

By: Shapleigh

S.B. No. 652

A BILL TO BE ENTITLED

1 AN ACT

2 relating to economic development, strategic planning, and other
3 issues regarding military facilities, and the merger of certain
4 state agencies with aerospace or military responsibilities;
5 granting authority 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-D to read as follows:

6 CHAPTER 436. TEXAS DEFENSE, AVIATION, AND SPACE [~~STRATEGIC~~
7 ~~MILITARY PLANNING~~] COMMISSION

8 SUBCHAPTER A. GENERAL PROVISIONS

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

12 Sec. 436.002. COMMISSION. The commission is within the
13 office of the governor.

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

18 [Sections 436.004-436.050 reserved for expansion]

19 SUBCHAPTER B. ORGANIZATION AND ADMINISTRATION

20 Sec. 436.051 [~~436.003~~]. COMPOSITION; ELIGIBILITY. (a) The
21 commission is composed of nine members appointed by the governor.
22 To be eligible for appointment, a person must have demonstrated
23 experience in military issues, commercial aviation, national
24 defense, space research or operations, economic development in the
25 private sector, marketing, banking, or research and development in
26 science or engineering[+]

27 [~~(1) nine public members, appointed by the governor,~~

1 and

2 [~~(2) the following ex officio members:~~

3 [~~(A) the chair of the committee of the Texas~~
4 ~~House of Representatives that has primary jurisdiction of matters~~
5 ~~concerning state, federal, and international relations, and~~

6 [~~(B) the chair of the committee of the Texas~~
7 ~~Senate that has primary jurisdiction of matters concerning veteran~~
8 ~~affairs and military installations].~~

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

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

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

22 Sec. 436.053 [~~436.005~~]. COMPENSATION AND EXPENSES. A
23 [~~public~~] member of the commission is not entitled to compensation
24 but is entitled to reimbursement, from commission funds, for the
25 travel expenses incurred by the member while conducting the
26 business of the commission, as provided by the General
27 Appropriations Act. [~~The entitlement of a legislative member to~~

1 ~~compensation or reimbursement for travel expenses is governed by~~
2 ~~the law applying to the member's service in that underlying~~
3 ~~position, and any payments to the member shall be made from the~~
4 ~~appropriate funds of the applicable house of the legislature.]~~

5 Sec. 436.054 [~~436.006~~]. MEETINGS [~~, OPEN GOVERNMENT~~]. [~~(a)~~]
6 The commission shall meet at least quarterly. The commission may
7 meet at other times at the call of the presiding officer or as
8 provided by the rules of the commission.

9 [~~(b) The commission is a governmental body for purposes of~~
10 ~~the open meetings law, Chapter 551.]~~

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

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

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

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

1 aerospace, or aviation affairs.

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

7 Sec. 436.056. TRAINING PROGRAM. (a) A person who is
8 appointed to and qualifies for office as a member of the commission
9 may not vote, deliberate, or be counted as a member in attendance at
10 a meeting of the commission until the person completes a training
11 program that complies with this section.

12 (b) The training program must provide the person with
13 information regarding:

14 (1) the legislation that created the commission;

15 (2) the programs operated by the commission;

16 (3) the role and functions of the commission;

17 (4) the rules of the commission, with an emphasis on
18 the rules that relate to disciplinary and investigatory authority;

19 (5) the current budget for the commission;

20 (6) the results of the most recent formal audit of the
21 commission;

22 (7) the requirements of:

23 (A) the open meetings law, Chapter 551;

24 (B) the public information law, Chapter 552;

25 (C) the administrative procedure law, Chapter
26 2001; and

27 (D) other laws relating to public officials,

1 including conflict-of-interest laws; and

2 (8) any applicable ethics policies adopted by the
3 commission or the Texas Ethics Commission.

4 (c) A person appointed to the commission is entitled to
5 reimbursement, as provided by the General Appropriations Act, for
6 the travel expenses incurred in attending the training program
7 regardless of whether the attendance at the program occurs before
8 or after the person qualifies for office.

9 Sec. 436.057. REMOVAL. (a) It is a ground for removal from
10 the commission that a member:

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

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

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 executive director has knowledge that a potential

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

9 Sec. 436.058. EXECUTIVE DIRECTOR. (a) The commission
10 shall hire an executive director to serve as the chief executive
11 officer of the commission and to perform the administrative duties
12 of the commission.

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

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

17 Sec. 436.059. PUBLIC ACCESS. The commission shall develop
18 and implement policies that provide the public with a reasonable
19 opportunity to appear before the commission and to speak on any
20 issue under the jurisdiction of the commission.

21 Sec. 436.060. EQUAL EMPLOYMENT OPPORTUNITY. (a) The
22 executive director or the executive director's designee shall
23 prepare and maintain a written policy statement that implements a
24 program of equal employment opportunity to ensure that all
25 personnel decisions are made without regard to race, color,
26 disability, sex, religion, age, or national origin.

27 (b) The policy statement must include:

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

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

10 (c) The policy statement must:

11 (1) be updated annually;

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

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

15 Sec. 436.061. QUALIFICATIONS AND STANDARDS OF CONDUCT. The
16 executive director or the executive director's designee shall
17 provide to members of the commission and to commission employees,
18 as often as necessary, information regarding the requirements for
19 office or employment under this chapter, including information
20 regarding a person's responsibilities under applicable laws
21 relating to standards of conduct for state officers or employees.

