

By: Menéndez

S.B. No. 1325

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the Texas Military Preparedness Commission and
3 strategic planning regarding military bases and defense
4 installations.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 436.002, Government Code, is amended to
7 read as follows:

8 Sec. 436.002. COMMISSION. The commission is attached for
9 administrative purposes to [within] the office of the governor [and
10 ~~shall report to the executive director of the office]~~.

11 SECTION 2. Section 436.0561(b), Government Code, is amended
12 to read as follows:

13 (b) The training program must provide the person with
14 information regarding:

15 (1) the legislation that created the commission;

16 (2) the programs, functions, rules, and budget of the
17 commission;

18 (3) the results of the most recent formal audit of the
19 commission;

20 (4) the requirements of laws relating to open
21 meetings, public information, administrative procedure, and
22 conflicts of interest; and

23 (5) any applicable ethics policies adopted by [~~the~~
24 ~~office,~~] the commission[~~7~~] or the Texas Ethics Commission.

1 SECTION 3. Section 436.057(c), Government Code, is amended
2 to read as follows:

3 (c) The director may hire [~~governor shall determine the~~]
4 staff within the guidelines established by [~~for~~] the commission.

5 SECTION 4. The heading to Section 436.105, Government Code,
6 is amended to read as follows:

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

9 SECTION 5. Section 436.105, Government Code, is amended by
10 adding Subsections (b-1) and (d) to read as follows:

11 (b-1) A member of the task force is entitled to
12 reimbursement for travel expenses.

13 (d) The task force is abolished and this section expires
14 September 1, 2019.

15 SECTION 6. Section 436.152(d), Government Code, is amended
16 to read as follows:

17 (d) The commission shall refer the defense community to the
18 appropriate state agency that has an existing program to provide
19 financing for each project identified in the community's military
20 base or defense facility value enhancement statement that adds
21 military or defense value to a military base or defense facility.
22 If there is no existing program to finance a project, the commission
23 [~~office~~] may provide a loan of financial assistance to the defense
24 community for the project.

25 SECTION 7. Sections 436.153(a) through (g), Government
26 Code, are amended to read as follows:

27 (a) The commission [~~office~~] may provide a loan of financial

1 assistance to a defense community for a project that will enhance
2 the military or defense value of a military base or defense facility
3 located in, near, or adjacent to the defense community. The loan
4 shall be made from the Texas military value revolving loan account
5 established under Section 436.156.

6 (b) On receiving an application for a loan under this
7 section, the commission [~~office~~] shall confirm [~~with the~~
8 ~~commission~~] that the project adds military or defense value to the
9 military base or defense facility.

10 (c) If the commission determines that a project will enhance
11 the military or defense value of the military base or defense
12 facility, the commission [~~office~~] shall, in accordance with the
13 criteria adopted by the commission [~~office~~] under Section
14 436.154(a):

15 (1) analyze the creditworthiness of the defense
16 community to determine the defense community's ability to repay the
17 loan; and

18 (2) evaluate the feasibility of the project to be
19 financed to ensure that the defense community has pledged a source
20 of revenue or taxes sufficient to repay the loan for the project.

21 (d) If the commission confirms that the funds will be used
22 to enhance the military or defense value of the military base or
23 defense facility based on the base realignment and closure
24 criteria, to overcome an action of the United States Department of
25 Defense that will negatively impact the military base or defense
26 facility, or for the recruitment or retention of a defense facility
27 and the commission [~~office~~] determines that the project is

1 financially feasible, the commission [~~executive director of the~~
2 ~~office~~] may award a loan to the defense community for the project.
3 The commission [~~office~~] shall enter into a written agreement with a
4 defense community that is awarded a loan. The agreement must
5 contain the terms and conditions of the loan, including the loan
6 repayment requirements.

7 (e) The commission [~~office~~] 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 commission [~~office~~] 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 commission [~~office~~] shall administer the loans to
14 ensure full repayment of the general obligation bonds issued to
15 finance the project.

16 (g) The commission [~~office~~] 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
20 impact plan under Section 397.003, Local Government Code.

21 SECTION 8. Sections 436.1531(a), (c), (d), (e), and (f),
22 Government Code, are amended to read as follows:

23 (a) The commission [~~office~~] may provide a loan of financial
24 assistance to a defense community for an economic development
25 project that minimizes the negative effects of a defense base
26 reduction on the defense community as a result of a United States
27 Department of Defense base realignment process that occurs during

1 2005 or later. The loan shall be made from the Texas military value
2 revolving loan account established under Section 436.156.

3 (c) If the commission determines that a project will reduce
4 the negative effects of a defense base reduction on the defense
5 community, the commission [~~office~~] shall:

6 (1) analyze the creditworthiness of the defense
7 community to determine the defense community's ability to repay the
8 loan; and

9 (2) evaluate the feasibility of the project to be
10 financed to ensure that the defense community has pledged a source
11 of revenue or taxes sufficient to repay the loan for the project.

12 (d) If the commission [~~office~~] determines that the funds
13 will be used to finance an economic development project that will
14 reduce the negative effects of a defense base reduction on the
15 defense community and that the project is financially feasible, the
16 commission [~~office~~] may award a loan to the defense community for
17 the project. The commission [~~office~~] shall enter into a written
18 agreement with a defense community that is awarded a loan. The
19 agreement must contain the terms and conditions of the loan,
20 including the loan repayment requirements.

