86R14176 AAF-D

By:  Powell S.B. No. 2131

A BILL TO BE ENTITLED

AN ACT

relating to state assistance provided by the Texas Military Preparedness Commission to defense communities.

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

SECTION 1.  Sections 436.153(e) and (f), Government Code, are amended to read as follows:

(e)  The commission shall notify the Texas Public Finance Authority of the amount of the loan and the recipient of the loan and request the authority to issue general obligation bonds in an amount necessary to fund the loan.  The commission and the authority shall determine the amount and time of a bond issue to best provide funds for one or multiple loans. The commission may request the authority to issue obligations under Section 436.1581 to fund the loan if the commission and the authority determine that funding the loan in that manner is appropriate.

(f)  The commission shall administer the loans to ensure full repayment of the general obligation bonds or other obligations issued to finance the project.

SECTION 2.  Sections 436.1531(e) and (f), Government Code, are amended to read as follows:

(e)  The commission shall notify the Texas Public Finance Authority of the amount of the loan and the recipient of the loan and request the authority to issue general obligation bonds in an amount necessary to fund the loan. The commission and the authority shall determine the amount and time of a bond issue to best provide funds for one or multiple loans. The commission may request the authority to issue obligations under Section 436.1581 to fund the loan if the commission and the authority determine that funding the loan in that manner is appropriate.

(f)  The commission shall administer the loans to ensure full repayment of the general obligation bonds or other obligations issued to finance the project.

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

(e)  The commission shall notify the Texas Public Finance Authority of the amount of the loan and the recipient of the loan and request the authority to issue general obligation bonds in an amount necessary to fund the loan. The commission and the authority shall determine the amount and time of a bond issue to best provide funds for one or multiple loans. The commission may request the authority to issue obligations under Section 436.1581 to fund the loan if the commission and the authority determine that funding the loan in that manner is appropriate.

(f)  The commission shall administer the loans to ensure full repayment of the general obligation bonds or other obligations issued to finance the project.

SECTION 4.  Section 436.154, Government Code, is amended by adding Subsection (c) to read as follows:

(c)  Notwithstanding Section 436.054(b), 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 established under Section 436.156. 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 5.  Section 436.156(c), Government Code, is amended to read as follows:

(c)  The commission shall deposit to the credit of the account all loan payments made by a political subdivision for a loan under Section 436.153, 436.1531, or 436.1532.  The loan payments shall be used to reimburse the general revenue fund for money appropriated to pay the principal, premium if any, and interest on the bonds or other obligations issued under Section 436.158 or 436.1581. If loan payments exceed the amounts required for reimbursement, the excess shall first be applied to reimburse the expenses of administering the program and secondly deposited to the credit of the Texas military value revolving loan account to fund subsequent loans.

SECTION 6.  Subchapter D, Chapter 436, Government Code, is amended by adding Section 436.1581 to read as follows:

Sec. 436.1581.  ISSUANCE OF OBLIGATIONS TO PROVIDE FINANCIAL ASSISTANCE. (a) The Texas Public Finance Authority may issue and sell obligations, including obligations in the form of commercial paper notes:

(1)  to fund loans approved under Section 436.153, 436.1531, or 436.1532; and

(2)  to pay the costs of issuing and administering the obligations.

(b)  The proceeds of the obligations shall be deposited into:

(1)  the Texas military value revolving loan account; or

(2)  as applicable, the fund or account from which the costs of issuing and administering the obligations are to be paid.

(c)  Except as otherwise provided by this section, the obligations shall be issued in accordance with and subject to the provisions of Chapter 1232.

(d)  An obligation issued under this section does not constitute:

(1)  an indebtedness or liability of this state within the meaning of the Texas Constitution or of any statutory limitation; or

(2)  a charge against the credit of this state or this state's taxing power.

(e)  The limitations provided by Subsection (d) must be stated plainly on the face of each obligation issued under this section.

SECTION 7.  Section 436.205(b), Government Code, is amended to read as follows:

(b)  The panel shall evaluate each grant application and assign the applicant a score based on:

(1)  the significance of the adverse or positive effect within the local governmental entity, including the number of jobs that may be lost or gained in relation to the workforce in the local governmental entity's jurisdiction and the effect on the entity's and surrounding area's economy and tax revenue;

(2)  the extent to which the local governmental entity may have used its existing resources to promote local economic development;

(3)  the amount of any grant that the local governmental entity has previously received under this subchapter;

(4)  the anticipated number of jobs that may be created or retained in relation to the amount of the grant sought; [~~and~~]

(5)  the extent to which the grant will affect the region in which the local governmental entity is located; and

(6)  the eligibility of the local governmental entity to receive a loan for economic development purposes, including the entity's creditworthiness and ability to repay the loan.

SECTION 8.  This Act takes effect September 1, 2019.