

AN ACT

1
2 relating to economic development, strategic planning, and other
3 issues regarding military facilities, and the merger of certain
4 state agencies with military responsibilities; granting authority
5 to issue bonds.

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

7 SECTION 1. This Act may be known as the Military
8 Preparedness Act.

9 SECTION 2. The Military Preparedness Act represents a
10 proactive response to the presently evolving transformation of
11 national defense strategies. It clearly conveys this state's
12 intent to create a business climate that is favorable to defense
13 installations and activities through legislation that assists in
14 reducing base operating costs while enhancing military value. To
15 realign existing infrastructure and generate cost savings
16 necessary for these new defense strategies, the United States
17 Department of Defense will undergo another round of base
18 realignment and closure in 2005. Our military installations and
19 defense-related businesses are vital to the state's economy. The
20 United States Department of Defense is Texas' largest employer,
21 employing 228,790 persons in the year 2000. The \$20.9 billion in
22 military expenditures made in fiscal year 2000 had a total economic
23 impact of approximately \$49.3 billion on the state. It is clearly
24 evident that the legislature must develop programs to assist

1 communities in adding military value to their local defense
2 installations if Texas is to maintain its strong military heritage
3 and presence.

4 SECTION 3. Chapter 436, Government Code, is amended and
5 reorganized into Subchapters A through D to read as follows:

6 CHAPTER 436. TEXAS MILITARY PREPAREDNESS [~~STRATEGIC MILITARY~~
7 ~~PLANNING~~] COMMISSION

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 436.001. DEFINITION. In this chapter, "commission"
10 means the Texas Military Preparedness [~~Strategic Military~~
11 ~~Planning~~] Commission.

12 Sec. 436.002. COMMISSION. The commission is within the
13 office of the governor and shall report to the governor or the
14 governor's designee.

15 Sec. 436.003. SUNSET PROVISION. The commission is subject
16 to Chapter 325 (Texas Sunset Act). Unless continued in existence as
17 provided by that chapter, the commission is abolished and this
18 chapter expires September 1, 2007.

19 [Sections 436.004-436.050 reserved for expansion]

20 SUBCHAPTER B. ORGANIZATION AND ADMINISTRATION

21 Sec. 436.051 [~~436.003~~]. COMPOSITION; ELIGIBILITY. (a) The
22 commission is composed of:

23 (1) nine public members, appointed by the governor;
24 and

25 (2) the following ex officio members:

26 (A) the chair of the committee of the Texas House
27 of Representatives that has primary jurisdiction of matters

1 concerning defense affairs and state-federal [~~state, federal, and~~
2 ~~international~~] relations; and

3 (B) the chair of the committee of the Texas
4 Senate that has primary jurisdiction of matters concerning veteran
5 affairs and military installations.

6 (b) To be eligible for appointment as a public member to the
7 commission, a person must have demonstrated experience in economic
8 development, the defense industry, military installation
9 operation, environmental issues, finance, local government, or the
10 use of airspace or outer space for future military missions.

11 (c) Appointments to the commission shall be made without
12 regard to the race, color, disability, sex, religion, age, or
13 national origin of the appointee.

14 Sec. 436.052 [~~436.004~~]. TERMS AND OFFICERS. (a) The nine
15 public members of the commission serve staggered terms of six
16 [~~three~~] years with the terms of one-third of the members expiring
17 February 1 of each odd-numbered year. A legislative member vacates
18 the person's position on the commission if the person ceases to be
19 the chair of the applicable legislative committee.

20 (b) The governor shall designate a member of the commission
21 as the presiding officer of the commission to serve in that capacity
22 at the pleasure of the governor [~~from among the members of the~~
23 ~~commission~~].

24 Sec. 436.053 [~~436.005~~]. COMPENSATION AND EXPENSES. A
25 public member of the commission is not entitled to compensation but
26 is entitled to reimbursement, from commission funds, for the travel
27 expenses incurred by the member while conducting the business of

1 the commission, as provided by the General Appropriations Act. The
2 entitlement of a legislative member to compensation or
3 reimbursement for travel expenses is governed by the law applying
4 to the member's service in that underlying position, and any
5 payments to the member shall be made from the appropriate funds of
6 the applicable house of the legislature.

7 Sec. 436.054 [~~436.006~~]. MEETINGS [~~, OPEN GOVERNMENT~~].

8 (a) The commission shall meet at least quarterly. The commission
9 may meet at other times at the call of the presiding officer or as
10 provided by the rules of the commission.

11 (b) The commission is a governmental body for purposes of
12 the open meetings law, Chapter 551.

13 Sec. 436.055. CONFLICT OF INTEREST. (a) In this section,
14 "Texas trade association" means a cooperative and voluntarily
15 joined statewide association of business or professional
16 competitors in this state designed to assist its members and its
17 industry or profession in dealing with mutual business or
18 professional problems and in promoting their common interest.

19 (b) A person may not be a public member of the commission and
20 may not be a commission employee employed in a "bona fide executive,
21 administrative, or professional capacity," as that phrase is used
22 for purposes of establishing an exemption to the overtime
23 provisions of the federal Fair Labor Standards Act of 1938 (29
24 U.S.C. Section 201 et seq.), and its subsequent amendments, if:

25 (1) the person is an officer, employee, or paid
26 consultant of a Texas trade association in the field of military
27 affairs; or

1 (2) the person's spouse is an officer, manager, or paid
2 consultant of a Texas trade association in the field of military
3 affairs.

4 (c) A person may not be a public member of the commission or
5 act as the general counsel to the commission if the person is
6 required to register as a lobbyist under Chapter 305 because of the
7 person's activities for compensation on behalf of a profession
8 related to the operation of the commission.

9 Sec. 436.056. REMOVAL. (a) It is a ground for removal from
10 the commission that a public member:

11 (1) does not have at the time of taking office the
12 qualifications required by Section 436.051(b);

13 (2) does not maintain during service on the commission
14 the qualifications required by Section 436.051(b);

15 (3) is ineligible for membership under Section
16 436.055;

17 (4) cannot, because of illness or disability,
18 discharge the member's duties for a substantial part of the member's
19 term; or

20 (5) is absent from more than half of the regularly
21 scheduled commission meetings that the member is eligible to attend
22 during a calendar year without an excuse approved by a majority vote
23 of the commission.

24 (b) The validity of an action of the commission is not
25 affected by the fact that it is taken when a ground for removal of a
26 commission member exists.

27 (c) If the director has knowledge that a potential ground

1 for removal exists, the director shall notify the presiding officer
2 of the commission of the potential ground. The presiding officer
3 shall then notify the governor and the attorney general that a
4 potential ground for removal exists. If the potential ground for
5 removal involves the presiding officer, the director shall notify
6 the next highest ranking officer of the commission, who shall then
7 notify the governor and the attorney general that a potential
8 ground for removal exists.

9 Sec. 436.057. DIRECTOR. (a) The commission shall, subject
10 to approval of the governor, hire a director to serve as the chief
11 executive officer of the commission and to perform the
12 administrative duties of the commission.

13 (b) The director serves at the will of the commission.

14 (c) The director may hire staff within guidelines
15 established by the commission.