21 (e) The commission [~~office~~] shall notify the Texas Public
22 Finance Authority of the amount of the loan and the recipient of the
23 loan and request the authority to issue general obligation bonds in
24 an amount necessary to fund the loan. The commission [~~office~~] and
25 the authority shall determine the amount and time of a bond issue to
26 best provide funds for one or multiple loans.

27 (f) The commission [~~office~~] shall administer the loans to

1 ensure full repayment of the general obligation bonds issued to
2 finance the project.

3 SECTION 9. Sections 436.1532(a), (c), (d), (e), and (f),
4 Government Code, are amended to read as follows:

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

13 (c) If the commission determines that the project will
14 assist the defense community in accommodating the new or expanded
15 military missions that are assigned to the military facility, the
16 commission [~~office~~] shall:

17 (1) analyze the creditworthiness of the defense
18 community to determine the defense community's ability to repay the
19 loan; and

20 (2) evaluate the feasibility of the project to be
21 financed to ensure that the defense community has pledged a source
22 of revenue or taxes sufficient to repay the loan for the project.

23 (d) If the commission determines that the funds will be used
24 to finance an infrastructure project to accommodate new or expanded
25 military missions assigned to the military facility located in,
26 near, or adjacent to the defense community and the commission
27 [~~office~~] determines that the project is financially feasible, the

1 commission [~~office~~] may award a loan to the defense community for
2 the project. The commission [~~office~~] shall enter into a written
3 agreement with a defense community that is awarded a loan. The
4 agreement must contain the terms and conditions of the loan,
5 including the loan repayment requirements.

6 (e) The commission [~~office~~] shall notify the Texas Public
7 Finance Authority of the amount of the loan and the recipient of the
8 loan and request the authority to issue general obligation bonds in
9 an amount necessary to fund the loan. The commission [~~office~~] and
10 the authority shall determine the amount and time of a bond issue to
11 best provide funds for one or multiple loans.

12 (f) The commission [~~office~~] shall administer the loans to
13 ensure full repayment of the general obligation bonds issued to
14 finance the project.

15 SECTION 10. Section 436.154, Government Code, is amended to
16 read as follows:

17 Sec. 436.154. LOAN PROCESS. (a) The commission [~~office~~]
18 shall adopt rules, in consultation with the Texas Public Finance
19 Authority, that contain the criteria for evaluating the credit of a
20 loan applicant and the financial feasibility of a project. The
21 commission [~~office~~] shall also adopt a loan application form. The
22 application form may include:

23 (1) the name of the defense community and its
24 principal officers;

25 (2) the total cost of the project;

26 (3) the amount of state financial assistance
27 requested;

1 (4) the plan for repaying the loan; and

2 (5) any other information the commission [~~office~~]
3 requires to perform its duties and to protect the public interest.

4 (b) The commission [~~office~~] may not accept an application
5 for a loan from the Texas military value revolving loan account
6 unless the application is submitted in affidavit form by the
7 officials of the defense community. The commission [~~office~~] shall
8 prescribe the affidavit form.

9 SECTION 11. Section 436.156(c), Government Code, is amended
10 to read as follows:

11 (c) The commission [~~office~~] shall deposit to the credit of
12 the account all loan payments made by a political subdivision for a
13 loan under Section 436.153, 436.1531, or 436.1532. The loan
14 payments shall be used to reimburse the general revenue fund for
15 money appropriated to pay the principal, premium if any, and
16 interest on the bonds issued under Section 436.158. If loan
17 payments exceed the amounts required for reimbursement, the excess
18 shall first be applied to reimburse the expenses of administering
19 the program and secondly deposited to the credit of the Texas
20 military value revolving loan account to fund subsequent loans.

21 SECTION 12. Section 436.202, Government Code, is amended by
22 amending Subsections (a), (b), and (c) and adding Subsection (e) to
23 read as follows:

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

27 (1) enable the entity to match money or meet an

1 investment requirement necessary to receive federal assistance
2 provided to the local governmental entity for responding to or
3 recovering from an event described by Section 436.201(b);

4 (2) match the entity's contribution for a purpose
5 described by Section 436.203 at a closed or realigned defense
6 facility; ~~or~~

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

12 (4) construct affordable single family, multifamily,
13 and veteran's supportive housing financed under the low income
14 housing tax credit program under Subchapter DD, Chapter 2306.

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) \$5 ~~[\$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 \$5 [~~\$2~~] million.

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

8 SECTION 13. Section 436.204(b), Government Code, is amended
9 to read as follows:

10 (b) The commission [~~office~~] may assist a local governmental
11 entity in applying for a grant under this chapter.

12 SECTION 14. Section 481.502(a), Government Code, is amended
13 to read as follows:

14 (a) The office and the Texas Military Preparedness
15 Commission shall assist defense communities in obtaining financing
16 for economic development projects that seek to address future
17 realignment or closure of a defense base that is in, adjacent to, or
18 near the defense community. The office shall refer the defense
19 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 15. Section 436.001(5), Government Code, is

1 repealed.

2 SECTION 16. A rule, policy, procedure, or decision of the
3 Texas Economic Development and Tourism Office with respect to
4 functions that are transferred under this Act to the Texas Military
5 Preparedness Commission continues in effect as a rule, policy,
6 procedure, or decision of the Texas Military Preparedness
7 Commission until superseded by an act of that commission.

8 SECTION 17. This Act takes effect September 1, 2015.