

## **BILL ANALYSIS**

Senate Research Center  
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S.B. 652  
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### **DIGEST AND PURPOSE**

Texas' 18 major military installations are important economic contributors to the state, producing a combined fiscal impact of \$43.4 billion in 2001 and employing some 220,000 Texans. The presence of these military bases is important not only economically but also for the increased level of security protection they offer as well as their vital historical and cultural significance.

The Texas Military Preparedness Act of 2003 has been crafted by state government and defense community leaders working together as a proactive response to the evolving transformation of national defense strategies and the infrastructure changes required to support them. The United States Department of Defense (DoD) has announced plans to facilitate this transition largely through dollar savings associated with the 2005 Base Realignment and Closure (BRAC) process which could close as much as 25 percent of DoD's base infrastructure.

As proposed S.B. 652 assists local defense communities in identifying and resourcing cooperative economic development initiatives that enhance the real military value of their installations, provides important cost saving options (e.g., reduction of installation utility rates) to reduce overall base operating costs and increase funds for training and mission needs, and institutionalizes the process of investing in Texas' military bases. S.B. 652 combines three existing state organizations to form one new commission with responsibilities for defense, aviation, and space. The bill realigns the present Texas Aerospace Commission as an advisory commission to the Office of the Governor.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Public Utility Commission of Texas in SECTION 27 (Section 39.910, Utilities Code) and to the commissioner of education in SECTION 28 .

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Provides that this act be known as the Military Preparedness Act.

SECTION 2. Sets forth legislative findings regarding the need for the Military Preparedness Act.

SECTION 3. Amends Chapter 436, Government Code, by reorganizing it into Subchapters A-D, as follows:

#### **CHAPTER 436. New heading: TEXAS DEFENSE, AVIATION, AND SPACE COMMISSION SUBCHAPTER A. GENERAL PROVISIONS**

Sec. 436.001. DEFINITION. Redefines "commission."

Sec. 436.002. COMMISSION. Provides that the Texas Defense, Aviation, and Space Commission (commission) is within the office of the governor.

Sec. 436.003. SUNSET PROVISION. Provides that the commission is subject to the Texas Sunset Act (Chapter 325), and unless continued in existence by that Act the commission is abolished and this chapter expires September 1, 2007.

[Reserves Sections 436.004-436.050 for expansion.]

## SUBCHAPTER B. ORGANIZATION AND ADMINISTRATION

Sec. 436.051. Redesignated from Section 436.003. New heading: COMPOSITION; ELIGIBILITY. (a) Provides that the commission is composed of nine members, appointed by the governor, with expertise in certain fields. Deletes text referring to ex officio members.

(b) Requires appointments to the commission to be made regardless of race, color, disability, sex, religion, age or national origin.

Sec. 436.052. Redesignated from Section 436.004. TERMS AND OFFICERS. (a) Deletes text referring to the nine commission members as public members and increases the length of the staggered terms from three to six years. Provides that the terms of one-third of the members expire February 1 of each odd-numbered year. Deletes text referring to a legislative member vacating membership on the commission.

(b) Requires the governor to designate a member of the commission as the presiding officer of the commission to serve at the pleasure of the governor. Makes a conforming change.

Sec. 436.053. Redesignated from Section 436.005. COMPENSATION AND EXPENSES. Makes conforming changes.

Sec. 436.054. Redesignated from Section 436.006. New heading: MEETINGS. Requires the commission to meet at least quarterly and authorizes the commission to meet more often as required by the presiding officer or as provided by commission rules. Deletes text referring to compliance with the open meetings law.

Sec. 436.055. CONFLICT OF INTEREST. (a) Defines "Texas trade association."

(b) Prohibits certain persons from being a member of the commission or a commission employee if employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used to establish an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938, and its subsequent amendments.

(c) Prohibits a person from being a commission member or acting as the commission's general counsel if the person is required to register as a lobbyist.

Sec. 436.056. TRAINING PROGRAM. (a) Prohibits a person appointed to and qualified for office as a member of the commission from functioning as a member in attendance until the person completes a training program in compliance with this section.

(b) Sets forth the content requirements of the training program.

(c) Provides that a person appointed to the commission is entitled to reimbursement, as provided by the General Appropriations Act, for travel expenses resulting from attending the training program.

Sec. 436.057. REMOVAL. (a) Sets forth the grounds for removal from the commission.

(b) Provides that an action of the commission is valid even if a ground for removal of a commission member exists.

(c) Requires the executive director to inform the presiding officer of any known potential ground for removal, and requires the presiding officer to inform the governor. Requires the executive director to inform the next highest ranking

officer who will then inform the governor, if the potential ground for removal involves the presiding officer.

Sec. 436.058. EXECUTIVE DIRECTOR. (a) Requires the commission to hire an executive director to serve as the chief executive officer and perform the administrative duties of the commission.