16 Sec. 436.058. PUBLIC ACCESS. The commission shall develop
17 and implement policies that provide the public with a reasonable
18 opportunity to appear before the commission and to speak on any
19 issue under the jurisdiction of the commission.

20 Sec. 436.059. EQUAL EMPLOYMENT OPPORTUNITY. (a) The
21 director or the director's designee shall prepare and maintain a
22 written policy statement that implements a program of equal
23 employment opportunity to ensure that all personnel decisions are
24 made without regard to race, color, disability, sex, religion, age,
25 or national origin.

26 (b) The policy statement must include:

27 (1) personnel policies, including policies relating

1 to recruitment, evaluation, selection, training, and promotion of
2 personnel, that show the intent of the commission to avoid the
3 unlawful employment practices described by Chapter 21, Labor Code;
4 and

5 (2) an analysis of the extent to which the composition
6 of the commission's personnel is in accordance with state and
7 federal law and a description of reasonable methods to achieve
8 compliance with state and federal law.

9 (c) The policy statement must:

10 (1) be updated annually;

11 (2) be reviewed by the state Commission on Human
12 Rights for compliance with Subsection (b)(1); and

13 (3) be filed with the governor's office.

14 Sec. 436.060. QUALIFICATIONS AND STANDARDS OF CONDUCT. The
15 director or the director's designee shall provide to members of the
16 commission and to commission employees, as often as necessary,
17 information regarding the requirements for office or employment
18 under this chapter, including information regarding a person's
19 responsibilities under applicable laws relating to standards of
20 conduct for state officers or employees.

21 Sec. 436.061. STATE EMPLOYEE INCENTIVE PROGRAM. The
22 director or the director's designee shall provide to commission
23 employees information and training on the benefits and methods of
24 participation in the state employee incentive program.

25 Sec. 436.062. COMPLAINTS. (a) The commission shall
26 maintain a file on each written complaint filed with the
27 commission. The file must include:

- 1 (1) the name of the person who filed the complaint;
2 (2) the date the complaint is received by the
3 commission;
4 (3) the subject matter of the complaint;
5 (4) the name of each person contacted in relation to
6 the complaint;
7 (5) a summary of the results of the review or
8 investigation of the complaint; and
9 (6) an explanation of the reason the file was closed,
10 if the commission closed the file without taking action other than
11 to investigate the complaint.

12 (b) The commission shall provide to the person filing the
13 complaint and to each person who is a subject of the complaint a
14 copy of the commission's policies and procedures relating to
15 complaint investigation and resolution.

16 (c) The commission, at least quarterly until final
17 disposition of the complaint, shall notify the person filing the
18 complaint and each person who is a subject of the complaint of the
19 status of the investigation unless the notice would jeopardize an
20 undercover investigation.

21 Sec. 436.063. USE OF ALTERNATIVE PROCEDURES. (a) The
22 commission shall develop and implement a policy to encourage the
23 use of:

- 24 (1) negotiated rulemaking procedures under Chapter
25 2008 for the adoption of commission rules; and
26 (2) appropriate alternative dispute resolution
27 procedures under Chapter 2009 to assist in the resolution of

1 internal and external disputes under the commission's
2 jurisdiction.

3 (b) The commission's procedures relating to alternative
4 dispute resolution must conform, to the extent possible, to any
5 model guidelines issued by the State Office of Administrative
6 Hearings for the use of alternative dispute resolution by state
7 agencies.

8 (c) The commission shall designate a trained person to:

9 (1) coordinate the implementation of the policy
10 adopted under Subsection (a);

11 (2) serve as a resource for any training needed to
12 implement the procedures for negotiated rulemaking or alternative
13 dispute resolution; and

14 (3) collect data concerning the effectiveness of those
15 procedures, as implemented by the commission.

16 Sec. 436.064. TECHNOLOGY POLICY. The commission shall
17 develop and implement a policy requiring the director and
18 commission employees to research and propose appropriate
19 technological solutions to improve the commission's ability to
20 perform its functions. The technological solutions must:

21 (1) ensure that the public is able to easily find
22 information about the commission on the Internet;

23 (2) ensure that persons who want to use the
24 commission's services are able to:

25 (A) interact with the commission through the
26 Internet; and

27 (B) access any service that can be provided

1 effectively through the Internet; and

2 (3) be cost-effective and developed through the
3 commission's planning processes.

4 [Sections 436.065-436.100 reserved for expansion]

5 SUBCHAPTER C. POWERS AND DUTIES

6 ~~[Sec. 436.007. APPLICABILITY OF ADVISORY COMMITTEE LAW.~~
7 ~~Chapter 2110 does not apply to the commission.]~~

8 Sec. 436.101 ~~[436.008]~~. POWERS AND DUTIES OF COMMISSION.

9 The commission shall:

10 (1) advise ~~[serve as an advisory committee to the~~
11 ~~office of]~~ the governor and the legislature ~~[Office of Defense~~
12 ~~Affairs in the Texas Department of Economic Development]~~ on
13 military issues and economic and industrial development related to
14 military issues ~~[the effect of the military on the economy of this~~
15 ~~state]; ~~and]~~~~

16 (2) make recommendations regarding:

17 (A) the development of policies and plans to
18 support the long-term viability and prosperity of the military,
19 active and civilian, in this state, including promoting strategic
20 regional alliances that may extend over state lines;

21 (B) the development of methods to improve private
22 and public employment opportunities for former members of the
23 military residing in this state; and

24 (C) the development of methods to assist
25 defense-dependent communities in the design and execution of
26 programs that enhance a community's relationship with military
27 installations and defense-related businesses;

1 (3) develop and maintain a database of the names and
2 public business information of all prime contractors and
3 subcontractors operating in this state who perform defense-related
4 work;

5 (4) provide information to communities, the
6 legislature, the state's congressional delegation, and state
7 agencies regarding federal actions affecting military
8 installations and missions;

9 (5) serve as a clearinghouse for:

10 (A) defense economic adjustment and transition
11 information and activities along with the Texas Business and
12 Community Economic Development Clearinghouse; and

13 (B) information about:

14 (i) issues related to the operating costs,
15 missions, and strategic value of federal military installations
16 located in the state;

17 (ii) employment issues for communities that
18 depend on defense bases and in defense-related businesses; and

19 (iii) defense strategies and incentive
20 programs that other states are using to maintain, expand, and
21 attract new defense contractors;

22 (6) provide assistance to communities that have
23 experienced a defense-related closure or realignment;

24 (7) assist communities in the design and execution of
25 programs that enhance a community's relationship with military
26 installations and defense-related businesses, including regional
27 alliances that may extend over state lines;

1 (8) assist communities in the retention and recruiting
2 of defense-related businesses, including fostering strategic
3 regional alliances that may extend over state lines;

4 (9) prepare a biennial strategic plan that:

5 (A) fosters the enhancement of military value of
6 the contributions of Texas military installations to national
7 defense strategies;

8 (B) considers all current and anticipated base
9 realignment and closure criteria; and

10 (C) develops strategies to protect the state's
11 existing military missions and positions the state to be
12 competitive for new and expanded military missions; and

13 (10) encourage economic development in this state by
14 fostering the development of industries related to defense affairs
15 [and

16 ~~(D) the compilation of information for use in~~
17 ~~the report required under Section 481.0065(c)].~~

18 Sec. 436.102. CONSULTING AGREEMENTS. With prior approval
19 of the governor, the commission may enter into an agreement with a
20 consulting firm to provide information and assistance on a pending
21 decision of the United States Department of Defense or other
22 federal agency regarding the status of military installations and
23 defense-related businesses located in this state.