22 Sec. 436.062. STATE EMPLOYEE INCENTIVE PROGRAM. The
23 executive director or the executive director's designee shall
24 provide to commission employees information and training on the
25 benefits and methods of participation in the State Employee
26 Incentive Program.

27 Sec. 436.063. COMPLAINTS. (a) The commission shall

1 maintain a file on each written complaint filed with the
2 commission. The file must include:

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

4 (2) the date the complaint is received by the
5 commission;

6 (3) the subject matter of the complaint;

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

9 (5) a summary of the results of the review or
10 investigation of the complaint; and

11 (6) an explanation of the reason the file was closed,
12 if the commission closed the file without taking action other than
13 to investigate the complaint.

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

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

23 Sec. 436.064. USE OF ALTERNATIVE PROCEDURES. (a) The
24 commission shall develop and implement a policy to encourage the
25 use of:

26 (1) negotiated rulemaking procedures under Chapter
27 2008 for the adoption of commission rules; and

1 (2) appropriate alternative dispute resolution
2 procedures under Chapter 2009 to assist in the resolution of
3 internal and external disputes under the commission's
4 jurisdiction.

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

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

11 (1) coordinate the implementation of the policy
12 adopted under Subsection (a);

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

16 (3) collect data concerning the effectiveness of
17 those procedures, as implemented by the department.

18 Sec. 436.065. TECHNOLOGY POLICY. The commission shall
19 develop and implement a policy requiring the executive director and
20 commission employees to research and propose appropriate
21 technological solutions to improve the commission's ability to
22 perform its functions. The technological solutions must:

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

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

27 (A) interact with the commission through the

1 Internet; and

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

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

6 [Sections 436.066-436.100 reserved for expansion]

7 SUBCHAPTER C. POWERS AND DUTIES

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

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

11 The commission shall:

12 (1) advise ~~[serve as an advisory committee to the~~
13 ~~office of]~~ the governor and the legislature ~~[Office of Defense~~
14 ~~Affairs in the Texas Department of Economic Development]~~ on
15 military issues, homeland security, commercial and private
16 aviation, space-related research and operations, and economic and
17 industrial development related to or impacted by these areas of
18 concern ~~[the effect of the military on the economy of this state];~~
19 ~~[and]~~

20 (2) make recommendations regarding:

21 (A) the development of policies and plans to
22 support the long-term viability and prosperity of the military,
23 active and civilian, and aviation and space operations in this
24 state;

25 (B) the development of methods to improve private
26 and public employment opportunities for former members of the
27 military residing in this state; and

1 (C) the development of methods to assist
2 defense-dependent communities in the design and execution of
3 programs that enhance a community's relationship with military
4 installations and defense-related businesses;

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

9 (4) provide information to communities, the
10 legislature, the state's congressional delegation, and state
11 agencies regarding federal actions affecting military
12 installations and missions;

13 (5) serve as a clearinghouse for:

14 (A) defense economic adjustment and transition
15 information and activities along with the Texas Business and
16 Community Economic Development Clearinghouse; and

17 (B) information about:

18 (i) issues related to the operating costs
19 and strategic value of federal military installations located in
20 the state; and

21 (ii) the loss of jobs in communities that
22 depend on defense bases and in defense-related businesses;

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

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

1 (8) assist communities in the retention and recruiting
2 of defense-related businesses;

3 (9) prepare a strategic plan that:

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

7 (B) considers the current and future base
8 realignment and closure criteria; and

9 (10) encourage economic development in this state by
10 fostering the development of industries related to the
11 commercialization of space [and

12 ~~[(D) the compilation of information for use in~~
13 ~~the report required under Section 481.0065(c)].~~

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

20 Sec. 436.103. SPACE RESEARCH AND OPERATIONS. The
21 commission shall analyze space-related research and operations
22 currently conducted in this state and may conduct activities
23 designed to further those activities in this state.

24 Sec. 436.104. 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 an annual meeting 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. 436.105. AVIATION AND SPACE; REPORT TO LEGISLATURE.
13 Not later than the 30th day of each regular session of the
14 legislature, the commission shall report to the legislature
15 regarding its aviation and space activities under this chapter.

16 Sec. 436.106. COORDINATING ASSISTANCE FOR EVALUATION OF
17 MILITARY BASE. When a commander of a military installation
18 receives a copy of the evaluation criteria for the base under the
19 United States Department of Defense base realignment or closure
20 process, the base commander may request that the commission
21 coordinate assistance from other state agencies to assist the
22 commander in preparing the evaluation. If the commission asks a
23 state agency for assistance under this section, the state agency
24 shall make the provision of that assistance a top priority
25 [~~Sec. 436.009. ADMINISTRATIVE SUPPORT. The Texas Department of~~
26 ~~Economic Development shall provide administrative support to the~~
27 ~~commission].~~

1 [Sections 436.107-436.150 reserved for expansion]

2 SUBCHAPTER D. FISCAL PROVISIONS

3 Sec. 436.151. LOANS. (a) The commission may provide a loan
4 of financial assistance to a political subdivision, including a
5 municipality, county, or special district, for a project that will
6 enhance the military value of a military facility located in or
7 adjacent to the political subdivision.

8 (b) On receiving an application for a loan under this
9 section, the commission shall analyze the project using 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. If the commission determines that
13 the project will enhance the military value of the military
14 facility based on the base realignment and closure criteria, the
15 commission may award a loan to the political subdivision for the
16 project.

