

BILL ANALYSIS

C.S.S.B. 652

By: Shapleigh

Defense Affairs and State-Federal Relations
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas' 18 major military installations are important economic contributors to the state, producing a combined economic impact on Texas of over \$49 billion and employing some 22,000 Texans. The presence of these military bases is important not only economically but also for the increased level of security protection they offer as well as their vital historical and cultural significance.

The United States Department of Defense (DOD) has announced plans to facilitate the transition and transformation of bases largely through dollar savings associated with the 2005 Base Realignment and Closure (BRAC) process which could close and realign as much as 25 percent of DOD bases. C.S.S.B. 652 assists local defense communities in identifying and resourcing cooperative economic development initiatives that enhance the real military value of their installations, providing important cost saving options to reduce overall base operating costs, and by institutionalizing the process of investing in Texas' military bases. It also encourages state agencies and local governments to prioritize issues regarding military bases. The bill abolishes the Texas Strategic Military Planning Commission and the Office of Defense Affairs, and moves their duties, and assigns additional duties, into a new commission to be named the Texas Military Preparedness Commission.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 23 (Section 39.910, Utilities Code). Additionally, in SECTION 27 and SECTION 28 of the bill, the Office of Defense Affairs and the Texas Strategic Military Planning Commission are abolished and all powers, duties obligations, etc.. are transferred to the Texas Military Preparedness Commission.

ANALYSIS

C.S.S.B. 652 renames the Texas Strategic Military Planning Commission to the Texas Military Preparedness Commission (Commission) and changes certain qualifications, duties and terms of office of the Commissioners. The Commission will advise the Governor and the legislature on defense-related issues, including private industry and Federal actions that will affect Texas. The bill lays out other specific duties of the Commission. The bill requires the Commission to submit an annual report to the Governor and the Legislature. The Commission will also assist base commanders to coordinate assistance from other state agencies in preparing an evaluation of their base as required by the U.S. DOD.

The bill authorizes the Commission to provide loans from the Texas Military Value Revolving Loan Account, created by this bill, to certain political subdivisions for projects that will enhance the military value of a military facility in, near or adjacent to the political subdivision. It requires the Commission, upon receipt of the loan application, to analyze the project with the criteria used by U.S. DOD to evaluate military bases in the BRAC process. Upon receiving a Military Value Enhancement Statement, the Commission shall first refer the defense community to a state agency that has existing programs that would address their needs. If no programs exist to meet their needs, then the Commission may provide loans as stated above after the loan criteria and procedures are met. A project financed with a loan under this

section must be completed within five years.

The revolving loan account is to be funded through the issuance of general obligation bonds issued by the Texas Department of Economic Development, or by gifts and grants.

The bill requires a state agency to consider enhancing military value of federally owned or operated military installations or facilities when establishing agency goals. It provides that the state agency is encouraged to use the most current Texas Military Preparedness Commission criteria in making that evaluation. The bill requires the state agency to make an expenditure high priority if, based on base realignment and closure criteria, the agency determines it will enhance the military value of a federally owned or operated military installation or facility.

C.S.S.B. 652 directs state agencies searching to lease office space around the state to give consideration to a military installation.

The bill requires a defense community that applies for financial assistance from the Texas Military Value Revolving loan account to prepare, in consultation with each defense base associated with the community, a defense base military value enhancement statement illustrating specifically how the funds will enhance the military value of the installations. It also allows the community to prepare a Comprehensive Defense Installation and Community Strategic Impact Plan explaining effects of future growth on the defense base and minimizing encroachment. The plan would include maps, diagrams and other elements related to zoning annexation, and other associated regulations and potential impacts. The Community is also encouraged to prepare a planning manual based on information in the impact plan and enhancement statement.

The bill also requires a defense community to consult with base authorities regarding any proposed ordinance, rule, or plan that the communities determine will impact a defense base.

The bill creates a buffer-zone around bases that are adjacent to state-owned property requiring any sales, leases or development of that state-owned land to be done in consultation with the base commanders.

The bill includes natural gas in the specification of what an agency can sell or convey on behalf of the state, including to military bases.

It would require each municipally owned utility, electric cooperative, or electric utility in an area without customer choice, or where the Public Utility Commission (PUC) has delayed customer choice implementation to provide a 20% discount off their base commercial rate for electric service provided to a military base. The bill also encourages military bases in areas of customer choice to aggregate their electrical facilities to create a single purchasing unit to reduce the cost of electricity used by the bases. The bill also directs the PUC to establish an electric energy efficiency incentive program.

C.S.S.B. 652 requires the Texas Education Agency (TEA) to pursue reciprocity agreements with other states to address the needs of military dependents transferring into, out of and between Texas. The TEA is to give priority to pursuing agreements with Florida, Georgia, North Carolina and Virginia.

Time lines regarding appointments and other administrative issues associated with the realignment of the new agency are further elaborated in the bill, including the abolishment of the Texas Strategic Military Planning Commission (TSMPC) and the Office of Defense Affairs (ODA). Powers, duties, rules, etc... from the TSMPC and the ODA are transferred to the new Texas Military Preparedness Commission.

EFFECTIVE DATE

This Act takes effect on September 1, 2003, unless it receives the votes necessary for immediate effect.

COMPARISON OF SUBSTITUTE TO THE ORIGINAL

The Substitute modifies the engrossed version of the bill in SECTION 3 by saying that the Director of the TMPC is to serve at the will of the Commission.

The Substitute modifies the engrossed version of the bill in SECTION 3 SUBCHAPTER D by allowing flexibility in the issuance of bonds rather than requiring them to be issued project by project. It also removes the requirement that the Commission prioritize bases more likely to be affected by closure and realignment.

The Substitute modifies the engrossed version of the bill in SECTION 9 by removing language requiring communities to address mitigation of the effects of potential realignment and closure in their value enhancement statement and their impact plans.