded military mission at a military base or to reduce the impact of an action of the

(b) The commission may not make a grant for an amount less than \$50,000 or an amount more than \$5 [the lesser of:
[~~(1) 50 percent of the amount of matching money or investment that the local governmental entity is required to provide, subject to Subsection (c);~~
[~~(2) 50 percent of the local governmental entity's investment for purposes described by Section 436.203 if federal assistance is unavailable; or~~
[~~(3) \$2~~] million.

SECTION 3. Section 436.202(c), Government Code, is repealed.

No equivalent provision.

SECTION 4. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

United States Department of Defense that will negatively impact a defense facility located in or near the entity; or
(4) construct infrastructure and other projects necessary to prevent the reduction or closing of a defense facility.

(b) The commission may not make a grant for an amount less than \$50,000 or an amount more than the lesser of:
(1) 50 percent of the amount of matching money or investment that the local governmental entity is required to provide, subject to Subsection (c);
(2) 50 percent of the local governmental entity's investment for purposes described by Section 436.203 if federal assistance is unavailable; or
(3) \$5 [~~\$2~~] million.

No equivalent provision.

SECTION 4. Section 436.203(c), Government Code, is amended to read as follows:

(c) An eligible local governmental entity described by Section 436.201(a)(3), [~~or~~] (4), or (5) may use the proceeds of the grant to purchase or lease equipment to train defense workers whose jobs have been threatened or lost because of an event described by Section 436.201(b) or to train workers to support military installations or defense facilities.

SECTION 5. Same as introduced version.