17 (c) The commission may provide a loan only for a project
18 that is included in the political subdivision's statement under
19 Section 393.022, Local Government Code, or to prepare a
20 comprehensive defense installation and community strategic impact
21 plan under Section 393.023, Local Government Code.

22 (d) A project financed with a loan under this section must
23 be completed on or before the fifth anniversary of the date the loan
24 is awarded.

25 (e) The amount of a loan under this section may not exceed
26 one-half of the total cost of the project.

27 Sec. 436.152. TEXAS MILITARY PREPAREDNESS REVOLVING LOAN

1 ACCOUNT. (a) The Texas military preparedness revolving loan
2 account is an account in the general revenue fund.

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

5 (c) The office shall deposit to the credit of the account
6 all loan payments made by a political subdivision for a loan under
7 Section 436.151.

8 Sec. 436.153. GIFTS AND GRANTS. The commission may solicit
9 and accept gifts and grants from any source for the purposes of this
10 chapter. The commission shall deposit a gift or grant to the credit
11 of the specific account that is established for the purpose for
12 which the gift or grant was made. If a gift or grant is not made for
13 a specific purpose, the commission may deposit the gift or grant to
14 the credit of any of the commission's accounts created under this
15 chapter.

16 Sec. 436.154. ISSUANCE OF GENERAL OBLIGATION BONDS FOR
17 MILITARY PREPAREDNESS ACCOUNT. (a) The Texas Public Finance
18 Authority may issue and sell general obligation bonds of the state
19 as authorized by the Texas Constitution for the purpose of
20 providing money to establish the Texas military preparedness
21 revolving loan account. The authority may issue the bonds in one or
22 several installments.

23 (b) Proceeds of the bonds issued under this section shall be
24 deposited in the Texas military preparedness revolving loan
25 account.

26 (c) The bonds issued by the Texas Public Finance Authority
27 must mature not later than the 25th anniversary of the date the

1 bonds are issued.

2 SECTION 4. Section 482.001, Government Code, is amended by
3 amending Subsections (a) and (b) and adding Subsection (i) to read
4 as follows:

5 (a) The Texas Aerospace Commission is an advisory committee
6 to the governor [~~agency of the state~~].

7 (b) The commission is composed of nine members appointed by
8 the governor [~~with the advice and consent of the senate~~]. To be
9 eligible for appointment, a person must have demonstrated
10 experience in space research, economic development in the private
11 sector, marketing, banking, or research and development in science
12 or engineering.

13 (i) The Texas Aerospace Commission shall advise the
14 governor on issues relating to aviation and space.

15 SECTION 5. Section 486.051(3), Government Code, is amended
16 to read as follows:

17 (3) "Office" means the Texas Defense, Aviation, and
18 Space Commission [~~Office of Defense Affairs~~].

19 SECTION 6. Section 486.052, Government Code, is amended by
20 adding Subsection (d) to read as follows:

21 (d) The office shall give first priority to awarding loans
22 under the program according to the economic development needs of
23 eligible communities with neighboring federal military
24 installations that, before January 1, 2006, are publicly proposed
25 for action by the department of defense or applicable military
26 department under the base realignment or closure process. This
27 subsection expires September 1, 2007.

1 SECTION 7. Section 4D(j), Development Corporation Act of
2 1979 (Article 5190.6, Vernon's Texas Civil Statutes), as added by
3 Chapter 1537, Acts of the 76th Legislature, Regular Session, 1999,
4 is amended to read as follows:

5 (j) A board of directors by rule may develop a plan for
6 higher education courses and degree programs to be offered at or
7 near a spaceport. Those courses and degree programs must be related
8 to the purposes of this section. The Texas Defense, Aviation, and
9 Space [~~Aerospace~~] Commission and the Texas Higher Education
10 Coordinating Board shall cooperate with and advise a board of
11 directors in carrying out this subsection.

12 SECTION 8. Section 4E(h), Development Corporation Act of
13 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to
14 read as follows:

15 (h) A board by rule may develop a plan for higher education
16 courses and degree programs to be offered at or near a spaceport.
17 These planned courses and degree programs must be related to the
18 purposes of this chapter. The Texas Defense, Aviation, and Space
19 [~~Aerospace~~] Commission and the Texas Higher Education Coordinating
20 Board shall cooperate with and advise a board in carrying out this
21 section.

22 SECTION 9. Section 2056.002(b), Government Code, is amended
23 to read as follows:

24 (b) The Legislative Budget Board and the Governor's Office
25 of Budget and Planning shall determine the elements required to be
26 included in each agency's strategic plan. Unless modified by the
27 Legislative Budget Board and the Governor's Office of Budget and

1 Planning, and except as provided by Subsection (c), a plan must
2 include:

3 (1) a statement of the mission and goals of the state
4 agency;

5 (2) a description of the indicators developed under
6 this chapter and used to measure the output and outcome of the
7 agency;

8 (3) identification of the groups of people served by
9 the agency, including those having service priorities, or other
10 service measures established by law, and estimates of changes in
11 those groups expected during the term of the plan;

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

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

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

21 (7) a description of the capital improvement needs of
22 the agency during the term of the plan and a statement, if
23 appropriate, of the priority of those needs;

24 (8) identification of each geographic region of this
25 state, including the Texas-Louisiana border region and the
26 Texas-Mexico border region, served by the agency, and if
27 appropriate the agency's means and strategies for serving each

1 region;

2 (9) a description of the training of the agency's
3 contract managers under Section 2262.053;

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

8 (11) [~~(10)~~] other information that may be required.

