

BILL ANALYSIS

Senate Research Center
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S.B. 1325
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Veterans Affairs & Military Installations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1325 seeks to make the Texas Military Preparedness Commission (TMPC) a stand-alone commission within the Office of the Governor for administrative purposes. This will allow TMPC to become more nimble and focus entirely on the military installations and their impact on local communities.

The bill would also allow members of the Military Value Task Force to become eligible for travel reimbursements. S.B. 1200 created the Military Value Task Force to determine how the state can strengthen the military installations in light of a possible Base Realignment and Closure (BRAC). A report with recommendations was published in December of 2014. Members of the task force did not receive compensation for their duties nor did they receive reimbursement for travel on the state's behalf. S.B. 1325 allows the members of the task force to be eligible for reimbursements if travel was conducted during the researching of the Military Value Task Force.

Lastly, S.B. 1325 allows affordable housing projects targeted at veterans to qualify for a Defense Economic Adjustment Assistance Grant (DEAAG). TMPC administers DEAAG to assist defense communities impacted or potentially impacted by United States Department of Defense plans and decisions. As a result of an economic downturn due to a military base closing, many military families have suffered from unemployment and subsequently lost their home and access to housing. S.B. 1325 authorizes affordable housing projects to compete for DEEAG to assist areas in need of housing. This is especially important as Texas experiences a high rate of homelessness among veterans. More affordable housing means fewer veterans on the street.

As proposed, S.B. 1325 amends current law relating to the Texas Military Preparedness Commission and strategic planning regarding military bases and defense installations.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Economic Development and Tourism Office is transferred to the Texas Military Preparedness Commission in SECTION 10 (Section 436.154, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 436.002, Government Code, follows:

Sec. 436.002. COMMISSION. Provides that the Texas Military Preparedness Commission (TMPC) is attached for administrative purposes to the office of the governor, rather than provides that TMPC is within the Texas Economic Development and Tourism Office in the office of the governor (office) and is required to report to the executive director of the office.

SECTION 2. Amends Section 436.0561(b), Government Code, to delete existing text requiring that the training program provide the person with information regarding any applicable ethics policies adopted by the office.

SECTION 3. Amends Section 436.057(c), Government Code, to authorize the director of TMPC to hire staff within the guidelines established by the TMPC, rather than to require the governor to determine the staff for TMPC.

SECTION 4. Amends the heading to Section 436.105, Government Code, to read as follows:

Sec. 436.105. MILITARY BASE REALIGNMENT AND CLOSURE TASK FORCE;
EXPIRATION DATE.

SECTION 5. Amends Section 436.105, Government Code, by adding Subsections (b-1) and (d), as follows:

(b-1) Entitles a member of the task force to reimbursement for travel expenses.

(d) Provides that the task force is abolished and this section expires September 1, 2019.

SECTION 6. Amends Section 436.152(d), Government Code, as follows:

(d) Requires TMPC to refer the defense community to the appropriate state agency that has an existing program to provide financing for each project identified in the community's military base or defense facility value enhancement statement that adds military or defense value to a military base or defense facility. Authorizes TMPC, rather than the office, if there is no existing program to finance a project, to provide a loan of financial assistance to the defense community for the project.

SECTION 7. Amends Sections 436.153(a) through (g), Government Code, as follows:

(a) Authorizes TMPC, rather than the office, to provide a loan of financial assistance to a defense community for a project that will enhance the military or defense value of a military base or defense facility located in, near, or adjacent to the defense community.

(b) Requires TMPC, on receiving an application for a loan under this section, to confirm that the project adds military or defense value to the military base or defense facility, rather than requires the office, on receiving an application for a loan under this section, to confirm with TMPC that the project adds military or defense value to the military base or defense facility.

(c) Requires TMPC, if TMPC determines that a project will enhance the military or defense value of a military base or defense facility, in accordance with the criteria adopted by TMPC under Section 436.154(a), to perform functions as set forth relating to analyzing the creditworthiness of the defense community and evaluating the feasibility of the project to be financed. Makes conforming changes.

(d) Authorizes TMPC, rather than the executive director of the office, if TMPC confirms that the funds will be used to enhance the military or defense value of the military base or defense facility based on the base realignment and closure criteria, to overcome an action of the United States Department of Defense (DoD) that will negatively impact the military base or defense facility, or for the recruitment or retention of a defense facility and TMPC, rather than the office, determines that the project is financially feasible, to award a loan to the defense community for the project. Makes a conforming change.

