

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 1358  
By: Campbell  
Veteran Affairs & Military Installations  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas is the home to 15 military installations with a \$150 billion annual economic impact. The formal process for the United States Department of Defense to close or realign a military installation is Base Realignment And Closure (BRAC). The Texas Military Preparedness Commission (TMPC) is the entity in statute charged with interacting and protecting military installations in Texas. Currently, TMPC is an office within the Texas Economic Development and Tourism Office in the office of the governor.

S.B. 1358 will increase the independence of TMPC by making it a separate entity that is "administratively attached" to the office of the governor. This model is currently used for the Texas Workforce Investment Council. S.B. 1358 makes additional improvements to Section 436 (Texas Military Preparedness Commission) of the Government Code including updating the BRAC Task Force.

One of the primary tools that the state has available to support improvement project on and around military installations is the Defense Economic Adjustment Assistance Grant (DEAAG). S.B. 1358 raises the maximum DEAAG amount from \$2 million to \$5 million. This increase will better enable TMPC to fulfill its duty to assist defense communities in economic development projects.

As proposed, S.B. 1358 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 in the office of the governor 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, as 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 (office) in the office of the governor and is required to report to the executive director of the office.

SECTION 2. Amends Section 436.0561(b), Government Code, as follows:

(b) Requires that the training program in which a person who is appointed to and qualifies for office as a member of TMPC must complete provide the person with information regarding:

(1)-(4) Makes no change to these subdivisions; and

(5) any applicable ethics policies adopted by TMPC or the Texas Ethics Commission, rather than policies adopted by the office, TMPC, or the Texas Ethics Commission.

SECTION 3. Amends Section 436.057, Government Code, by adding Subsection (b) and amending Subsection (c), as follows:

(b) Requires the director of TMPC to hire at least one full-time employee who is knowledgeable about or has experience with military installations.

(c) Authorizes the director to hire other staff within the guidelines established by TMPC, rather than requires 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, to authorize 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) Changes reference to the office to TMPC.

(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 to confirm with TMPC that the project adds military or defense value to the military base or defense facility.

(c) Changes references to the office to TMPC.

(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 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. Requires TMPC, rather than the office, to enter into a written agreement with a defense community that is awarded a loan.

(e)-(g) Changes references to the office to TMPC.

SECTION 8. Amends Sections 436.1531(a), (c), (d), (e), and (f), Government Code, to make conforming changes.

SECTION 9. Amends Sections 436.1532(a), (c), (d), (e), and (f), Government Code, to make conforming changes.

SECTION 10. Amends Section 436.154, Government Code, to make conforming changes.

SECTION 11. Amends Section 436.156(c), Government Code, to make a conforming change.

SECTION 12. Amends Sections 436.202(b) and (c), Government Code, as follows:

(b) Provides that TMPC may not make 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; or

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

(c) Authorizes 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, to make a grant in an amount of not more than 80 percent of the amount of that matching money or investment requirement but prohibits TMPC from making a grant in an amount that exceeds \$5 million, rather than \$2 million.

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

SECTION 14. Amends Section 481.502(a), Government Code, as follows:

(a) Requires 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. Requires the office to refer the defense community to certain local development corporations or appropriate state agencies.

SECTION 15. Repealer: Section 436.001(5) (defining “office”), Government Code.

SECTION 16. Provides that a rule, policy, procedure, or decision of the Texas Economic Development and Tourism 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.