

1-1 By: Miller of Fort Bend (Senate Sponsor - Campbell) H.B. No. 787
1-2 (In the Senate - Received from the House May 5, 2015;
1-3 May 6, 2015, read first time and referred to Committee on Veteran
1-4 Affairs and Military Installations; May 22, 2015, reported
1-5 adversely, with favorable Committee Substitute by the following
1-6 vote: Yeas 5, Nays 0; May 22, 2015, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13			X	
1-14	X			
1-15			X	

1-16 COMMITTEE SUBSTITUTE FOR H.B. No. 787 By: Campbell

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to the Texas Military Preparedness Commission and
1-20 strategic planning regarding military bases and defense
1-21 installations.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 436.002, Government Code, is amended to
1-24 read as follows:

1-25 Sec. 436.002. COMMISSION. The commission is attached for
1-26 administrative purposes to [within] the office of the governor [and
1-27 shall report to the executive director of the office].

1-28 SECTION 2. Section 436.0561(b), Government Code, is amended
1-29 to read as follows:

1-30 (b) The training program must provide the person with
1-31 information regarding:

1-32 (1) the legislation that created the commission;

1-33 (2) the programs, functions, rules, and budget of the
1-34 commission;

1-35 (3) the results of the most recent formal audit of the
1-36 commission;

1-37 (4) the requirements of laws relating to open
1-38 meetings, public information, administrative procedure, and
1-39 conflicts of interest; and

1-40 (5) any applicable ethics policies adopted by [~~the~~
1-41 ~~office,~~] the commission[~~]~~ or the Texas Ethics Commission.

1-42 SECTION 3. Section 436.057, Government Code, is amended by
1-43 adding Subsection (b) and amending Subsection (c) to read as
1-44 follows:

1-45 (b) The director shall hire at least one full-time employee
1-46 who is knowledgeable about or has experience with military
1-47 installations.

1-48 (c) The director may hire other [governor shall determine
1-49 the] staff within the guidelines established by [for] the
1-50 commission.

1-51 SECTION 4. The heading to Section 436.105, Government Code,
1-52 is amended to read as follows:

1-53 Sec. 436.105. MILITARY BASE REALIGNMENT AND CLOSURE TASK
1-54 FORCE; EXPIRATION DATE.

1-55 SECTION 5. Section 436.105, Government Code, is amended by
1-56 adding Subsections (b-1) and (d) to read as follows:

1-57 (b-1) A member of the task force is entitled to
1-58 reimbursement for travel expenses.

1-59 (d) The task force is abolished and this section expires
1-60 September 1, 2019.

2-1 SECTION 6. Section 436.152(d), Government Code, is amended
2-2 to read as follows:

2-3 (d) The commission shall refer the defense community to the
2-4 appropriate state agency that has an existing program to provide
2-5 financing for each project identified in the community's military
2-6 base or defense facility value enhancement statement that adds
2-7 military or defense value to a military base or defense facility.
2-8 If there is no existing program to finance a project, the commission
2-9 [~~office~~] may provide a loan of financial assistance to the defense
2-10 community for the project.

2-11 SECTION 7. Sections 436.153(a) through (g), Government
2-12 Code, are amended to read as follows:

2-13 (a) The commission [~~office~~] may provide a loan of financial
2-14 assistance to a defense community for a project that will enhance
2-15 the military or defense value of a military base or defense facility
2-16 located in, near, or adjacent to the defense community. The loan
2-17 shall be made from the Texas military value revolving loan account
2-18 established under Section 436.156.

2-19 (b) On receiving an application for a loan under this
2-20 section, the commission [~~office~~] shall confirm [~~with the~~
2-21 ~~commission~~] that the project adds military or defense value to the
2-22 military base or defense facility.

2-23 (c) If the commission determines that a project will enhance
2-24 the military or defense value of the military base or defense
2-25 facility, the commission [~~office~~] shall, in accordance with the
2-26 criteria adopted by the commission [~~office~~] under Section
2-27 436.154(a):

2-28 (1) analyze the creditworthiness of the defense
2-29 community to determine the defense community's ability to repay the
2-30 loan; and

2-31 (2) evaluate the feasibility of the project to be
2-32 financed to ensure that the defense community has pledged a source
2-33 of revenue or taxes sufficient to repay the loan for the project.

2-34 (d) If the commission confirms that the funds will be used
2-35 to enhance the military or defense value of the military base or
2-36 defense facility based on the base realignment and closure
2-37 criteria, to overcome an action of the United States Department of
2-38 Defense that will negatively impact the military base or defense
2-39 facility, or for the recruitment or retention of a defense facility
2-40 and the commission [~~office~~] determines that the project is
2-41 financially feasible, the commission [~~executive director of the~~
2-42 ~~office~~] may award a loan to the defense community for the project.
2-43 The commission [~~office~~] shall enter into a written agreement with a
2-44 defense community that is awarded a loan. The agreement must
2-45 contain the terms and conditions of the loan, including the loan
2-46 repayment requirements.