(e) Requires TMPC, rather than the office, to notify the Texas Public Finance Authority (TPFA) of the amount of the loan and the recipient of the loan and request TPFA to issue general obligation bonds in an amount necessary to fund the loan. Requires TMPC, rather than the office, and TPFA to determine the amount and time of a bond issue to best provide funds for one or multiple loans.

(f) Requires TMPC, rather than the office, to administer the loans to ensure full repayment of the general obligation bonds issued to finance the project.

(g) Authorizes TMPC to provide a loan only for a project that is included in the political subdivision's statement under Section 397.002 (Military Base or Defense Facility Value Enhancement Statement), Local Government Code, or to prepare a comprehensive defense community strategic impact plan under Section 397.003 (Comprehensive Defense Community Strategic Impact Plan), Local Government Code, rather than authorizes the office to provide a loan only for a project that is included in the political subdivision's statement under Section 397.002, Local Government Code, or to prepare a comprehensive defense installation and community strategic impact plan under Section 397.003, Local Government Code.

SECTION 8. Amends Sections 436.1531(a), (c), (d), (e), and (f), Government Code, to change references to office to TMPC.

SECTION 9. Amends Sections 436.1532(a), (c), (d), (e), and (f), Government Code, to change references to office to TMPC.

SECTION 10. Amends Section 436.154, Government Code, as follows:

Sec. 436.154. LOAN PROCESS. (a) Requires TMPC, rather than the office, to adopt rules, in consultation with TPFA, that contain the criteria for evaluating the credit of a loan applicant and the financial feasibility of a project. Requires TMPC, rather than the office, to also adopt a loan application form. Sets forth the criteria authorized to be included in the form and makes a conforming change.

(b) Prohibits TMPC, rather than the office, from accepting an application for a loan from the Texas military value revolving loan account (account) unless the application is submitted in affidavit form by the officials of the defense community. Requires TMPC, rather than the office, to prescribe the affidavit form.

SECTION 11. Amends Section 436.156(c), Government Code, to require TMPC, rather than the office, to deposit to the credit of the account all loan payments made by a political subdivision for a loan under Section 436.153 (Loans), 436.1531 (Loans for Communities Adversely Affected by Defense Base Reduction), or 436.1532 (Loans for Communities Positively Affected by Defense Base Restructuring).

SECTION 12. Amends Section 436.202, Government Code, by amending Subsections (a), (b), and (c) and adding Subsection (e), as follows:

(a) Authorizes TMPC, from money appropriated for this purpose, to make a grant to an eligible local governmental entity to:

(1) Makes no change to this subdivision;

(2) and (3) Makes nonsubstantive changes to these subdivisions;

(4) construct affordable single family, multifamily, and veteran's supportive housing financed under the low income housing tax credit program under Subchapter DD (Low Income Housing Tax Credit Program), Chapter 2306 (Texas Department of Housing and Community Affairs).

(b) Prohibits TMPC from making a grant for an amount less than \$50,000 or an amount more than the lesser of:

(1) and (2) Makes no change to these subdivisions;

(3) \$5 million, rather than \$2 million.

(c) Prohibits TMPC, if the local governmental entity demonstrates to TMPC that, because of a limited budget, the entity lacks the resources necessary to provide 50 percent of the

amount of matching money or investment that the entity is required to provide, from making a grant in an amount that exceeds \$5 million, rather than \$2 million.

(e) Authorizes TMPC to make a grant to an eligible local governmental entity for a project described by Subsection (a)(4) in an amount that does not exceed the lesser of 10 percent of the total construction cost of the project or \$5 million.

SECTION 13. Amends Section 436.204(b), Government Code, to authorize TMPC, rather than the office, to assist a local governmental entity in applying for a grant under this chapter.

SECTION 14. Amends Section 481.502(a), Government Code, to require the office and TMPC to assist defense communities in obtaining financing for economic development projects that seek to address future realignment or closure of a defense base that is in, adjacent to, or near the defense community.

SECTION 15. Repealer: Section 436.001(5) (defining “office” as the Texas Economic Development and Tourism Office), Government Code.

SECTION 16. Provides that a rule, policy, procedure, or decision of the office with respect to functions that are transferred under this Act to TMPC continues in effect as a rule, policy, procedure, or decision of TMPC until superseded by an act of TMPC.

SECTION 17. Effective date: September 1, 2015.