24 Sec. 436.103. ANNUAL REPORT; ANNUAL MEETING. (a) In this
25 section, "state agency" has the meaning assigned by Section
26 2151.002.

27 (b) Not later than July 1 of each year, the commission shall

1 prepare and submit a report to the governor and the legislature
2 about the active military installations, communities that depend on
3 military installations, and defense-related businesses in this
4 state. The report must include:

5 (1) an economic impact statement describing in detail
6 the effect of the military on the economy of this state;

7 (2) a statewide assessment of active military
8 installations and current missions;

9 (3) a statewide strategy to attract new military
10 missions and defense-related business and include specific actions
11 that add military value to existing military installations;

12 (4) a list of state and federal activities that have
13 significant impact on active military installations and current
14 missions;

15 (5) a statement identifying:

16 (A) the state and federal programs and services
17 that assist communities impacted by military base closures or
18 realignments and the efforts to coordinate those programs; and

19 (B) the efforts to coordinate state agency
20 programs and services that assist communities in retaining active
21 military installations and current missions;

22 (6) an evaluation of initiatives to retain existing
23 defense-related businesses; and

24 (7) a list of agencies with regulations, policies,
25 programs, or services that impact the operating costs or strategic
26 value of federal military installations and activities in the
27 state.

1 (c) State agencies shall cooperate with and assist the
2 commission in the preparation of the report required under
3 Subsection (b), including providing information about regulations,
4 policies, programs, and services that may impact communities
5 dependent on military installations, defense-related businesses,
6 and the viability of existing Texas military missions.

7 (d) The commission shall coordinate annual meetings with
8 the head of each state agency or member of the legislature whose
9 district contains an active, closed, or realigned military
10 installation to discuss the implementation of the recommendations
11 outlined in the report required under Subsection (b).

12 Sec. 436.104. COORDINATING ASSISTANCE FOR EVALUATION OF
13 MILITARY BASE. When a commander of a military installation
14 receives a copy of the evaluation criteria for the base under the
15 United States Department of Defense base realignment or closure
16 process, the base commander may request that the commission
17 coordinate assistance from other state agencies to assist the
18 commander in preparing the evaluation. If the commission asks a
19 state agency for assistance under this section, the state agency
20 shall make the provision of that assistance a top priority
21 [~~Sec. 436.009. ADMINISTRATIVE SUPPORT. The Texas Department of~~
22 ~~Economic Development shall provide administrative support to the~~
23 ~~commission~~].

24 [Sections 436.105-436.150 reserved for expansion]

25 SUBCHAPTER D. FISCAL PROVISIONS

26 Sec. 436.151. DEFINITIONS. In this subchapter, "defense
27 community" has the meaning assigned by Section 397.001, Local

1 Government Code.

2 Sec. 436.152. ANALYSIS OF PROJECTS; FINANCING. (a) A
3 defense community may submit the community's military value
4 enhancement statement prepared under Chapter 397, Local Government
5 Code, to the commission.

6 (b) On receiving a defense community's military value
7 enhancement statement, the commission shall analyze the projects
8 included in the statement using the criteria it has developed. The
9 commission shall develop project analysis criteria based on the
10 criteria the United States Department of Defense uses for
11 evaluating military facilities in the department's base
12 realignment and closure process.

13 (c) The commission shall determine whether each project
14 identified in the defense community's military value enhancement
15 statement will enhance the military value of the military facility.
16 The commission shall assist the community in prioritizing the
17 projects that enhance the military value of a military facility,
18 giving the highest priority to projects that add the most military
19 value under the commission's project analysis criteria.

20 (d) The commission shall refer the defense community to the
21 appropriate state agency that has an existing program to provide
22 financing for each project identified in the community's military
23 value enhancement statement that adds military value to a military
24 facility. If there is no existing program to finance a project, the
25 commission may provide a loan of financial assistance to the
26 defense community for the project.

27 Sec. 436.153. LOANS. (a) The commission may provide a

1 loan of financial assistance to a defense community for a project
2 that will enhance the military value of a military facility located
3 in, near, or adjacent to the defense community. The loan shall be
4 made from the Texas military value revolving loan account
5 established under Section 436.156.

6 (b) On receiving an application for a loan under this
7 section, the commission shall confirm that the project adds
8 military value to the military facility.

9 (c) If the commission determines that a project will enhance
10 the military value of the military facility, the commission shall,
11 in accordance with the criteria adopted by the commission under
12 Section 436.154(a):

13 (1) analyze the creditworthiness of the defense
14 community to determine the defense community's ability to repay the
15 loan; and

16 (2) evaluate the feasibility of the project to be
17 financed to ensure that the defense community has pledged a source
18 of revenue or taxes sufficient to repay the loan for the project.

19 (d) If the commission determines that the funds will be used
20 to enhance the military value of the military facility based on the
21 base realignment and closure criteria and that the project is
22 financially feasible, the commission may award a loan to the
23 defense community for the project. The commission shall enter into
24 a written agreement with a defense community that is awarded a loan.
25 The agreement must contain the terms and conditions of the loan,
26 including the loan repayment requirements.

27 (e) The commission shall notify the Texas Public Finance

1 Authority of the amount of the loan and the recipient of the loan
2 and request the authority to issue general obligation bonds in an
3 amount necessary to fund the loan. The commission and the authority
4 shall determine the amount and time of a bond issue to best provide
5 funds for one or multiple loans.

6 (f) The commission shall administer the loans to ensure full
7 repayment of the general obligation bonds issued to finance the
8 project.

9 (g) The commission may provide a loan only for a project
10 that is included in the political subdivision's statement under
11 Section 397.002, Local Government Code, or to prepare a
12 comprehensive defense installation and community strategic impact
13 plan under Section 397.003, Local Government Code.

14 (h) A project financed with a loan under this section must
15 be completed on or before the fifth anniversary of the date the loan
16 is awarded.

17 (i) The amount of a loan under this section may not exceed
18 the total cost of the project.

19 Sec. 436.154. LOAN PROCESS. (a) The commission shall
20 adopt rules, in consultation with the Texas Public Finance
21 Authority, that contain the criteria for evaluating the credit of a
22 loan applicant and the financial feasibility of a project. The
23 commission shall also adopt a loan application form. The
24 application form may include:

25 (1) the name of the defense community and its
26 principal officers;

27 (2) the total cost of the project;

1 (3) the amount of state financial assistance
2 requested;

3 (4) the plan for repaying the loan; and

4 (5) any other information the commission requires to
5 perform its duties and to protect the public interest.

6 (b) The commission may not accept an application for a loan
7 from the Texas military value revolving loan account unless the
8 application is submitted in affidavit form by the officials of the
9 defense community. The board shall prescribe the affidavit form.