2-47 (e) The commission [~~office~~] shall notify the Texas Public
2-48 Finance Authority of the amount of the loan and the recipient of the
2-49 loan and request the authority to issue general obligation bonds in
2-50 an amount necessary to fund the loan. The commission [~~office~~] and
2-51 the authority shall determine the amount and time of a bond issue to
2-52 best provide funds for one or multiple loans.

2-53 (f) The commission [~~office~~] shall administer the loans to
2-54 ensure full repayment of the general obligation bonds issued to
2-55 finance the project.

2-56 (g) The commission [~~office~~] may provide a loan only for a
2-57 project that is included in the political subdivision's statement
2-58 under Section 397.002, Local Government Code, or to prepare a
2-59 comprehensive defense installation and community strategic impact
2-60 plan under Section 397.003, Local Government Code.

2-61 SECTION 8. Sections 436.1531(a), (c), (d), (e), and (f),
2-62 Government Code, are amended to read as follows:

2-63 (a) The commission [~~office~~] may provide a loan of financial
2-64 assistance to a defense community for an economic development
2-65 project that minimizes the negative effects of a defense base
2-66 reduction on the defense community as a result of a United States
2-67 Department of Defense base realignment process that occurs during
2-68 2005 or later. The loan shall be made from the Texas military value
2-69 revolving loan account established under Section 436.156.

3-1 (c) If the commission determines that a project will reduce
3-2 the negative effects of a defense base reduction on the defense
3-3 community, the commission [~~office~~] shall:

3-4 (1) analyze the creditworthiness of the defense
3-5 community to determine the defense community's ability to repay the
3-6 loan; and

3-7 (2) evaluate the feasibility of the project to be
3-8 financed to ensure that the defense community has pledged a source
3-9 of revenue or taxes sufficient to repay the loan for the project.

3-10 (d) If the commission [~~office~~] determines that the funds
3-11 will be used to finance an economic development project that will
3-12 reduce the negative effects of a defense base reduction on the
3-13 defense community and that the project is financially feasible, the
3-14 commission [~~office~~] may award a loan to the defense community for
3-15 the project. The commission [~~office~~] shall enter into a written
3-16 agreement with a defense community that is awarded a loan. The
3-17 agreement must contain the terms and conditions of the loan,
3-18 including the loan repayment requirements.

3-19 (e) The commission [~~office~~] shall notify the Texas Public
3-20 Finance Authority of the amount of the loan and the recipient of the
3-21 loan and request the authority to issue general obligation bonds in
3-22 an amount necessary to fund the loan. The commission [~~office~~] and
3-23 the authority shall determine the amount and time of a bond issue to
3-24 best provide funds for one or multiple loans.

3-25 (f) The commission [~~office~~] shall administer the loans to
3-26 ensure full repayment of the general obligation bonds issued to
3-27 finance the project.

3-28 SECTION 9. Sections 436.1532(a), (c), (d), (e), and (f),
3-29 Government Code, are amended to read as follows:

3-30 (a) The commission [~~office~~] may provide a loan of financial
3-31 assistance to a defense community for an infrastructure project to
3-32 accommodate new or expanded military missions assigned to a
3-33 military base or defense facility located in, near, or adjacent to
3-34 the defense community as a result of a United States Department of
3-35 Defense base realignment process that occurs during 2005 or later.
3-36 The loan shall be made from the Texas military value revolving loan
3-37 account established under Section 436.156.

3-38 (c) If the commission determines that the project will
3-39 assist the defense community in accommodating the new or expanded
3-40 military missions that are assigned to the military facility, the
3-41 commission [~~office~~] shall:

3-42 (1) analyze the creditworthiness of the defense
3-43 community to determine the defense community's ability to repay the
3-44 loan; and

3-45 (2) evaluate the feasibility of the project to be
3-46 financed to ensure that the defense community has pledged a source
3-47 of revenue or taxes sufficient to repay the loan for the project.

3-48 (d) If the commission determines that the funds will be used
3-49 to finance an infrastructure project to accommodate new or expanded
3-50 military missions assigned to the military facility located in,
3-51 near, or adjacent to the defense community and the commission
3-52 [~~office~~] determines that the project is financially feasible, the
3-53 commission [~~office~~] may award a loan to the defense community for
3-54 the project. The commission [~~office~~] shall enter into a written
3-55 agreement with a defense community that is awarded a loan. The
3-56 agreement must contain the terms and conditions of the loan,
3-57 including the loan repayment requirements.

