

By: Shapleigh, et al.

S.B. No. 652

Substitute the following for S.B. No. 652:

By: Corte

C.S.S.B. No. 652

A BILL TO BE ENTITLED

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.

22 (a) The 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, and international
2 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 hire a
10 director to serve as the chief executive officer of the commission
11 and to perform the administrative duties of the commission.

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

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

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

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

25 (b) The policy statement must include:

26 (1) personnel policies, including policies relating
27 to recruitment, evaluation, selection, training, and promotion of

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

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

8 (c) The policy statement must:

9 (1) be updated annually;

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

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

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

20 Sec. 436.061. STATE EMPLOYEE INCENTIVE PROGRAM. The
21 director or the director's designee shall provide to commission
22 employees information and training on the benefits and methods of
23 participation in the State Employee Incentive Program.

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

27 (1) the name of the person who filed the complaint;

1 (2) the date the complaint is received by the
2 commission;

3 (3) the subject matter of the complaint;

4 (4) the name of each person contacted in relation to
5 the complaint;

6 (5) a summary of the results of the review or
7 investigation of the complaint; and

8 (6) an explanation of the reason the file was closed,
9 if the commission closed the file without taking action other than
10 to investigate the complaint.

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

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

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

23 (1) negotiated rulemaking procedures under Chapter
24 2008 for the adoption of commission rules; and

25 (2) appropriate alternative dispute resolution
26 procedures under Chapter 2009 to assist in the resolution of
27 internal and external disputes under the commission's

1 jurisdiction.

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

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

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

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

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

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

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

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

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

26 (B) access any service that can be provided
27 effectively through the Internet; and

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

3 [Sections 436.065-436.100 reserved for expansion]

4 SUBCHAPTER C. POWERS AND DUTIES

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

7 Sec. 436.101 ~~[436.008]~~. POWERS AND DUTIES OF COMMISSION.
8 The commission shall:

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

15 (2) make recommendations regarding:

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

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

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

27 (3) develop and maintain a database of the names and

1 public business information of all prime contractors and
2 subcontractors operating in this state who perform defense-related
3 work;

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

8 (5) serve as a clearinghouse for:

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

12 (B) information about:

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

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

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

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

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

27 (8) assist communities in the retention and recruiting

1 of defense-related businesses, including fostering strategic
2 regional alliances that may extend over state lines;

3 (9) prepare a biennial strategic plan that:

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

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

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

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

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

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

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

26 (b) Not later than July 1 of each year, the commission shall
27 prepare and submit a report to the governor and the legislature

1 about the active military installations, communities that depend on
2 military installations, and defense-related businesses in this
3 state. The report must include:

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

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

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

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

14 (5) a statement identifying:

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

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

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

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

27 (c) State agencies shall cooperate with and assist the

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

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

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

23 [Sections 436.105-436.150 reserved for expansion]

24 SUBCHAPTER D. FISCAL PROVISIONS

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

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

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

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

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

26 Sec. 436.153. LOANS. (a) The commission may provide a loan
27 of financial assistance to a defense community for a project that

1 will enhance the military value of a military facility located in,
2 near, or adjacent to the defense community.

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

6 (c) If the commission determines that a project will enhance
7 the military value of the military facility, the commission shall,
8 in consultation with the Texas Department of Economic Development:

9 (1) analyze the creditworthiness of the defense
10 community to determine the defense community's ability to repay the
11 loan; and

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

15 (d) If the commission, in consultation with the Texas
16 Department of Economic Development, determines that the funds will
17 be used to enhance the military value of the military facility based
18 on the base realignment and closure criteria and that the project is
19 financially feasible, the commission may award a loan to the
20 defense community for the project. The commission shall enter into
21 a written agreement with a defense community that is awarded a loan.
22 The agreement must contain the terms and conditions of the loan,
23 including a requirement that the defense community repay the loan.

24 (e) After the commission approves an application for a loan
25 to a defense community, the commission shall notify the Texas
26 Department of Economic Development of the loan approval. After
27 receiving notice of the approval of the loan, the Texas Department

1 of Economic Development shall transfer funds from the Texas
2 military value revolving loan account to the defense community. If
3 the Texas Department of Economic Development determines that the
4 department must issue general obligation bonds to provide funds for
5 the Texas military value revolving loan account to finance the
6 loan, the department may delay the issuance of the bonds in order to
7 provide funds to finance multiple loans with one bond issuance.