9 SECTION 10. Chapter 2056, Government Code, is amended by
10 adding Section 2056.0065 to read as follows:

11 Sec. 2056.0065. GOALS: EMPHASIS ON ENHANCING MILITARY
12 FACILITIES. (a) In establishing the goals of a state agency, the
13 agency shall consider the enhancement of military value to
14 federally owned or operated military installations or facilities.
15 The state agency is encouraged to make this evaluation using the
16 most current criteria provided by the Texas Defense, Aviation, and
17 Space Commission.

18 (b) If the state agency determines that an expenditure will
19 enhance the military value of a federally owned or operated
20 military installation or facility based on the base realignment and
21 closure criteria, the state agency shall make that expenditure a
22 high priority.

23 SECTION 11. Subchapter A, Chapter 2167, Government Code, is
24 amended by adding Section 2167.009 to read as follows:

25 Sec. 2167.009. CONSIDERATION TO MILITARY INSTALLATION. In
26 leasing space for the use of a state agency, the commission or the
27 private brokerage or real estate firm assisting the commission

1 shall give consideration to a federally owned or operated military
2 installation or facility.

3 SECTION 12. Chapter 380, Local Government Code, is amended
4 by adding Section 380.004 to read as follows:

5 Sec. 380.004. REVIEW OF BUILDINGS ON MILITARY FACILITY.

6 (a) The largest municipality that is contiguous to a federally
7 owned or operated military installation or facility in this state
8 shall review the buildings at the military installation or facility
9 to determine whether the buildings comply with the municipality's
10 building code, plumbing code, mechanical code, or other related
11 municipal code. If a federally owned or operated military
12 installation or facility in this state is not contiguous to a
13 municipality, the largest municipality that is located within 25
14 miles of the boundaries of the military installation or facility
15 shall perform the review.

16 (b) The municipality shall appoint a liaison to coordinate
17 the review with the Texas Defense, Aviation, and Space Commission.
18 The Texas Defense, Aviation, and Space Commission shall:

19 (1) establish the parameters of the review; and
20 (2) obtain the approval of appropriate federal
21 authorities for each review.

22 (c) The municipality shall report the results of the review
23 to the Texas Defense, Aviation, and Space Commission not later than
24 February 1, 2004. The report must describe each code violation that
25 exists at the military installation or facility, the methods to
26 correct the violation, and the estimated cost to correct the
27 violation.

1 (d) The municipality may contract with a private entity to
2 perform the review required by this section.

3 (e) This section does not affect whether municipal codes are
4 considered to apply to a military building.

5 (f) This section expires September 1, 2005.

6 SECTION 13. The heading of Chapter 393, Local Government
7 Code, is amended to read as follows:

8 CHAPTER 393. HOUSING AND PLANNING COOPERATION AMONG
9 MUNICIPALITIES, COUNTIES, AND CERTAIN OTHER LOCAL GOVERNMENTS

10 SECTION 14. Chapter 393, Local Government Code, is amended
11 by designating Sections 393.001-393.010 as Subchapter A and adding
12 a heading for Subchapter A to read as follows:

13 SUBCHAPTER A. HOUSING

14 SECTION 15. Section 393.001, Local Government Code, is
15 amended to read as follows:

16 Sec. 393.001. SHORT TITLE. This subchapter [~~chapter~~] may
17 be cited as the Housing Cooperation Law.

18 SECTION 16. Section 393.002(b), Local Government Code, is
19 amended to read as follows:

20 (b) The legislature finds and declares that:

21 (1) the assistance provided under this subchapter
22 [~~chapter~~] to remedy the conditions described in the Housing
23 Authorities Law constitutes a public purpose and an essential
24 governmental function for which public money may be spent and other
25 aid given;

26 (2) it is a proper public purpose for a public body to
27 aid a housing authority that operates within the boundaries or

1 jurisdiction of the public body or to aid a housing project within
2 its boundaries or jurisdiction because the public body derives
3 immediate benefits and advantages from the authority or project;
4 and

5 (3) this subchapter [~~chapter~~] is necessary in the
6 public interest.

7 SECTION 17. Section 393.004, Local Government Code, is
8 amended to read as follows:

9 Sec. 393.004. POWERS OF PUBLIC BODY RELATING TO HOUSING
10 PROJECTS. To aid and cooperate in the planning, undertaking,
11 construction, or operation of a housing project located within its
12 jurisdiction, a public body may, on terms established by the public
13 body:

14 (1) dedicate, sell, convey, or lease any of its
15 property to a housing authority or to the federal government;

16 (2) provide that parks, playgrounds, other
17 recreational facilities, community facilities, educational
18 facilities, water facilities, sewer facilities, or drainage
19 facilities, or other works that it has the power to undertake, be
20 furnished adjacent to or in connection with a housing project;

21 (3) furnish, dedicate, close, pave, install, grade, or
22 plan streets, roads, alleys, sidewalks, or other places that it has
23 the power to undertake;

24 (4) plan or zone any part of the public body and, in
25 the case of a municipality, change its map;

26 (5) make exceptions to building regulations or
27 ordinances;

1 (6) enter agreements for any period with a housing
2 authority or the federal government relating to action to be taken
3 by the public body under the powers granted by this subchapter
4 [~~chapter~~];

5 (7) enter agreements relating to the exercise of power
6 by the public body relating to the repair, elimination, or closing
7 of unsafe, unsanitary, or unfit dwellings;

8 (8) provide for the furnishing of services to a
9 housing authority of the type the public body has power to furnish;

10 (9) purchase or invest in bonds issued by a housing
11 authority;

12 (10) exercise the rights of a bondholder in relation
13 to any bonds purchased under Subdivision (9); or

14 (11) take other action necessary or convenient to aid
15 and cooperate in the planning, undertaking, construction, or
16 operation of a housing project.

