

By: Van de Putte

S.B. No. 1295

A BILL TO BE ENTITLED

AN ACT

relating to providing financial assistance to defense communities;  
granting of authority to issue bonds.

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

SECTION 1. Subtitle F, Title 4, Government Code, is amended  
by adding Chapter 489 to read as follows:

CHAPTER 489. DEFENSE COMMUNITY ASSISTANCE LOANS

Sec. 489.001. DEFINITIONS. In this chapter:

(1) "Defense base" means a federally owned or operated  
military installation or facility that is presently functioning or  
that has been closed or realigned under the federal defense base  
closure and realignment process.

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

(3) "Office" means the Office of Defense Affairs.

Sec. 489.002. LOAN PROGRAM. (a) The office shall  
administer a revolving loan program to assist defense communities  
in developing economic development projects to maintain military  
bases located in the community and to minimize the possibility of or  
the negative effects of defense base reduction on the community.  
The office may provide a loan of financial assistance to a defense  
community for economic development projects that:

1           (1) relate to defense bases in the state;

2           (2) enhance the military value of active defense bases  
3 in the state; or

4           (3) mitigate the economic impact of a defense base in  
5 this state being closed or realigned.

6           (b) The office by rule shall establish criteria and  
7 procedures for evaluating applications for loans under the program.

8           (c) The office by rule shall establish categories of  
9 economic development projects for which a defense community may  
10 apply for a loan.

11           Sec. 489.003. REVOLVING LOAN ACCOUNT. (a) The defense  
12 community assistance revolving loan account is an account in the  
13 general revenue fund.

14           (b) The account may be used only for loans made under this  
15 chapter.

16           Sec. 489.004. GIFTS AND GRANTS. The office may accept gifts  
17 or grants from any source for the purposes of this chapter. The  
18 office shall deposit gifts or grants to the credit of the defense  
19 community assistance revolving loan account.

20           Sec. 489.005. ISSUANCE OF GENERAL OBLIGATION BONDS FOR  
21 DEFENSE COMMUNITY ASSISTANCE REVOLVING LOAN ACCOUNT. (a) The  
22 Texas Public Finance Authority shall issue and sell general  
23 obligation bonds of the state as authorized by the Texas  
24 Constitution for the purpose of providing money to establish the  
25 defense community assistance revolving loan account. The authority  
26 may issue the bonds in one or several installments.

27           (b) Proceeds of the bonds issued under this section shall be

1 deposited in the defense community assistance revolving loan  
2 account.

3         SECTION 2. This Act takes effect only if the constitutional  
4 amendment proposed by the 78th Texas Legislature, Regular Session,  
5 2003, authorizing the issuance of general obligation bonds for  
6 economic development projects that benefit defense communities is  
7 approved by the voters. If that amendment is not approved by the  
8 voters, this Act has no effect.