10 Sec. 436.155. INCURRENCE OF DEBT BY PUBLIC ENTITY. (a) A
11 defense community in this state may borrow money from the state,
12 including by direct loan, based on the credit of the defense
13 community to finance a project included in the community's military
14 value enhancement statement.

15 (b) A defense community may enter into a loan agreement with
16 the state to provide financing for a project. The defense community
17 may pledge the taxes of the community or provide any other guarantee
18 for the loan.

19 (c) Money borrowed must be segregated from other funds under
20 the control of the defense community and may only be used for
21 purposes related to a specific project.

22 (d) The authority granted by this section does not affect
23 the ability of a defense community to incur debt using other
24 statutorily authorized methods.

25 Sec. 436.156. TEXAS MILITARY VALUE REVOLVING LOAN ACCOUNT.

26 (a) The Texas military value revolving loan account is an account
27 in the general revenue fund.

1 (b) The account may be used only for loans made under this
2 subchapter.

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

13 Sec. 436.157. GIFTS AND GRANTS. The commission may solicit
14 and accept gifts and grants from any source for the purposes of this
15 chapter. The commission shall deposit a gift or grant to the credit
16 of the specific account that is established for the purpose for
17 which the gift or grant was made. If a gift or grant is not made for
18 a specific purpose, the commission may deposit the gift or grant to
19 the credit of any of the commission's accounts created under this
20 chapter.

21 Sec. 436.158. ISSUANCE OF GENERAL OBLIGATION BONDS AND
22 NOTES FOR MILITARY VALUE ACCOUNT. (a) The Texas Public Finance
23 Authority may issue and sell general obligation bonds and notes of
24 the state, as authorized by Section 49-n, Article III, Texas
25 Constitution, for the purpose of providing money to establish the
26 Texas military value revolving loan account.

27 (b) The proceeds of the bonds and notes shall be deposited

1 into the Texas military value revolving loan account or into other
2 separate funds as may be required to provide for payment of issuance
3 and administrative costs and may be used as authorized by Section
4 49-n, Article III, Texas Constitution, including:

5 (1) to fund loans approved by the commission under
6 Section 436.153;

7 (2) to pay the costs of issuing and selling bonds and
8 notes; and

9 (3) to pay the costs of administering the bonds and
10 notes and the loan program, including the payment of fees and
11 expenses of advisors.

12 (c) The bonds and notes shall be issued in accordance with
13 and subject to the provisions of Chapters 1201, 1207, 1231, 1232,
14 and 1371.

15 (d) In connection with bonds or notes issued under this
16 section, the Texas Public Finance Authority may enter into one or
17 more credit agreements at any time for a period and on conditions
18 the authority approves.

19 Sec. 436.159. APPROPRIATION REQUIRED. In accordance with
20 Section 49-n, Article III, Texas Constitution, general revenue is
21 to be appropriated to the Texas Public Finance Authority in an
22 amount determined by the authority to be necessary to pay the
23 principal, premium if any, and interest on the bonds, and that
24 amount shall be specified in biennial appropriations acts.

25 SECTION 4. Subdivision (3), Section 486.051, Government
26 Code, is amended to read as follows:

27 (3) "Office" means the Texas Military Preparedness

1 Commission [~~Office of Defense Affairs~~].

2 SECTION 5. Section 486.052, Government Code, is amended by
3 adding Subsection (d) to read as follows:

4 (d) The office shall give first priority to awarding loans
5 under the program according to the economic development needs of
6 eligible communities with neighboring federal military
7 installations that, after the effective date of the legislation
8 enacting this subsection and before January 1, 2006, are publicly
9 proposed for action by the department of defense or applicable
10 military department under the base realignment or closure process.
11 This subsection expires September 1, 2007.

12 SECTION 6. Subsection (b), Section 2056.002, Government
13 Code, is amended to read as follows:

14 (b) The Legislative Budget Board and the Governor's Office
15 of Budget, Policy, and Planning shall determine the elements
16 required to be included in each agency's strategic plan. Unless
17 modified by the Legislative Budget Board and the Governor's Office
18 of Budget, Policy, and Planning, and except as provided by
19 Subsection (c), a plan must include:

20 (1) a statement of the mission and goals of the state
21 agency;

22 (2) a description of the indicators developed under
23 this chapter and used to measure the output and outcome of the
24 agency;

25 (3) identification of the groups of people served by
26 the agency, including those having service priorities, or other
27 service measures established by law, and estimates of changes in

1 those groups expected during the term of the plan;

2 (4) an analysis of the use of the agency's resources to
3 meet the agency's needs, including future needs, and an estimate of
4 additional resources that may be necessary to meet future needs;

5 (5) an analysis of expected changes in the services
6 provided by the agency because of changes in state or federal law;

7 (6) a description of the means and strategies for
8 meeting the agency's needs, including future needs, and achieving
9 the goals established under Section 2056.006 for each area of state
10 government for which the agency provides services;

11 (7) a description of the capital improvement needs of
12 the agency during the term of the plan and a statement, if
13 appropriate, of the priority of those needs;

14 (8) identification of each geographic region of this
15 state, including the Texas-Louisiana border region and the
16 Texas-Mexico border region, served by the agency, and if
17 appropriate the agency's means and strategies for serving each
18 region;

19 (9) a description of the training of the agency's
20 contract managers under Section 2262.053; ~~and~~

21 (10) an analysis of the agency's expected expenditures
22 that relate to federally owned or operated military installations
23 or facilities, or communities where a federally owned or operated
24 military installation or facility is located; and

25 (11) other information that may be required.

26 SECTION 7. Chapter 2056, Government Code, is amended by
27 adding Section 2056.0065 to read as follows:

1 subdivision, including a municipality, county, or special
2 district, that is adjacent to, is near, or encompasses any part of a
3 defense base.

4 Sec. 397.002. DEFENSE BASE MILITARY VALUE ENHANCEMENT
5 STATEMENT. (a) A defense community that applies for financial
6 assistance from the Texas military value revolving loan account
7 shall prepare, in consultation with the authorities from each
8 defense base associated with the community, a defense base military
9 value enhancement statement that illustrates specific ways the
10 funds will enhance the military value of the installations and must
11 include the following information for each project:

12 (1) the purpose for which financial assistance is
13 requested, including a description of the project;

14 (2) the source of other funds for the project;

15 (3) a statement on how the project will enhance the
16 military value of the installation;

17 (4) whether the defense community has coordinated the
18 project with authorities of the military installation and whether
19 any approval has been obtained from those authorities;

20 (5) whether any portion of the project is to occur on
21 the military installation;

22 (6) whether the project will have any negative impact
23 on the natural or cultural environment;

24 (7) a description of any known negative factors
25 arising from the project that will affect the community or the
26 military installation; and

27 (8) a description of how the project will address

1 future base realignment or closure.

2 (b) The Texas Military Preparedness Commission may require
3 a defense community to provide any additional information the
4 commission requires to evaluate the community's request for
5 financial assistance under this section.