17 SECTION 18. Section 393.006(a), Local Government Code, is
18 amended to read as follows:

19 (a) A public body may incur the entire expense of any public
20 improvement made by the public body in exercising powers under this
21 subchapter [~~chapter~~].

22 SECTION 19. Section 393.009(a), Local Government Code, is
23 amended to read as follows:

24 (a) The exercise by a public body of the powers granted
25 under this subchapter [~~chapter~~] may be authorized by a resolution
26 of its governing body adopted by a majority of the members of the
27 governing body who are present at a meeting. The resolution may be

1 adopted at the meeting at which it is introduced, and the resolution
2 takes effect immediately. However, the exercise of the powers is
3 subject to the conditions prescribed by Section 393.010.

4 SECTION 20. Section 393.010(a), Local Government Code, is
5 amended to read as follows:

6 (a) An action authorized by this subchapter [~~chapter~~] may
7 not be consummated until the governing body of the public body gives
8 notice of its intention to enter into a cooperation agreement with a
9 housing authority. A copy of the notice must be published at least
10 twice in the officially designated newspaper, if any, of the public
11 body. The notice must state that at the expiration of 60 days the
12 governing body will consider the question of whether to enter into a
13 cooperation agreement.

14 SECTION 21. Chapter 393, Local Government Code, is amended
15 by adding Subchapter B to read as follows:

16 SUBCHAPTER B. STRATEGIC PLANNING RELATING TO MILITARY

17 INSTALLATIONS

18 Sec. 393.021. DEFINITIONS. In this subchapter:

19 (1) "Defense base" means a federally owned or operated
20 military installation or facility that is presently functioning or
21 has been closed or realigned under the Defense Base Closure and
22 Realignment Act of 1990 (10 U.S.C. Section 2687 note) and its
23 subsequent amendments.

24 (2) "Defense community" means a political
25 subdivision, including a municipality, county, or special
26 district, that is adjacent to, is near, or encompasses any part of a
27 defense base.

1 Sec. 393.022. DEFENSE BASE MILITARY VALUE ENHANCEMENT
2 STATEMENT. (a) A defense community that applies for financial
3 assistance from the Texas military preparedness revolving loan
4 account shall prepare, in consultation with the authorities from
5 each defense base associated with the community, a defense base
6 military value enhancement statement that illustrates specific
7 ways the funds will enhance the military value of the installations
8 and must include the following information for each project:

9 (1) the purpose for which military preparedness loan
10 funds are requested, including a description of the project;

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

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

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

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

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

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

24 (b) The commission may require a defense community to
25 provide any additional information the commission requires to
26 evaluate the community's request for funds under this section.

27 (c) Two or more defense communities near the same defense

1 base that apply for financial assistance under the Texas military
2 preparedness revolving loan account may prepare a joint statement.

3 (d) A copy of the defense base military value enhancement
4 statement shall be distributed to the authorities of each defense
5 base included in the statement and the Texas Defense, Aviation, and
6 Space Commission.

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

10 Sec. 393.023. COMPREHENSIVE DEFENSE INSTALLATION AND
11 COMMUNITY STRATEGIC IMPACT PLAN. (a) A defense community may
12 request financial assistance from the Texas military preparedness
13 revolving loan account to prepare a comprehensive defense
14 installation and community strategic impact plan that states the
15 defense community's long-range goals and development proposals
16 relating to the following purposes:

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

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

23 (3) identifying which, if any, property and services
24 can be shared by the defense base and the defense community.

25 (b) The comprehensive defense installation and community
26 strategic impact plan should include, if appropriate, maps,
27 diagrams, and text to support its proposals and must include the

1 following elements as they relate to each defense base included in
2 the plan:

3 (1) a land use element that identifies:

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

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

12 (2) a transportation element that identifies the
13 location and extent of existing and proposed freeways, streets, and
14 roads and other modes of transportation;

15 (3) a population growth element that identifies past
16 and anticipated population trends;

17 (4) a water resources element that:

18 (A) addresses currently available surface and
19 groundwater supplies; and

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

25 (5) a conservation element that describes methods for
26 conservation, development, and use of natural resources, including
27 land, forests, soils, rivers and other waters, wildlife, and other

1 natural resources;

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

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

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

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

10 (7) a restricted airspace element that creates buffer
11 zones, if needed, between the defense base and the defense
12 community; and

13 (8) a military training route element that identifies
14 existing routes and proposes plans for additional routes, if
15 needed.

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

18 Sec. 393.024. PLANNING MANUAL. A defense community that
19 has prepared a comprehensive defense installation and community
20 strategic impact plan described by Section 393.023 is encouraged to
21 develop, in coordination with the authorities of each defense base
22 associated with the community, a planning manual based on the
23 proposals contained in the plan. The manual should adopt
24 guidelines for community planning and development to further the
25 purposes described under Section 393.022. The defense community
26 should, from time to time, consult with defense base authorities
27 regarding any changes needed in the planning manual guidelines

1 adopted under this section.

