

By: Cortez

H.B. No. 3895

A BILL TO BE ENTITLED

AN ACT

relating to the awarding of loans from the Texas military value revolving loan account.

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

SECTION 1. Section 436.054, Government Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) The commission is a governmental body for purposes of the open meetings law, Chapter 551. Except as otherwise provided by Subsection (c), Chapter 551 applies to a meeting of the commission.

(c) The commission may allow for 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. Any voting conducted by telephone or other means of telecommunication or electronic communication shall be subject to the same quorum requirements of meetings where members are present in person.

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:

(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

1 a military base or defense facility.

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

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

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

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

16 (1) analyze the creditworthiness of the defense
17 community or defense base development authority to determine the
18 defense community's or defense base development authority's ability
19 to repay the loan; ~~and]~~

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

24 (3) immediately notify the commission of its findings.

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

1 (d) For a project described by Subsection (a), if ~~[If]~~ the
2 commission confirms that the funds will be used to enhance the
3 military or defense value of the military base or defense facility
4 based on the base realignment and closure criteria, to overcome an
5 action of the United States Department of Defense that will
6 negatively impact the military base or defense facility, or for the
7 recruitment or retention of a defense facility and the Texas Public
8 Finance Authority ~~[commission]~~ determines that the project is
9 financially feasible, the commission may award a loan to the
10 defense community for the project.

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

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

20 (g) The commission may provide a loan:

21 (1) [only] for a project described by Subsection (a)
22 only if the project ~~[that]~~ is included in the political
23 subdivision's statement under Section 397.002, Local Government
24 Code; [7] or

25 (2) to prepare a comprehensive defense installation
26 and community strategic impact plan under Section 397.003, Local
27 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~~[7]~~ 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 4. This Act takes effect September 1, 2017.