6 (c) Two or more defense communities near the same defense
7 base that apply for financial assistance from the Texas military
8 value revolving loan account may prepare a joint statement.

9 (d) A copy of the defense base military value enhancement
10 statement shall be distributed to the authorities of each defense
11 base included in the statement and the Texas Military Preparedness
12 Commission.

13 (e) This section does not prohibit a defense community that
14 is not applying for financial assistance from preparing a defense
15 base military value enhancement statement under this section.

16 Sec. 397.003. COMPREHENSIVE DEFENSE INSTALLATION AND
17 COMMUNITY STRATEGIC IMPACT PLAN. (a) A defense community may
18 request financial assistance from the Texas military value
19 revolving loan account to prepare a comprehensive defense
20 installation and community strategic impact plan that states the
21 defense community's long-range goals and development proposals
22 relating to the following purposes:

23 (1) controlling negative effects of future growth of
24 the defense community on the defense base and minimizing
25 encroachment on military exercises or training activities
26 connected to the base;

27 (2) enhancing the military value of the defense base

1 while reducing operating costs; and

2 (3) identifying which, if any, property and services
3 in a region can be shared by the defense base and the defense
4 community.

5 (b) The comprehensive defense installation and community
6 strategic impact plan should include, if appropriate, maps,
7 diagrams, and text to support its proposals and must include the
8 following elements as they relate to each defense base included in
9 the plan:

10 (1) a land use element that identifies:

11 (A) proposed distribution, location, and extent
12 of land uses such as housing, business, industry, agriculture,
13 recreation, public buildings and grounds, and other categories of
14 public and private land uses as those uses may impact the defense
15 base; and

16 (B) existing and proposed regulations of land
17 uses, including zoning, annexation, or planning regulations as
18 those regulations may impact the defense base;

19 (2) a transportation element that identifies the
20 location and extent of existing and proposed freeways, streets, and
21 roads and other modes of transportation;

22 (3) a population growth element that identifies past
23 and anticipated population trends;

24 (4) a water resources element that:

25 (A) addresses currently available surface water
26 and groundwater supplies; and

27 (B) addresses future growth projections and ways

1 in which the water supply needs of the defense community and the
2 defense base can be adequately served by the existing resources, or
3 if such a need is anticipated, plans for securing additional water
4 supplies;

5 (5) a conservation element that describes methods for
6 conservation, development, and use of natural resources, including
7 land, forests, soils, rivers and other waters, wildlife, and other
8 natural resources;

9 (6) an open-space area element that includes:

10 (A) a list of existing open-space land areas;

11 (B) an analysis of the defense base's forecasted
12 needs for open-space areas to conduct its military training
13 activities; and

14 (C) suggested strategies under which land on
15 which some level of development has occurred can make a transition
16 to an open-space area, if needed;

17 (7) a restricted airspace element that creates buffer
18 zones, if needed, between the defense base and the defense
19 community; and

20 (8) a military training route element that identifies
21 existing routes and proposes plans for additional routes, if
22 needed.

23 (c) Two or more defense communities near the same defense
24 base may prepare a joint plan.

25 Sec. 397.004. PLANNING MANUAL. A defense community that
26 has prepared a comprehensive defense installation and community
27 strategic impact plan described by Section 397.003 is encouraged to

1 develop, in coordination with the authorities of each defense base
2 associated with the community, a planning manual based on the
3 proposals contained in the plan. The manual should adopt
4 guidelines for community planning and development to further the
5 purposes described under Section 397.002. The defense community
6 should, from time to time, consult with defense base authorities
7 regarding any changes needed in the planning manual guidelines
8 adopted under this section.

9 Sec. 397.005. CONSULTATION WITH DEFENSE BASE AUTHORITIES.

10 If a defense community determines that an ordinance, rule, or plan
11 proposed by the community may impact a defense base or the military
12 exercise or training activities connected to the base, the defense
13 community shall seek comments and analysis from the defense base
14 authorities concerning the compatibility of the proposed
15 ordinance, rule, or plan with base operations. The defense
16 community shall consider and analyze the comments and analysis
17 before making a final determination relating to the proposed
18 ordinance, rule, or plan.

19 SECTION 10. Section 31.1571, Natural Resources Code, is
20 amended by adding Subsection (c) to read as follows:

21 (c) Any unused or underused state property may be sold or
22 leased, or an easement over the property may be granted, to the
23 United States for the use and benefit of the United States armed
24 forces if the commissioner or the commissioner's designee, after
25 consultation with appropriate military authorities, determines
26 that the sale, lease, or easement would materially assist the
27 military in accomplishing its mission. A sale, lease, or easement

1 under this subsection must be at market value. The state shall
2 retain all minerals it owns with respect to the land, but it may
3 relinquish the right to use the surface to extract them.

4 SECTION 11. Section 32.101, Natural Resources Code, is
5 amended to read as follows:

6 Sec. 32.101. APPLICABLE LAW. Land shall be offered for
7 sale, lease, or commitment to a contract for development subject to
8 the terms and conditions provided by law. Sales and leases of
9 upland within 2,500 feet of a military base may not be made unless
10 the commissioner or the commissioner's designee, after
11 consultation with appropriate military authorities, determines
12 that the sale or lease will not adversely affect the mission of the
13 military base.

14 SECTION 12. Section 33.103, Natural Resources Code, is
15 amended to read as follows:

16 Sec. 33.103. INTERESTS WHICH MAY BE GRANTED BY THE BOARD.

17 (a) The board may grant the following interests in coastal public
18 land for the indicated purposes:

- 19 (1) leases for public purposes;
- 20 (2) easements for purposes connected with:
- 21 (A) ownership of littoral property; or
- 22 (B) the operation of a facility operated by an
23 existing channel and dock corporation that was issued articles of
24 incorporation under Chapters 13 and 14, Title 32, Revised Statutes;
- 25 (3) permits authorizing limited continued use of
26 previously unauthorized structures on coastal public land not
27 connected with ownership of littoral property; and

1 (4) channel easements to the holder of any surface or
2 mineral interest in coastal public land for purposes necessary or
3 appropriate to the use of the interests.

4 (b) The board may not grant any interest in land within
5 2,500 feet of a military base unless the commissioner or the
6 commissioner's designee, after consultation with appropriate
7 military authorities, determines that the grant will not adversely
8 affect the mission of the military base.

9 SECTION 13. Section 51.011, Natural Resources Code, is
10 amended to read as follows:

11 Sec. 51.011. SALE AND LEASE OF PUBLIC SCHOOL AND ASYLUM
12 LAND. (a) Any land that is set apart to the permanent school fund
13 and the various asylum funds under the constitution and laws of this
14 state together with the mineral estate in riverbeds, channels, and
15 the tidelands, including islands, shall be controlled, sold, and
16 leased by the school land board and the commissioner under the
17 provisions of this chapter.

18 (b) Notwithstanding any other provision of this chapter,
19 land within 2,500 feet of a military base may not be sold or leased
20 and an easement over the land may not be granted unless the
21 commissioner or the commissioner's designee, after consultation
22 with appropriate military authorities, determines that the grant
23 will not adversely affect the mission of the military base.