2 Sec. 393.025. CONSULTATION WITH DEFENSE BASE AUTHORITIES.

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

12 SECTION 22. Subchapter F, Chapter 161, Natural Resources
13 Code, is amended by adding Sections 161.2311 and 161.2312 to read as
14 follows:

15 Sec. 161.2311. AGREEMENT TO DEVELOP LAND ACQUIRED FROM
16 FORMER MILITARY FACILITY. (a) A municipality or county that
17 acquires land as a result of a military installation or facility
18 closing or being realigned under the United States Department of
19 Defense base realignment or closure process or a base efficiency
20 project may enter into an agreement with the board to develop all or
21 a part of the land.

22 (b) The agreement shall:

23 (1) transfer the land to the board; and

24 (2) set out the terms for the development, including
25 specific improvements to be completed by the board, the
26 municipality, or the county.

27 (c) Section 161.281 does not apply to the sale or

1 development of land under this section.

2 Sec. 161.2312. DEVELOPMENT OF SUBDIVISION ON FORMER
3 MILITARY FACILITY LAND. (a) The board may contract with one or
4 more private persons to build single-family houses for veterans who
5 purchase land in the subdivision from the board. The agreement may
6 provide:

7 (1) the type, style, and number of houses to be built
8 in the subdivision;

9 (2) the specifications and standards required by the
10 board for houses built in the subdivision; and

11 (3) any other term that the board determines
12 appropriate.

13 (b) The builder shall market the subdivision to veterans in
14 the same manner in which private housing development projects are
15 marketed to the general public.

16 (c) Section 161.281 does not apply to the sale or
17 development of land under this section.

18 SECTION 23. Section 35.101(2), Utilities Code, is amended
19 to read as follows:

20 (2) "Public retail customer" means a retail customer
21 that is an agency of this state, a state institution of higher
22 education, a public school district, ~~or~~ a political subdivision
23 of this state, a military installation of the United States, or a
24 United States Department of Veterans Affairs facility.

25 SECTION 24. Section 35.102, Utilities Code, is amended to
26 read as follows:

27 Sec. 35.102. STATE AUTHORITY TO SELL OR CONVEY POWER. (a)

1 The commissioner, acting on behalf of the state, may sell or
2 otherwise convey power or natural gas generated from royalties
3 taken in kind as provided by Sections 52.133(f), 53.026, and
4 53.077, Natural Resources Code, directly to a public retail
5 customer regardless of whether the public retail customer is also
6 classified as a wholesale customer under other provisions of this
7 title.

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

18 SECTION 25. Subchapter H, Chapter 36, Utilities Code, is
19 amended by adding Section 36.354 to read as follows:

20 Sec. 36.354. DISCOUNTED RATES FOR MILITARY BASES. (a)
21 Notwithstanding any other provision of this title, each municipally
22 owned utility, electric cooperative, or electric utility in an area
23 where customer choice is not available or the commission has
24 delayed the implementation of full customer choice in accordance
25 with Section 39.103 shall discount charges for electric service
26 provided to a military base.

27 (b) The discount under Subsection (a) is a 20 percent

1 reduction of the base rates that would otherwise be paid under the
2 applicable tariffed rate.

3 (c) An electric utility, a municipally owned utility, or an
4 electric cooperative is not required to comply with this section if
5 the 20 percent discount would result in a reduction of revenue in an
6 amount that is greater than one percent of the utility's total
7 annual revenues.

8 (d) An electric utility, a municipally owned utility, or an
9 electric cooperative may recover from retail and wholesale
10 customers any assigned and allocated costs of serving a military
11 base that receives a discount under Subsection (a).

12 (e) Each electric utility shall file a tariff with the
13 commission reflecting the discount required by Subsection (a) and
14 may file a tariff proposing a cost recovery mechanism provided for
15 by Subsection (d). An initial tariff filed under this subsection is
16 not a rate change for purposes of Subchapter C.

17 SECTION 26. Subchapter H, Chapter 39, Utilities Code, is
18 amended by adding Section 39.3535 to read as follows:

19 Sec. 39.3535. MILITARY BASES AGGREGATORS. (a) In this
20 section, "military bases aggregator" means a person joining two or
21 more military bases into a single purchasing unit to negotiate
22 electricity purchases from retail electric providers.

23 (b) It is the policy of this state to encourage military
24 bases to aggregate their facilities into a single purchasing unit
25 as a method to reduce costs of electricity consumed by those bases.
26 The commission shall provide assistance to a military bases
27 aggregator regarding the evaluation of offers from retail electric

1 providers on the request of the military bases aggregator.

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

4 (d) A person, including a state agency, may register as a
5 military bases aggregator to provide aggregation services
6 exclusively to military bases.

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

12 (f) The commission shall expedite consideration of an
13 application submitted by an applicant for registration under
14 Subsection (d).

15 SECTION 27. Subchapter Z, Chapter 39, Utilities Code, is
16 amended by adding Section 39.910 to read as follows:

17 Sec. 39.910. INCENTIVE PROGRAM AND GOAL FOR ENERGY
18 EFFICIENCY FOR MILITARY BASES. (a) The commission by rule shall
19 establish an electric energy efficiency incentive program under
20 which each electric utility will provide incentives sufficient for
21 military bases, retail electric providers, or competitive energy
22 service providers to install energy efficiency devices or other
23 alternatives at military bases. The commission shall design the
24 program to provide military bases with a variety of choices for
25 cost-effective energy efficiency devices and other alternatives
26 from the market to reduce energy consumption and energy costs.

27 (b) The commission shall establish a goal for the program to

1 reduce, before January 1, 2005, the consumption of electricity by
2 military bases in this state by five percent as compared to
3 consumption levels in 2002.