3-58 (e) The commission [~~office~~] shall notify the Texas Public
3-59 Finance Authority of the amount of the loan and the recipient of the
3-60 loan and request the authority to issue general obligation bonds in
3-61 an amount necessary to fund the loan. The commission [~~office~~] and
3-62 the authority shall determine the amount and time of a bond issue to
3-63 best provide funds for one or multiple loans.

3-64 (f) The commission [~~office~~] shall administer the loans to
3-65 ensure full repayment of the general obligation bonds issued to
3-66 finance the project.

3-67 SECTION 10. Section 436.154, Government Code, is amended to
3-68 read as follows:

3-69 Sec. 436.154. LOAN PROCESS. (a) The commission [~~office~~]

4-1 shall adopt rules, in consultation with the Texas Public Finance
 4-2 Authority, that contain the criteria for evaluating the credit of a
 4-3 loan applicant and the financial feasibility of a project. The
 4-4 commission [~~office~~] shall also adopt a loan application form. The
 4-5 application form may include:

4-6 (1) the name of the defense community and its
 4-7 principal officers;

4-8 (2) the total cost of the project;

4-9 (3) the amount of state financial assistance
 4-10 requested;

4-11 (4) the plan for repaying the loan; and

4-12 (5) any other information the commission [~~office~~]
 4-13 requires to perform its duties and to protect the public interest.

4-14 (b) The commission [~~office~~] may not accept an application
 4-15 for a loan from the Texas military value revolving loan account
 4-16 unless the application is submitted in affidavit form by the
 4-17 officials of the defense community. The commission [~~office~~] shall
 4-18 prescribe the affidavit form.

4-19 SECTION 11. Section 436.156(c), Government Code, is amended
 4-20 to read as follows:

4-21 (c) The commission [~~office~~] shall deposit to the credit of
 4-22 the account all loan payments made by a political subdivision for a
 4-23 loan under Section 436.153, 436.1531, or 436.1532. The loan
 4-24 payments shall be used to reimburse the general revenue fund for
 4-25 money appropriated to pay the principal, premium if any, and
 4-26 interest on the bonds issued under Section 436.158. If loan
 4-27 payments exceed the amounts required for reimbursement, the excess
 4-28 shall first be applied to reimburse the expenses of administering
 4-29 the program and secondly deposited to the credit of the Texas
 4-30 military value revolving loan account to fund subsequent loans.

4-31 SECTION 12. Sections 436.202(b) and (c), Government Code,
 4-32 are amended to read as follows:

4-33 (b) The commission may not make a grant for an amount less
 4-34 than \$50,000 or an amount more than the lesser of:

4-35 (1) 50 percent of the amount of matching money or
 4-36 investment that the local governmental entity is required to
 4-37 provide, subject to Subsection (c);

4-38 (2) 50 percent of the local governmental entity's
 4-39 investment for purposes described by Section 436.203 if federal
 4-40 assistance is unavailable; or

4-41 (3) \$5 [~~\$2~~] million.

4-42 (c) If the local governmental entity demonstrates to the
 4-43 commission that, because of a limited budget, the entity lacks the
 4-44 resources necessary to provide 50 percent of the amount of matching
 4-45 money or investment that the entity is required to provide, the
 4-46 commission may make a grant in an amount of not more than 80 percent
 4-47 of the amount of that matching money or investment requirement but
 4-48 may not make a grant in an amount that exceeds \$5 [~~\$2~~] million.

4-49 SECTION 13. Section 436.204(b), Government Code, is amended
 4-50 to read as follows:

4-51 (b) The commission [~~office~~] may assist a local governmental
 4-52 entity in applying for a grant under this chapter.

4-53 SECTION 14. Section 481.502(a), Government Code, is amended
 4-54 to read as follows:

4-55 (a) The office and the Texas Military Preparedness
 4-56 Commission shall assist defense communities in obtaining financing
 4-57 for economic development projects that seek to address future
 4-58 realignment or closure of a defense base that is in, adjacent to, or
 4-59 near the defense community. The office shall refer the defense
 4-60 community to:

4-61 (1) a local economic development corporation created
 4-62 under the Development Corporation Act (Subtitle C1, Title 12, Local
 4-63 Government Code) for possible financing; or

4-64 (2) an appropriate state agency that has an existing
 4-65 program to provide financing for the project, including:

4-66 (A) the Texas Water Development Board; or

4-67 (B) the Texas Department of Transportation.

4-68 SECTION 15. Section 436.001(5), Government Code, is
 4-69 repealed.

5-1 SECTION 16. A rule, policy, procedure, or decision of the
5-2 Texas Economic Development and Tourism Office with respect to
5-3 functions that are transferred under this Act to the Texas Military
5-4 Preparedness Commission continues in effect as a rule, policy,
5-5 procedure, or decision of the Texas Military Preparedness
5-6 Commission until superseded by an act of that commission.
5-7 SECTION 17. This Act takes effect September 1, 2015.

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