

- SUBJECT:** Expanding use of the Texas military value revolving loan account
- COMMITTEE:** Defense and Veterans' Affairs — favorable, without amendment
- VOTE:** 9 ayes — Flynn, Tinderholt, Ashby, Hinojosa, Lopez, Lozano, Ramos, Reynolds, Romero
- 0 nays
- WITNESSES:** For — Dan Ferris, Juan Antonio Flores, and Jim Perschbach, Port San Antonio; (*Registered, but did not testify:* Jim Keffer, City of Del Rio, San Antonio Chamber of Commerce; Jeff Coyle, City of San Antonio; Tyler Schroeder, The Boeing Company)
- Against — None
- On — Keith Graf, Office of the Governor
- BACKGROUND:** Government Code ch. 436, subch. D establishes the Texas military value revolving loan account in the general revenue fund. The Texas Military Preparedness Commission may use the fund to provide financial assistance to a defense community for:
- a project that will enhance the military or defense value of a base or facility located in, near, or adjacent to the defense community;
 - an economic development project that minimizes the negative effects of a U.S. Department of Defense base realignment process occurring in 1995 or later; or
 - an infrastructure project to accommodate new or expanded military missions as a result of a base realignment process occurring in 1995 or later.
- Some have noted that the process for borrowing money from the loan account could be improved.
- DIGEST:** HB 2119 would allow Texas Military Preparedness Commission members

to participate in a meeting by telephone or other means of telecommunication or electronic communication to consider an application for a loan from the account.

Any voting conducted by telecommunication or electronic communication would be subject to the same quorum requirements of meetings where members were present in person.

The bill would require the commission to consult with the Texas Public Finance Authority in adopting a loan application form.

The bill also would authorize a defense community awarded a loan from the Texas military value revolving loan account for a project to use a portion of the proceeds to pay off other debt, including commercial debt, that was incurred for purposes of financing the project.

The bill would take effect September 1, 2019.