8 (f) The Texas Department of Economic Development shall
9 administer the loan and repay the general obligation bonds issued
10 to finance the project.

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

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

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

21 Sec. 436.154. LOAN APPLICATION. (a) The commission shall
22 adopt a loan application form. The application form may include:

23 (1) the name of the defense community and its
24 principal officers;

25 (2) the total cost of the project;

26 (3) the amount of state financial assistance
27 requested;

1 (4) the plan for repaying the loan; and
2 (5) any other information the commission requires to
3 perform its duties and to protect the public interest.

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

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

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

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

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

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

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

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

1 (c) The Texas Department of Economic Development shall
2 deposit to the credit of the account all loan payments made by a
3 political subdivision for a loan under Section 436.153.

4 Sec. 436.157. GIFTS AND GRANTS. The commission may solicit
5 and accept gifts and grants from any source for the purposes of this
6 chapter. The commission shall deposit a gift or grant to the credit
7 of the specific account that is established for the purpose for
8 which the gift or grant was made. If a gift or grant is not made for
9 a specific purpose, the commission may deposit the gift or grant to
10 the credit of any of the commission's accounts created under this
11 chapter.

12 Sec. 436.158. ISSUANCE OF GENERAL OBLIGATION BONDS FOR
13 MILITARY VALUE ACCOUNT. (a) The Texas Department of Economic
14 Development may issue and sell general obligation bonds of the
15 state as authorized by the Texas Constitution for the purpose of
16 providing money to establish the Texas military value revolving
17 loan account. The department may issue the bonds in one or several
18 installments.

19 (b) Proceeds of the bonds issued under this section shall be
20 deposited in the Texas military value revolving loan account.

21 (c) The bonds issued by the Texas Department of Economic
22 Development must mature not later than the 25th anniversary of the
23 date the bonds are issued.

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

26 (3) "Office" means the Texas Military Preparedness
27 Commission [~~Office of Defense Affairs~~].

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (11) other information that may be required.

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

27 Sec. 2056.0065. GOALS: EMPHASIS ON ENHANCING MILITARY

1 FACILITIES. (a) In establishing the goals of a state agency, the
2 agency shall consider the enhancement of military value to
3 federally owned or operated military installations or facilities.
4 The state agency is encouraged to make this evaluation using the
5 most current criteria provided by the Texas Military Preparedness
6 Commission.

7 (b) If the state agency determines that an expenditure will
8 enhance the military value of a federally owned or operated
9 military installation or facility based on the base realignment and
10 closure criteria, the state agency shall make that expenditure a
11 high priority.

12 SECTION 8. Subchapter A, Chapter 2167, Government Code, is
13 amended by adding Section 2167.009 to read as follows:

14 Sec. 2167.009. CONSIDERATION TO MILITARY INSTALLATION. In
15 leasing space for the use of a state agency, the commission or the
16 private brokerage or real estate firm assisting the commission
17 shall give consideration to a federally owned or operated military
18 installation or facility.

19 SECTION 9. Subtitle C, Title 12, Local Government Code, is
20 amended by adding Chapter 397 to read as follows:

21 CHAPTER 397. STRATEGIC PLANNING RELATING TO MILITARY
22 INSTALLATIONS

23 Sec. 397.001. DEFINITIONS. In this chapter:

24 (1) "Defense base" means a federally owned or operated
25 military installation or facility that is presently functioning.

26 (2) "Defense community" means a political
27 subdivision, including a municipality, county, or special

1 district, that is adjacent to, is near, or encompasses any part of a
2 defense base.

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

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

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

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

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

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

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

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

26 (b) The Texas Military Preparedness Commission may require
27 a defense community to provide any additional information the

1 commission requires to evaluate the community's request for
2 financial assistance under this section.

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

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

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

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

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

24 (2) enhancing the military value of the defense base
25 while reducing operating costs; and

26 (3) identifying which, if any, property and services
27 in a region can be shared by the defense base and the defense

1 community.