4 (c) The commission may approve a nonbypassable surcharge or
5 other rate mechanism to recover costs associated with the program
6 established under this section.

7 (d) An electric utility shall administer the electric
8 energy efficiency incentive program in a market-neutral,
9 nondiscriminatory manner. An electric utility may not offer
10 underlying competitive services.

11 SECTION 28. (a) Not later than December 1, 2003, the Texas
12 Education Agency shall develop and implement a comprehensive plan
13 that addresses the educational needs of the dependents of military
14 personnel who are required to transfer into, out of, or between
15 public schools in this state as a result of military relocation.
16 The plan must address:

17 (1) procedures for transferring student records;

18 (2) procedures for awarding credit for completed
19 course work;

20 (3) procedures for modifying any requirement
21 generally applicable to a student in a reasonable manner to reflect
22 the circumstances of a particular student;

23 (4) any other relevant issue identified by the agency
24 in consultation with the agencies and persons described by
25 Subsection (b) of this section; and

26 (5) any requirements resulting from a reciprocity
27 agreement executed by the agency in accordance with Section 25.005,

1 Education Code.

2 (b) A modification under Subsection (a)(3) may include
3 allowing a student who is a dependent of military personnel
4 transferring into a public school in this state from out of state to
5 postpone taking a high stakes or exit examination until the next
6 administration of the examination. The parents or legal guardian
7 of the student must request the postponement. A high stakes or exit
8 examination may not be postponed if the student transfers during
9 the last 30 days of a semester.

10 (c) In developing and implementing the plan, the Texas
11 Education Agency is encouraged to consult with state agencies and
12 individuals with relevant knowledge related to military
13 relocation.

14 (d) The commissioner of education may adopt rules as
15 necessary to implement the plan.

16 (e) Not later than December 1, 2004, the Texas Education
17 Agency shall prepare and submit a report to the legislature
18 describing the plan developed and implemented in accordance with
19 this section. The report must also:

20 (1) identify any statutory changes considered
21 necessary by the agency to permit the agency to further meet the
22 educational needs of students required to transfer as a result of
23 military relocation; and

24 (2) describe each reciprocity agreement executed by
25 the state in accordance with Section 25.005, Education Code, as
26 well as the agency's efforts to enter into reciprocity agreements
27 with additional states.

1 SECTION 29. Sections 481.0065, 482.002, 482.003, and
2 482.004, Government Code, and Section 502.271, Transportation
3 Code, are repealed.

4 SECTION 30. (a) Not later than November 1, 2003, the
5 governor shall appoint the initial members of the Texas Defense,
6 Aviation, and Space Commission in accordance with Chapter 436,
7 Government Code, as amended by this Act. The governor shall appoint
8 three members for a term expiring February 1, 2005, three members
9 for a term expiring February 1, 2007, and three members for a term
10 expiring February 1, 2009. The commission may not take action until
11 a majority of the members have taken office.

12 (b) Not later than December 1, 2003, the Texas Defense,
13 Aviation, and Space Commission shall employ an executive director
14 in accordance with Chapter 436, Government Code, as amended by this
15 Act.

16 (c) Not later than the 60th day after the date of the first
17 meeting of the Texas Defense, Aviation, and Space Commission, the
18 governor shall select a presiding officer.

19 SECTION 31. (a) On the date by which a majority of the
20 members of the Texas Defense, Aviation, and Space Commission have
21 taken office, the Office of Defense Affairs is abolished, and all
22 powers, duties, obligations, rights, contracts, leases, records,
23 property, and unspent and unobligated appropriations and other
24 funds of the Office of Defense Affairs are transferred to the Texas
25 Defense, Aviation, and Space Commission.

26 (b) The abolishment of the Office of Defense Affairs does
27 not affect the validity of a right, privilege, or obligation

1 accrued, a contract or acquisition made, any liability incurred, a
2 permit or license issued, any penalty, forfeiture, or punishment
3 assessed, a rule adopted, a proceeding, investigation, or remedy
4 begun, a decision made, or other action taken by or in connection
5 with the Office of Defense Affairs.

6 (c) All rules, policies, procedures, and decisions of the
7 Office of Defense Affairs are continued in effect as rules,
8 policies, procedures, and decisions of the Texas Defense, Aviation,
9 and Space Commission until superseded by a rule or other
10 appropriate action of the Texas Defense, Aviation, and Space
11 Commission.

12 (d) Any action or proceeding before the Office of Defense
13 Affairs is transferred without change in status to the Texas
14 Defense, Aviation, and Space Commission, and the Texas Defense,
15 Aviation, and Space Commission assumes, without a change in status,
16 the position of the Office of Defense Affairs in any action or
17 proceeding to which the Office of Defense Affairs is a party.

18 (e) The Texas Defense, Aviation, and Space Commission is
19 authorized to employ the same number of full-time equivalent
20 employees as the Office of Defense Affairs to exercise the powers
21 and perform the duties transferred under this section.

22 (f) A fund, foundation, or account administered by the
23 Office of Defense Affairs is not considered to be abolished and
24 re-created by this Act but is considered to be transferred to the
25 Texas Defense, Aviation, and Space Commission.

26 (g) Until the date the Office of Defense Affairs is
27 abolished as provided by Subsection (a) of this section, the Office

1 of Defense Affairs shall continue to exercise the powers and
2 perform the duties assigned to the Office of Defense Affairs under
3 the law as it existed immediately before the effective date of this
4 Act or as modified by another Act of the 78th Legislature, Regular
5 Session, 2003, that becomes law, and the former law is continued in
6 effect for that purpose.