24 (c) Any public land may be sold or leased, or an easement
25 over the property may be granted, to the United States for the use
26 and benefit of the United States armed forces if the commissioner or
27 the commissioner's designee, after consultation with appropriate

1 military authorities, determines that the sale, lease, or easement
2 would materially assist the military in accomplishing its mission.
3 A sale, lease, or easement under this subsection must be at market
4 value. The state shall retain all minerals it owns with respect to
5 the land, but it may relinquish the right to use the surface to
6 extract them.

7 (d) The commissioner shall determine whether a conveyance
8 under this section takes priority over any preference otherwise
9 granted by law, including the preferential right of a surrounding
10 landowner. In making the determination, the commissioner must only
11 consider the interests of preference holders who assert their
12 preferences in writing after notice of the proposed conveyance is
13 published in a newspaper of general circulation in the area. The
14 commissioner shall, in the commissioner's discretion, balance the
15 competing interests of the preference holders and the military.
16 The commissioner's determination is final. After land is conveyed
17 to the military, all competing preferences terminate.

18 SECTION 14. Section 53.011, Natural Resources Code, is
19 amended to read as follows:

20 Sec. 53.011. LAND SUBJECT TO PROSPECT. Any tract of land
21 that belongs to the state, including islands, salt and freshwater
22 lakes, bays, inlets, marshes, and reefs owned by the state within
23 tidewater limits, the part of the Gulf of Mexico within the state's
24 jurisdiction, unsold surveyed public school land, rivers and
25 channels that belong to the state, and land sold with a reservation
26 of minerals to the state are subject to prospect by any person for
27 those minerals which are not subject to lease or permit under any

1 other statute. A person may not prospect from a location within
2 2,500 feet of a military base, but prospectors may, from a location
3 more than 2,500 feet from a base, look for minerals within the
4 2,500-foot strip.

5 SECTION 15. Subsection (b), Section 53.016, Natural
6 Resources Code, is amended to read as follows:

7 (b) Any lease covering land adjacent to a military base
8 shall require the lessee to forego the right to use the surface
9 within 2,500 feet of the military base while exploiting the
10 minerals. The commissioner may include in the lease any other
11 provision the commissioner considers necessary for protection of
12 the interests of the state.

13 SECTION 16. Subsection (a), Section 53.064, Natural
14 Resources Code, is amended to read as follows:

15 (a) No lease executed by the owner of the surface is binding
16 on the state unless it recites the actual consideration paid or
17 promised for the lease. A lease covering land adjacent to a
18 military base shall require the lessee to forego the right to use
19 the surface within 2,500 feet of the military base while exploiting
20 the minerals.

21 SECTION 17. Section 53.151, Natural Resources Code, is
22 amended to read as follows:

23 Sec. 53.151. LEASE OF CERTAIN AREAS. (a) Under the
24 provisions of this subchapter, the board may lease to any person for
25 the production of coal, lignite, sulphur, salt, and potash:

26 (1) islands, saltwater lakes, bays, inlets, marshes,
27 and reefs owned by the state within tidewater limits;

1 (2) the portion of the Gulf of Mexico within the
2 jurisdiction of the state;

3 (3) rivers and channels that belong to the state;

4 (4) all unsold surveyed and unsurveyed public school
5 land; and

6 (5) all land sold with a reservation of minerals to the
7 state under Section 51.054 of this code in which the state has
8 retained leasing rights.

9 (b) The lease may not be granted for any land within 2,500
10 feet of a military base.

11 SECTION 18. Section 312.204, Tax Code, is amended by adding
12 Subsection (g) to read as follows:

13 (g) Notwithstanding the other provisions of this chapter,
14 the governing body of a municipality eligible to enter into tax
15 abatement agreements under Section 312.002 may agree in writing
16 with the owner of real property that is located in a reinvestment
17 zone to exempt from taxation for a period not to exceed five years a
18 portion of the value of the real property or of tangible personal
19 property located on the real property, or both, that is used to
20 provide housing for military personnel employed at a military
21 facility located in or near the municipality. An agreement may
22 provide for the exemption of the real property in each year covered
23 by the agreement only to the extent its value for that year exceeds
24 its value for the year in which the agreement is executed. An
25 agreement may provide for the exemption of tangible personal
26 property located on the real property in each year covered by the
27 agreement other than tangible personal property that was located on

1 the real property at any time before the period covered by the
2 agreement with the municipality and other than inventory or
3 supplies. The governing body of the municipality may adopt
4 guidelines and criteria for tax abatement agreements entered into
5 under this subsection that are different from the guidelines and
6 criteria that apply to tax abatement agreements entered into under
7 another provision of this section. Tax abatement agreements
8 entered into under this subsection are not required to contain
9 identical terms for the portion of the value of the property that is
10 to be exempt or for the duration of the exemption as tax abatement
11 agreements entered into with the owners of property in the
12 reinvestment zone under another provision of this section.

13 SECTION 19. Subdivision (2), Section 35.101, Utilities
14 Code, is amended to read as follows:

15 (2) "Public retail customer" means a retail customer
16 that is an agency of this state, a state institution of higher
17 education, a public school district, ~~[or]~~ a political subdivision
18 of this state, a military installation of the United States, or a
19 United States Department of Veterans Affairs facility.

20 SECTION 20. Section 35.102, Utilities Code, is amended to
21 read as follows:

22 Sec. 35.102. STATE AUTHORITY TO SELL OR CONVEY POWER OR
23 NATURAL GAS. (a) The commissioner, acting on behalf of the state,
24 may sell or otherwise convey power or natural gas generated from
25 royalties taken in kind as provided by Sections 52.133(f), 53.026,
26 and 53.077, Natural Resources Code, directly to a public retail
27 customer regardless of whether the public retail customer is also

1 classified as a wholesale customer under other provisions of this
2 title.

3 (b) To ensure that the state receives the maximum benefit
4 from the sale of power or natural gas generated from royalties taken
5 in kind, the commissioner shall use all feasible means to sell that
6 power or natural gas first to public retail customers that are
7 military installations of the United States, agencies of this
8 state, institutions of higher education, or public school
9 districts. The remainder of the power or natural gas, if any, may
10 be sold to public retail customers that are political subdivisions
11 of this state or to a United States Department of Veterans Affairs
12 facility.

13 SECTION 21. Subchapter H, Chapter 36, Utilities Code, is
14 amended by adding Section 36.354 to read as follows:

15 Sec. 36.354. DISCOUNTED RATES FOR MILITARY BASES.

16 (a) Notwithstanding any other provision of this title, each
17 municipally owned utility, electric cooperative, or electric
18 utility in an area where customer choice is not available or the
19 commission has delayed the implementation of full customer choice
20 in accordance with Section 39.103 shall discount charges for
21 electric service provided to a military base.

22 (b) The discount under Subsection (a) is a 20 percent
23 reduction of the base commercial rate that the municipally owned
24 utility, electric cooperative, or electric utility would otherwise
25 charge the military installation.