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

7 (1) a land use element that identifies:

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

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

16 (2) a transportation element that identifies the
17 location and extent of existing and proposed freeways, streets, and
18 roads and other modes of transportation;

19 (3) a population growth element that identifies past
20 and anticipated population trends;

21 (4) a water resources element that:

22 (A) addresses currently available surface water
23 and groundwater supplies; and

24 (B) addresses future growth projections and ways
25 in which the water supply needs of the defense community and the
26 defense base can be adequately served by the existing resources, or
27 if such a need is anticipated, plans for securing additional water

1 supplies;

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

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

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

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

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

14 (7) a restricted airspace element that creates buffer
15 zones, if needed, between the defense base and the defense
16 community; and

17 (8) a military training route element that identifies
18 existing routes and proposes plans for additional routes, if
19 needed.

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

22 Sec. 397.004. PLANNING MANUAL. A defense community that
23 has prepared a comprehensive defense installation and community
24 strategic impact plan described by Section 397.003 is encouraged to
25 develop, in coordination with the authorities of each defense base
26 associated with the community, a planning manual based on the
27 proposals contained in the plan. The manual should adopt

1 guidelines for community planning and development to further the
2 purposes described under Section 397.002. The defense community
3 should, from time to time, consult with defense base authorities
4 regarding any changes needed in the planning manual guidelines
5 adopted under this section.

6 Sec. 397.005. CONSULTATION WITH DEFENSE BASE AUTHORITIES.

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

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

18 (c) Any unused or underused state property may be sold or
19 leased, or an easement over the property may be granted, to the
20 United States for the use and benefit of the United States armed
21 forces if the commissioner or the commissioner's designee, after
22 consultation with appropriate military authorities, determines
23 that the sale, lease, or easement would materially assist the
24 military in accomplishing its mission. A sale, lease, or easement
25 under this subsection must be at market value. The state shall
26 retain all minerals it owns with respect to the land, but it may
27 relinquish the right to use the surface to extract them.

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

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

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

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

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

16 (1) leases for public purposes;

17 (2) easements for purposes connected with:

18 (A) ownership of littoral property; or

19 (B) the operation of a facility operated by an
20 existing channel and dock corporation that was issued articles of
21 incorporation under Chapters 13 and 14, Title 32, Revised Statutes;

22 (3) permits authorizing limited continued use of
23 previously unauthorized structures on coastal public land not
24 connected with ownership of littoral property; and

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

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

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

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

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

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

1 value. The state shall retain all minerals it owns with respect to
2 the land, but it may relinquish the right to use the surface to
3 extract them.

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

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

17 Sec. 53.011. LAND SUBJECT TO PROSPECT. Any tract of land
18 that belongs to the state, including islands, salt and freshwater
19 lakes, bays, inlets, marshes, and reefs owned by the state within
20 tidewater limits, the part of the Gulf of Mexico within the state's
21 jurisdiction, unsold surveyed public school land, rivers and
22 channels that belong to the state, and land sold with a reservation
23 of minerals to the state are subject to prospect by any person for
24 those minerals which are not subject to lease or permit under any
25 other statute. A person may not prospect from a location within
26 2,500 feet of a military base, but prospectors may, from a location
27 more than 2,500 feet from a base, look for minerals within the

1 2,500-foot strip.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 guidelines and criteria for tax abatement agreements entered into
2 under this subsection that are different from the guidelines and
3 criteria that apply to tax abatement agreements entered into under
4 another provision of this section. Tax abatement agreements
5 entered into under this subsection are not required to contain
6 identical terms for the portion of the value of the property that is
7 to be exempt or for the duration of the exemption as tax abatement
8 agreements entered into with the owners of property in the
9 reinvestment zone under another provision of this section.

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

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

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

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

27 (b) To ensure that the state receives the maximum benefit

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

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

12 Sec. 36.354. DISCOUNTED RATES FOR MILITARY BASES.

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

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

23 (c) An electric utility, municipally owned utility, or
24 electric cooperative may assess a surcharge to all of the utility's
25 retail customers in the state to recover the difference in revenue
26 between the revenues from the discounted rate for military bases
27 provided under Subsection (a) and the base commercial rate. This

1 subsection does not apply to an electric utility, municipally owned
2 utility, or electric cooperative that was providing electric
3 service to a military base on December 31, 2002, at a rate
4 constituting a discount of 20 percent or more from the utility's
5 base commercial rate that the utility would otherwise charge the
6 military base.