7 SECTION 32. (a) On the date by which a majority of the
8 members of the Texas Defense, Aviation, and Space Commission have
9 taken office, the Texas Strategic Military Planning Commission is
10 abolished, and all powers, duties, obligations, rights, contracts,
11 leases, records, personnel, property, and unspent and unobligated
12 appropriations and other funds of the Texas Strategic Military
13 Planning Commission are transferred to the Texas Defense, Aviation,
14 and Space Commission.

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

23 (c) All rules, policies, procedures, and decisions of the
24 Texas Strategic Military Planning Commission are continued in
25 effect as rules, policies, procedures, and decisions of the Texas
26 Defense, Aviation, and Space Commission until superseded by a rule
27 or other appropriate action of the Texas Defense, Aviation, and

1 Space Commission.

2 (d) Any action or proceeding before the Texas Strategic
3 Military Planning Commission is transferred without change in
4 status to the Texas Defense, Aviation, and Space Commission, and
5 the Texas Defense, Aviation, and Space Commission assumes, without
6 a change in status, the position of the Texas Strategic Military
7 Planning Commission in any action or proceeding to which the Texas
8 Strategic Military Planning Commission is a party.

9 (e) The Texas Defense, Aviation, and Space Commission is
10 authorized to employ the same number of full-time equivalent
11 employees as the Texas Strategic Military Planning Commission to
12 exercise the powers and perform the duties transferred under this
13 section.

14 (f) A fund, foundation, or account administered by the Texas
15 Strategic Military Planning Commission is not considered to be
16 abolished and re-created by this Act but is considered to be
17 transferred to the Texas Defense, Aviation, and Space Commission.

18 (g) Until the date the Texas Strategic Military Planning
19 Commission is abolished as provided by Subsection (a) of this
20 section, the Texas Strategic Military Planning Commission shall
21 continue to exercise the powers and perform the duties assigned to
22 the Texas Strategic Military Planning Commission under the law as
23 it existed immediately before the effective date of this Act or as
24 modified by another Act of the 78th Legislature, Regular Session,
25 2003, that becomes law, and the former law is continued in effect
26 for that purpose.

27 SECTION 33. (a) On the date by which a majority of the

1 members of the Texas Defense, Aviation, and Space Commission have
2 taken office, all powers, duties, obligations, rights, contracts,
3 leases, records, personnel, property, and unspent and unobligated
4 appropriations and other funds of the Texas Aerospace Commission
5 are transferred to the Texas Defense, Aviation, and Space
6 Commission.

7 (b) The transfer of the powers and duties of the Texas
8 Aerospace Commission does not affect the validity of a right,
9 privilege, or obligation accrued, a contract or acquisition made,
10 any liability incurred, a permit or license issued, any penalty,
11 forfeiture, or punishment assessed, a rule adopted, a proceeding,
12 investigation, or remedy begun, a decision made, or other action
13 taken by or in connection with the Texas Aerospace Commission.

14 (c) All rules, policies, procedures, and decisions of the
15 Texas Aerospace Commission are continued in effect as rules,
16 policies, procedures, and decisions of the Texas Defense, Aviation,
17 and Space Commission until superseded by a rule or other
18 appropriate action of the Texas Defense, Aviation, and Space
19 Commission.

20 (d) Any action or proceeding before the Texas Aerospace
21 Commission is transferred without change in status to the Texas
22 Defense, Aviation, and Space Commission, and the Texas Defense,
23 Aviation, and Space Commission assumes, without a change in status,
24 the position of the Texas Aerospace Commission in any action or
25 proceeding to which the Texas Aerospace Commission is a party.

26 (e) The Texas Defense, Aviation, and Space Commission is
27 authorized to employ the same number of full-time equivalent

1 employees as the Texas Aerospace Commission to exercise the powers
2 and perform the duties transferred under this section.

3 (f) A fund, foundation, or account administered by the Texas
4 Aerospace Commission is not considered to be abolished and
5 re-created by this Act but is considered to be transferred to the
6 Texas Defense, Aviation, and Space Commission.

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

15 SECTION 34. The executive director of the Texas Defense,
16 Aviation, and Space Commission may change the duties of any
17 employee who is transferred to the Texas Defense, Aviation, and
18 Space Commission.

19 SECTION 35. The Legislative Budget Board shall resolve any
20 disputes about which obligations, rights, contracts, leases,
21 records, personnel, property, and unspent and unobligated
22 appropriations or other funds are entitled to be transferred to the
23 Texas Defense, Aviation, and Space Commission.

24 SECTION 36. Section 393.025, Local Government Code, as
25 added by this Act, applies only to an ordinance, rule, or plan that
26 is proposed on or after the effective date of this Act.

27 SECTION 37. The community infrastructure development

1 revolving loan account described by Section 486.053, Government
2 Code, is re-created as a separate account in the general revenue
3 fund. Any money in the account is rededicated for the purposes
4 described by Section 486.053(b), Government Code.

5 SECTION 38. (a) Except as provided by Subsection (b), this
6 Act takes effect immediately if it receives a vote of two-thirds of
7 all the members elected to each house, as provided by Section 39,
8 Article III, Texas Constitution. If this Act does not receive the
9 vote necessary for immediate effect, this Act takes effect
10 September 1, 2003.

11 (b) Section 436.056, Government Code, as added by this Act,
12 takes effect September 1, 2004.