26 (c) An electric utility, municipally owned utility, or
27 electric cooperative may assess a surcharge to all of the utility's

1 retail customers in the state to recover the difference in revenue
2 between the revenues from the discounted rate for military bases
3 provided under Subsection (a) and the base commercial rate. This
4 subsection does not apply to an electric utility, municipally owned
5 utility, or electric cooperative that was providing electric
6 service to a military base on December 31, 2002, at a rate
7 constituting a discount of 20 percent or more from the utility's
8 base commercial rate that the utility would otherwise charge the
9 military base.

10 (d) Each electric utility shall file a tariff with the
11 commission reflecting the discount required by Subsection (a) and
12 may file a tariff reflecting the surcharge provided by Subsection
13 (c). Not later than the 30th day after the date the commission
14 receives the electric utility's tariff reflecting the surcharge,
15 the commission shall approve the tariff. A proceeding under this
16 subsection is not a rate change for purposes of Subchapter C.

17 (e) An electric utility, municipally owned utility, or
18 electric cooperative is exempt from the requirements of Subsection
19 (a) if:

20 (1) the 20 percent discount would result in a
21 reduction of revenue in an amount that is greater than one percent
22 of the utility's total annual revenues; or

23 (2) the utility:

24 (A) was providing electric service to a military
25 base on December 31, 2002, at a rate constituting a discount of 20
26 percent or more from the utility's base commercial rate that the
27 utility would otherwise charge the military base; and

1 (B) continues to provide electric service to the
2 military base at a rate constituting a discount of 20 percent or
3 more from the utility's base commercial rate that the utility would
4 otherwise charge the military base.

5 (f) Each electric utility shall provide the Texas Military
6 Preparedness Commission with the base commercial rate that the
7 utility would otherwise charge the military base and the rate the
8 utility is charging the military base.

9 (g) For the purposes of this section, the term "military
10 base" does not include a military base:

11 (1) that has been closed or realigned under the
12 Defense Base Closure and Realignment Act of 1990 (10 U.S.C. Section
13 2687) and its subsequent amendments;

14 (2) that is administered by an authority established
15 by a municipality under Chapter 378, Local Government Code, as
16 added by Chapter 1221, Acts of the 76th Legislature, Regular
17 Session, 1999;

18 (3) that is operated by or for the benefit of the Texas
19 National Guard, as defined by Section 431.001, Government Code,
20 unless the base is served by a municipally owned utility owned by a
21 city with a population of 650,000 or more; or

22 (4) for which a municipally owned utility has acquired
23 the electric distribution system under 10 U.S.C. Section 2688.

24 SECTION 22. Subchapter H, Chapter 39, Utilities Code, is
25 amended by adding Section 39.3535 to read as follows:

26 Sec. 39.3535. MILITARY BASES AGGREGATORS. (a) In this
27 section, "military bases aggregator" means a person joining two or

1 more military bases that are located in areas of the state offering
2 customer choice under this chapter into a single purchasing unit to
3 negotiate electricity purchases from retail electric providers.

4 (b) It is the policy of this state to encourage military
5 bases located in areas of the state offering customer choice under
6 this chapter to aggregate their facilities into a single purchasing
7 unit as a method to reduce costs of electricity consumed by those
8 bases. The commission shall provide assistance to a military bases
9 aggregator regarding the evaluation of offers from retail electric
10 providers on the request of the military bases aggregator.

11 (c) An aggregator registered under another section of this
12 subchapter may provide aggregation services to military bases.

13 (d) A person, including a state agency, may register as a
14 military bases aggregator to provide aggregation services
15 exclusively to military bases located in areas of the state
16 offering customer choice under this chapter.

17 (e) A person registered as a military bases aggregator under
18 Subsection (d) is not required to comply with customer protection
19 provisions, disclosure requirements, or marketing guidelines
20 prescribed by this title or established by the commission while
21 providing aggregation services exclusively to military bases.

22 (f) The commission shall expedite consideration of an
23 application submitted by an applicant for registration under
24 Subsection (d).

25 SECTION 23. Subchapter Z, Chapter 39, Utilities Code, is
26 amended by adding Section 39.910 to read as follows:

27 Sec. 39.910. INCENTIVE PROGRAM AND GOAL FOR ENERGY

1 EFFICIENCY FOR MILITARY BASES. (a) The commission by rule shall
2 establish an electric energy efficiency incentive program under
3 which each electric utility in an area where customer choice is not
4 available will provide incentives sufficient for military bases,
5 retail electric providers, or competitive energy service providers
6 to install energy efficiency devices or other alternatives at
7 military bases. The commission shall design the program to provide
8 military bases with a variety of choices for cost-effective energy
9 efficiency devices and other alternatives from the market to reduce
10 energy consumption and energy costs.

11 (b) The commission shall establish a goal for the program to
12 reduce, before January 1, 2005, the consumption of electricity by
13 military bases in this state by five percent as compared to
14 consumption levels in 2002.

15 (c) The commission shall approve a nonbypassable surcharge
16 or other rate mechanism to recover costs associated with the
17 program established under this section.

18 (d) An electric utility shall administer the electric
19 energy efficiency incentive program in a market-neutral,
20 nondiscriminatory manner. An electric utility may not offer
21 underlying competitive services.

22 SECTION 24. Section 25.005, Education Code, is amended to
23 read as follows:

24 Sec. 25.005. RECIPROCITY AGREEMENTS REGARDING MILITARY
25 PERSONNEL AND DEPENDENTS. (a) To facilitate the transfer of
26 military personnel and their dependents to and from the public
27 schools of this state, the agency shall [~~may~~] pursue reciprocity

1 agreements with other states governing the terms of those
2 transfers.

3 (b) A reciprocity agreement must:

4 (1) address procedures for:

5 (A) transferring student records;

6 (B) [~~(2) address procedures for~~] awarding credit
7 for completed course work; and

8 (C) permitting a student to satisfy the
9 requirements of Section 39.025 through successful performance on
10 comparable exit-level assessment instruments administered in
11 another state; and

12 (2) [~~(3)~~] include appropriate criteria developed by
13 the agency.

14 SECTION 25. Sections 481.0065, 482.002, 482.003, and
15 482.004, Government Code, and Section 502.271, Transportation
16 Code, are repealed.

17 SECTION 26. (a) Not later than the 90th day after the
18 effective date of this Act, the governor shall appoint the initial
19 members of the Texas Military Preparedness Commission in accordance
20 with Chapter 436, Government Code, as amended by this Act. The
21 governor shall appoint three members for a term expiring February
22 1, 2005, three members for a term expiring February 1, 2007, and
23 three members for a term expiring February 1, 2009. The commission
24 may not take action until a majority of the appointed members have
25 taken office.

26 (b) Not later than the 30th day after the date that a
27 majority of the initial appointed members of the Texas Military

1 Preparedness Commission take office, the commission shall employ a
2 director in accordance with Chapter 436, Government Code, as
3 amended by this Act.

4 (c) As soon as possible after the effective date of this
5 Act, the governor shall select a presiding officer for the Texas
6 Military Preparedness Commission.

7 SECTION 27. (a) On the date on which a majority of the
8 initial appointed members of the Texas Military Preparedness
9 Commission have taken office, the Office of Defense Affairs is
10 abolished and all powers, duties, obligations, rights, contracts,
11 leases, records, property, and unspent and unobligated
12 appropriations and other funds of the Office of Defense Affairs are
13 transferred to the Texas Military Preparedness Commission.

