

BILL ANALYSIS

Senate Research Center
79R13704 MCK-D

H.B. 3302
By: Corte (Shapleigh)
Veteran Affairs & Military Installations
5/17/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The Texas Military Preparedness Commission was established in 2003 through S.B. 652 as a comprehensive approach to transform the state's approach to the military presence in Texas. The commission, comprised of nine commissioners, was tasked with a number of duties, including increasing the military value of defense bases and their communities. The commission was given responsibility over a revolving loan fund that was to be used to increase the military value in these circumstances. It is also required to produce an annual report to the legislature and governor addressing the military issues in our state.

H.B. 3302 addresses several administrative items of the commission, including increasing its membership in order to reflect more defense communities, changing its reporting requirements, and also changing the requirement to meet with the head of each state agency. The bill also includes a provision requiring a Defense Community Economic Redevelopment Value Statement for communities applying for funds from the Texas Military Value Revolving Loan Fund to promote economic value of an area affected by base closure.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Reenacts and amends Section 436.051, Government Code, as renumbered from Section 436.003, Government Code, by Section 3, Chapter 149, Acts of the 78th Legislature, Regular Session, 2003, and Section 436.003, Government Code, as amended by Section 8, Chapter 1328, Acts of the 78th Legislature, Regular Session, 2003, to provide that the Texas Military Preparedness Commission (commission) is composed of 13, rather than nine, public members, appointed by the governor.

SECTION 2. Amends Section 436.052(a), Government Code, to provide that the 13, rather than nine, public members of the commission serve staggered terms of six years with the terms of four or five members, rather than one-third of the members, expiring February 1 of each odd-numbered year.

SECTION 3. Amends Section 436.101, Government Code, by modifying the powers and duties granted to the commission.

SECTION 4. Amends Sections 436.103(b) and (d), Government Code, as follows:

(b) Requires the commission, not later than July 1 of each even-numbered year, to prepare and submit a report to the governor and the legislature about the active military installations, communities that depend on military installations, and defense-related businesses in this state. Authorizes the commission to update the report in an odd-numbered year. Sets forth requirements for information to be included in the report.

(d) Requires the commission to periodically meet with each state agency that has defense-related programs or is engaged in a project in a defense-dependent community and with each member of the legislature whose district contains an active, closed, or

realigned military installation to discuss defense-related issues and the implementation of the recommendations outlined in the report required under Subsection (b).

SECTION 5. Amends the heading to Section 436.152, Government Code, to read as follows:

Sec. 436.152. ANALYSIS OF PROJECTS THAT ADD MILITARY VALUE; FINANCING.

SECTION 6. Amends Subchapter D, Chapter 436, Government Code, by adding Section 436.1531, as follows:

Sec. 436.1531. LOANS FOR COMMUNITIES ADVERSELY AFFECTED BY DEFENSE BASE REDUCTION. (a) Authorizes the commission to provide a loan of financial assistance to a defense community for an economic development project that minimizes the negative effects of a defense base reduction on the defense community. Requires the loan to be made from the Texas military value revolving loan account established under Section 436.156 (Texas Military Value Revolving Loan Account).

(b) Requires the commission, on receiving an application for a loan under this section, to evaluate the economic development project to determine how the project will minimize the negative effects of a defense base reduction on the defense community, including the number of jobs that the project will create and the economic impact the project will have on the community.

(c) Requires the commission to take certain actions if the commission determines that a project will reduce the negative effects of a defense base reduction on the defense community.

(d) Authorizes the commission, if it determines that the funds will be used to finance an economic development project that will reduce the negative effects of a defense base reduction on the defense community and that the project is financially feasible, to award a loan to the defense community for the project. Requires the commission to enter into a written agreement with a defense community that is awarded a loan. Requires the agreement to contain the terms and conditions of the loan, including the loan repayment requirements.

(e) Requires the commission to notify the Texas Public Finance Authority (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. Requires the commission and the authority to determine the amount and time of a bond issue to best provide funds for one or multiple loans.

(f) Requires the commission to administer the loans to ensure full repayment of the general obligation bonds issued to finance the project.

(g) Requires a project financed with a loan under this section to be completed on or before the fifth anniversary of the date the loan is awarded.

(h) Prohibits the amount of a loan under this section from exceeding the total cost of the project.

SECTION 7. Amends Section 397.001(1), Local Government Code, to redefine "defense base."

SECTION 8. Amends Section 397.002(a), Local Government Code, to make a conforming change.

SECTION 9. Amends Chapter 397, Local Government Code, by adding Section 397.0021, as follows:

Sec. 397.0021. DEFENSE COMMUNITY ECONOMIC REDEVELOPMENT VALUE STATEMENT. (a) Requires a defense community that is adjacent to a closed military

installation and applies for financial assistance from the Texas military value revolving loan account to prepare an economic redevelopment value statement that illustrates specific ways the funds will be used to promote economic development in the community and include certain information for each project.

(b) Authorizes the commission to require a defense community to provide any additional information the commission requires to evaluate the community's request for financial assistance under this section.

(c) Authorizes two or more defense communities near the same defense base that apply for financial assistance from the Texas military value revolving loan account to prepare a joint statement.

(d) Requires a copy of the economic redevelopment value statement to be distributed to commission and any defense community which may be affected by the resulting project.

(e) Provides that this section does not prohibit a defense community that is not applying for financial assistance from preparing an economic redevelopment value statement under this section.

SECTION 10. (a) Requires the governor, not later than October 1, 2005, to appoint the four additional public members of the Texas Military Preparedness Commission as required by Section 436.051, Government Code, as amended by this Act. Sets forth a timeline for appointing the additional public members.

(b) Provides that, until all of the members appointed under this section have qualified for office, a quorum of the commission is a majority of the number of members who have qualified for office.

SECTION 11. Effective date: September 1, 2005.