

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 2131
By: Powell
Veteran Affairs & Border Security
4/25/2019
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

There are two economic development programs that defense communities may utilize to assist in enhancing the military value of military facilities in their area.

First established in 1997, the Defense Economic Adjustment Assistance Grant Program has awarded nearly \$84 million worth of grants to various bases and defense communities and has recently recorded an imbalance between grants and available funds.

Since its establishment in 2003, the Texas Military Value Revolving Loan fund has awarded \$49.6 million of its \$250 million appropriation between three loans and has received no applications since 2014. It has not been utilized within the last 10 years and as a result, nearly \$200 million of the initial appropriation is waiting to be used.

C.S.S.B. 2131 would amend the Government Code to the following points:

- Allow members of the Texas Military Preparedness Commission (TMPC) to meet via telecommunication or other electronic means to consider a military revolving loan fund application.
- Mandate that all open meetings including all telephonic and electronically held meetings be subject to the same quorum requirements as regular meetings.
- Call for TMPC to record any open meetings and make those recordings publically available.
- Allow a defense community that has been awarded a loan under the military revolving loan fund to use a portion of the loan proceeds to pay off other debt including any commercial debt incurred by the community for the purposes of financing the project.
- Call for a joint consultation between TMPC and Texas Public Finance Authority in the development of a loan application form.

C.S.S.B. 2131 amends current law relating to the application for and loans from the Texas military value revolving loan account.

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. Amends Section 436.054, Government Code, by amending Subsection (b) and adding Subsection (c), as follows:

- (b) Provides that, except as otherwise provided by Subsection (c), Chapter 551 (Open Meetings) applies to a meeting of the Texas Military Preparedness Commission (TMPC).

(c) Authorizes TMPC to 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. 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.

SECTION 2. Amends Subchapter D, Chapter 436, Government Code, by adding Section 436.1533, as follows:

Sec. 436.1533. USE OF LOAN PROCEEDS TO PAY OTHER DEBT INCURRED TO FINANCE PROJECT. Authorizes a defense community awarded a loan of financial assistance from the Texas military value revolving loan account for an eligible project under this subchapter (Fiscal Provisions) to use a portion of the loan proceeds to pay off other debt, including commercial debt, the defense community incurred for purposes of financing the project.

SECTION 3. Amends Section 436.154(a), Government Code, to require TMPC, in consultation with the Texas Public Finance Authority, to also adopt a loan application form.

SECTION 4. Provides that TMPC is required to implement a provision of this Act only if the legislature appropriates money specifically for that purpose. Authorizes, but does not require, TMPC, if the legislature does not appropriate money specifically for that purpose, to implement a provision of this Act using other appropriations available for that purpose.

SECTION 5. Effective date: September 1, 2019.