14 (b) The abolishment of the Office of Defense Affairs does
15 not affect the validity of a right, privilege, or obligation
16 accrued, a contract or acquisition made, any liability incurred, a
17 permit or license issued, any penalty, forfeiture, or punishment
18 assessed, a rule adopted, a proceeding, investigation, or remedy
19 begun, a decision made, or other action taken by or in connection
20 with the Office of Defense Affairs.

21 (c) All rules, policies, procedures, and decisions of the
22 Office of Defense Affairs are continued in effect as rules,
23 policies, procedures, and decisions of the Texas Military
24 Preparedness Commission until superseded by a rule or other
25 appropriate action of the Texas Military Preparedness Commission.

26 (d) Any action or proceeding before the Office of Defense
27 Affairs is transferred without change in status to the Texas

1 Military Preparedness Commission, and the Texas Military
2 Preparedness Commission assumes, without a change in status, the
3 position of the Office of Defense Affairs in any action or
4 proceeding to which the Office of Defense Affairs is a party.

5 (e) The Texas Military Preparedness Commission is
6 authorized to employ the same number of full-time equivalent
7 employees as the Office of Defense Affairs to exercise the powers
8 and perform the duties transferred under this section.

9 (f) A fund, foundation, or account administered by the
10 Office of Defense Affairs is not considered to be abolished and
11 re-created by this Act but is considered to be transferred to the
12 Texas Military Preparedness Commission.

13 (g) Until the date the Office of Defense Affairs is
14 abolished as provided by Subsection (a) of this section, the Office
15 of Defense Affairs shall continue to exercise the powers and
16 perform the duties assigned to the Office of Defense Affairs under
17 the law as it existed immediately before the effective date of this
18 Act or as modified by another Act of the 78th Legislature, Regular
19 Session, 2003, that becomes law, and the former law is continued in
20 effect for that purpose.

21 SECTION 28. (a) On the date on which a majority of the
22 initial appointed members of the Texas Military Preparedness
23 Commission have taken office, the Texas Strategic Military Planning
24 Commission is abolished and all powers, duties, obligations,
25 rights, contracts, leases, records, personnel, property, and
26 unspent and unobligated appropriations and other funds of the Texas
27 Strategic Military Planning Commission are transferred to the Texas

1 Military Preparedness Commission.

2 (b) The abolishment of the Texas Strategic Military
3 Planning Commission does not affect the validity of a right,
4 privilege, or obligation accrued, a contract or acquisition made,
5 any liability incurred, a permit or license issued, any penalty,
6 forfeiture, or punishment assessed, a rule adopted, a proceeding,
7 investigation, or remedy begun, a decision made, or other action
8 taken by or in connection with the Texas Strategic Military
9 Planning Commission.

10 (c) All rules, policies, procedures, and decisions of the
11 Texas Strategic Military Planning Commission are continued in
12 effect as rules, policies, procedures, and decisions of the Texas
13 Military Preparedness Commission until superseded by a rule or
14 other appropriate action of the Texas Military Preparedness
15 Commission.

16 (d) Any action or proceeding before the Texas Strategic
17 Military Planning Commission is transferred without change in
18 status to the Texas Military Preparedness Commission, and the Texas
19 Military Preparedness Commission assumes, without a change in
20 status, the position of the Texas Strategic Military Planning
21 Commission in any action or proceeding to which the Texas Strategic
22 Military Planning Commission is a party.

23 (e) The Texas Military Preparedness Commission is
24 authorized to employ the same number of full-time equivalent
25 employees as the Texas Strategic Military Planning Commission to
26 exercise the powers and perform the duties transferred under this
27 section.

1 (f) A fund, foundation, or account administered by the Texas
2 Strategic Military Planning Commission is not considered to be
3 abolished and re-created by this Act but is considered to be
4 transferred to the Texas Military Preparedness Commission.

5 (g) Until the date the Texas Strategic Military Planning
6 Commission is abolished as provided by Subsection (a) of this
7 section, the Texas Strategic Military Planning Commission shall
8 continue to exercise the powers and perform the duties assigned to
9 the Texas Strategic Military Planning Commission under the law as
10 it existed immediately before the effective date of this Act or as
11 modified by another Act of the 78th Legislature, Regular Session,
12 2003, that becomes law, and the former law is continued in effect
13 for that purpose.

14 SECTION 29. (a) In implementing Section 25.005, Education
15 Code, as amended by this Act, the Texas Education Agency shall give
16 priority to pursuing reciprocity agreements with Florida, Georgia,
17 North Carolina, and Virginia.

18 (b) Not later than January 1, 2004, the Texas Education
19 Agency shall report the results of its efforts to enter into
20 reciprocity agreements in compliance with Section 25.005,
21 Education Code, as amended by this Act, to the presiding officers of
22 the Senate Committee on Veteran Affairs and Military Installations
23 and the House of Representatives Committee on Defense Affairs and
24 State-Federal Relations. If the agency has been unable to enter
25 into a reciprocity agreement with each state identified in
26 Subsection (a) of this section by the date of the report, the report
27 must include, for each state with which the agency did not enter

1 into an agreement:

2 (1) a detailed description of the agency's efforts to
3 reach an agreement; and

4 (2) an explanation of each factor contributing to the
5 failure to reach an agreement.

6 SECTION 30. The director of the Texas Military Preparedness
7 Commission may change the duties of any employee who is transferred
8 to the Texas Military Preparedness Commission.

9 SECTION 31. The Office of the Governor shall resolve any
10 disputes about which obligations, rights, contracts, leases,
11 records, personnel, property, and unspent and unobligated
12 appropriations or other funds are entitled to be transferred to the
13 Texas Military Preparedness Commission.

14 SECTION 32. Section 397.005, Local Government Code, as
15 added by this Act, applies only to an ordinance, rule, or plan that
16 is proposed on or after the effective date of this Act.

17 SECTION 33. The community infrastructure development
18 revolving loan account described by Section 486.053, Government
19 Code, is re-created as a separate account in the general revenue
20 fund. Any money in the account is rededicated for the purposes
21 described by Subsection (b), Section 486.053, Government Code.

22 SECTION 34. Sections 436.158 and 436.159, Government Code,
23 as added by this Act, take effect only if the constitutional
24 amendment proposed by the 78th Texas Legislature, Regular Session,
25 2003, authorizing the issuance of general obligation bonds to
26 provide loans to defense-related communities for economic
27 development projects, including projects that enhance the military

1 value of military installations is approved by the voters. If that
2 amendment is not approved by the voters, Sections 436.158 and
3 436.159, Government Code, have no effect.

4 SECTION 35. This Act takes effect immediately if it
5 receives a vote of two-thirds of all the members elected to each
6 house, as provided by Section 39, Article III, Texas Constitution.
7 If this Act does not receive the vote necessary for immediate
8 effect, this Act takes effect September 1, 2003.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 652 passed the Senate on May 5, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendments on May 15, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 652 passed the House, with amendments, on May 10, 2003, by the following vote: Yeas 131, Nays 0, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor