

BILL ANALYSIS

C.S.H.B. 3895
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Economic & Small Business Development
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note the importance of the Texas Military Preparedness Commission in providing low cost loans to fund certain projects. C.S.H.B. 3895 seeks to facilitate the commission's ability to provide for loans from the Texas military value revolving loan account.

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. 3895 amends the Government Code to apply state open meetings law to a meeting of the Texas Military Preparedness Commission except that the bill authorizes the commission to allow for commission members' participation in a meeting by telephone or other means of telecommunication or electronic communication to consider an application for a loan from the Texas military value revolving loan account. The bill requires any voting conducted by telephone or other means of telecommunication or electronic communication to be subject to the same quorum requirements of meetings where members are present in person. The bill specifies that the application form for a financial assistance loan is to be adopted by the commission in consultation with the Texas Public Finance Authority.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3895 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 436.054, Government Code, is amended	SECTION 1. Same as introduced version.

SECTION 2. Section 436.153, Government Code, is amended by adding Subsections (a-1), (c-1), (d-1), and (d-2) and amending Subsections (b), (c), (d), and (g) to read as follows:

No equivalent provision.

(a-1) The commission may provide a loan of financial assistance to a defense base development authority created under Chapter 379B, Local Government Code, for a project without regard to whether the project will enhance the military or defense value of a military base or defense facility.

(b) On receiving an application for a loan under this section, the commission shall:

(1) forward a copy of the application to the Texas Public Finance Authority for the analysis required by Subsection (c); and

(2) confirm that a [the] project described by Subsection (a) adds military or defense value to the military base or defense facility.

(c) On receipt of a copy of a loan application under Subsection (b), the Texas Public Finance Authority ~~[If the commission determines that a project will enhance the military or defense value of the military base or defense facility, the commission]~~ shall, in accordance with the criteria adopted ~~[by the commission]~~ under Section 436.154(a):

(1) analyze the creditworthiness of the defense community or defense base development authority to determine the defense community's or defense base development authority's ability to repay the loan; [and]

(2) evaluate the feasibility of the project to be financed to ensure that the defense community or defense base development authority has pledged a source of revenue or taxes sufficient to repay the loan for the project; and

(3) immediately notify the commission of its findings.

(c-1) Not later than the 30th day after the date an application for a loan under this section is made, the commission shall make a decision on the application.

(d) For a project described by Subsection (a), if [If] the commission 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 the Texas Public Finance Authority ~~[commission]~~ determines that the project is financially feasible, the commission may award a loan to the defense community for the project.

(d-1) For a project described by Subsection (a-1), if the Texas Public Finance Authority determines that the project is financially feasible, the commission may award a loan to the defense base development authority.

(d-2) The commission shall enter into a written agreement with a defense community or defense base development authority that is awarded a loan under this section. The agreement must contain the terms and conditions of the loan, including the loan repayment requirements.

(g) The commission may provide a loan:

(1) ~~[only]~~ for a project described by Subsection (a) only if the project ~~[that]~~ is included in the political subdivision's statement under Section 397.002, Local Government Code; [;] or

(2) to prepare a comprehensive defense installation and community strategic impact plan under Section 397.003, Local Government Code.

SECTION 3. Section 436.154(a), Government Code, is amended to read as follows:

(a) The ~~[commission shall adopt rules, in consultation with the]~~ Texas Public Finance Authority shall adopt rules~~[;]~~ that contain the criteria for evaluating the credit of a loan applicant and the financial feasibility of a project. The Texas Public Finance Authority ~~[commission]~~ shall also adopt a loan application form. The application form may include:

- (1) the name of the defense community or defense base development authority, as applicable, and the community's or authority's ~~[its]~~ principal officers;
- (2) the total cost of the project;
- (3) the amount of state financial assistance requested;
- (4) the plan for repaying the loan; and
- (5) any other information the commission or Texas Public Finance Authority requires to perform its duties and to protect the public interest.

SECTION 2. Section 436.154(a), Government Code, is amended to read as follows:

(a) The commission shall adopt rules, in consultation with the Texas Public Finance Authority, that contain the criteria for evaluating the credit of a loan applicant and the financial feasibility of a project. The commission, in consultation with the Texas Public Finance Authority, shall also adopt a loan application form. The application form may include:

- (1) the name of the defense community and its principal officers;
- (2) the total cost of the project;
- (3) the amount of state financial assistance requested;
- (4) the plan for repaying the loan; and
- (5) any other information the commission requires to perform its duties and to protect the public interest.

SECTION 4. This Act takes effect
September 1, 2017.

SECTION 3. Same as introduced version.