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

14 (e) An electric utility, municipally owned utility, or
15 electric cooperative is exempt from the requirements of Subsection
16 (a) if:

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

20 (2) the utility:

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

25 (B) continues to provide electric service to the
26 military base at a rate constituting a discount of 20 percent or
27 more from the utility's base commercial rate that the utility would

1 otherwise charge the military base.

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

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

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

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

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

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

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

23 Sec. 39.3535. MILITARY BASES AGGREGATORS. (a) In this
24 section, "military bases aggregator" means a person joining two or
25 more military bases that are located in areas of the state offering
26 customer choice under this chapter into a single purchasing unit to
27 negotiate electricity purchases from retail electric providers.

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

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

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

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

19 (f) The commission shall expedite consideration of an
20 application submitted by an applicant for registration under
21 Subsection (d).

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

24 Sec. 39.910. INCENTIVE PROGRAM AND GOAL FOR ENERGY
25 EFFICIENCY FOR MILITARY BASES. (a) The commission by rule shall
26 establish an electric energy efficiency incentive program under
27 which each electric utility in an area where customer choice is not

1 available will provide incentives sufficient for military bases,
2 retail electric providers, or competitive energy service providers
3 to install energy efficiency devices or other alternatives at
4 military bases. The commission shall design the program to provide
5 military bases with a variety of choices for cost-effective energy
6 efficiency devices and other alternatives from the market to reduce
7 energy consumption and energy costs.

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

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

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

19 SECTION 24. Section 25.005, Education Code, is amended to
20 read as follows:

21 Sec. 25.005. RECIPROCITY AGREEMENTS REGARDING MILITARY
22 PERSONNEL AND DEPENDENTS. (a) To facilitate the transfer of
23 military personnel and their dependents to and from the public
24 schools of this state, the agency shall [~~may~~] pursue reciprocity
25 agreements with other states governing the terms of those
26 transfers.

27 (b) A reciprocity agreement must:

1 (1) address procedures for:

2 (A) transferring student records;

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

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

9 (2) [~~(3)~~] include appropriate criteria developed by
10 the agency.

11 SECTION 25. Sections 481.0065, 482.002, 482.003, and
12 482.004, Government Code, and Section 502.271, Transportation
13 Code, are repealed.

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

23 (b) Not later than the 30th day after the date that a
24 majority of the initial appointed members of the Texas Military
25 Preparedness Commission take office, the commission shall employ a
26 director in accordance with Chapter 436, Government Code, as
27 amended by this Act.

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

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

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

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

23 (d) Any action or proceeding before the Office of Defense
24 Affairs is transferred without change in status to the Texas
25 Military Preparedness Commission, and the Texas Military
26 Preparedness Commission assumes, without a change in status, the
27 position of the Office of Defense Affairs in any action or

1 proceeding to which the Office of Defense Affairs is a party.

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

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

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

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

26 (b) The abolishment of the Texas Strategic Military
27 Planning Commission does not affect the validity of a right,

1 privilege, or obligation accrued, a contract or acquisition made,
2 any liability incurred, a permit or license issued, any penalty,
3 forfeiture, or punishment assessed, a rule adopted, a proceeding,
4 investigation, or remedy begun, a decision made, or other action
5 taken by or in connection with the Texas Strategic Military
6 Planning Commission.

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

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

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

25 (f) A fund, foundation, or account administered by the Texas
26 Strategic Military Planning Commission is not considered to be
27 abolished and re-created by this Act but is considered to be

1 transferred to the Texas Military Preparedness Commission.

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

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

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

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

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

3 SECTION 30. The director of the Texas Military Preparedness
4 Commission may change the duties of any employee who is transferred
5 to the Texas Military Preparedness Commission.

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

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

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

19 SECTION 34. Section 436.158, Government Code, as added by
20 this Act, takes effect only if the constitutional amendment
21 proposed by the 78th Texas Legislature, Regular Session, 2003,
22 authorizing the issuance of general obligation bonds to provide
23 loans to defense-related communities for economic development
24 projects, including projects that enhance the military value of
25 military installations is approved by the voters. If that
26 amendment is not approved by the voters, Section 436.158,
27 Government Code, has no effect.

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