(b) Provides that the executive director serves at the will of the commission.

(c) Authorizes the executive director to hire staff.

Sec. 436.059. PUBLIC ACCESS. Requires the commission to structure itself to provide the public with reasonable access to appear before the commission to speak on any issue under the commission's jurisdiction.

Sec. 436.060. EQUAL EMPLOYMENT OPPORTUNITY. (a) Requires the executive director or a designee to prepare, maintain, and implement an equal employment opportunity policy statement.

(b) Sets forth the required contents of the equal employment opportunity statement.

(c) Sets forth the required maintenance and filing of the equal employment opportunity statement.

Sec. 436.061. QUALIFICATIONS AND STANDARDS OF CONDUCT. Requires the executive director, or a designee thereof, to provide to commission members as often as necessary information on requirements for office or employment, including responsibilities relating to standard of conduct for state officers or employees.

Sec. 436.062. STATE EMPLOYEE INCENTIVE PROGRAM. Requires the executive director, or a designee thereof, to provide commission employees with information and training on benefits and methods of participation in the State Employee Incentive Program.

Sec. 436.063. COMPLAINTS. (a) Requires the commission to maintain a file on each written complaint filed with the commission. Sets forth the required contents of the file.

(b) Requires the commission to provide a copy of the commission's complaint investigation policies and procedures to the person filing the complaint and each subject of the complaint.

(c) Requires the commission to provide the status of the investigation to the person filing the complaint and each subject of the complaint, unless to do so would jeopardize an undercover investigation.

Sec. 436.064. USE OF ALTERNATIVE PROCEDURES. (a) Requires the commission to develop policies and procedures that encourage certain rulemaking and dispute resolution processes.

(b) Requires commission procedures relating to alternative dispute resolution to conform to any model guidelines issued by the State Office of Administrative Hearings, to the extent possible.

(c) Requires the commission to designate a trained person to perform certain duties related to Subsection (a).

Sec. 436.065. TECHNOLOGY POLICY. Requires the commission to develop and implement a policy requiring commission staff to research and propose technological

solutions to improve performance. Sets forth the required characteristics of the solutions.

[Reserves Sections 436.066-436.100 for expansion.]

#### SUBCHAPTER C. POWERS AND DUTIES

Section 436.007. Deletes this section (Applicability of Advisory Committee Law).

Sec. 436.101. Redesignated from Section 436.008. POWERS AND DUTIES OF COMMISSION. Requires the commission to engage in certain duties:

- (1) Requires the commission to advise the governor and the legislature, not the Office of Defense Affairs in the Texas Department of Economic Development, on certain issues. Makes a conforming change.
- (2) Requires the commission to make certain recommendations. Makes conforming and a nonsubstantive changes.
- (3) Requires the commission to develop and maintain databases of the names and public business information of all prime defense-related contractors and subcontractors in this state.
- (4) Requires the commission to provide information to certain populations about federal actions affecting military installations and missions.
- (5) Requires the commission to serve as a clearinghouse for certain types of information.
- (6) Requires the commission to provide assistance to communities that have experienced a defense-related closure or realignment.
- (7) Requires the commission to assist communities in designing and executing programs that enhance their relationship with military installations and defense-related businesses.
- (8) Requires the commission to assist communities in retaining and recruiting defense-related businesses.
- (9) Requires the commission to prepare a strategic plan to enhance the military value of Texas military installations to national defense strategies and consider current and future base realignment and closure criteria.
- (10) Requires the commission to foster industry development related to the commercialization of space. Deletes text referring to a required report.

Sec. 436.102. CONSULTING AGREEMENTS. Authorizes the commission to contract with a consulting firm for information and assistance on a pending federal agency decision regarding military installations and defense-related business in this state, with prior approval of the governor.

Sec. 436.103. SPACE RESEARCH AND OPERATIONS. Requires the commission to analyze current space-related research and operations in this state and authorize the commission to actively work toward furthering those activities.

Sec. 436.104. ANNUAL REPORT; ANNUAL MEETING. (a) Defines “state agency.”

- (b) Requires the commission to prepare and submit to the governor and legislature a report, not later than July 1, about the active military installations and the communities that depend on them and defense-related businesses in this state.

Sets forth the required content of the report.

(c) Requires state agencies to cooperate with and assist the commission in preparing the report by providing certain pieces of information.

(d) Requires the commission to coordinate an annual meeting with the head of each state agency or member of the legislature whose district contains an active, closed, or realigned military installation to discuss implementation of recommendations outlined in the report requires under Subsection (b).

Sec. 436.105. AVIATION AND SPACE; REPORT TO LEGISLATURE. Requires the commission to report on its aviation and space-related activities to the legislature, not later than the 30th day of each regular session of the legislature.

Sec. 436.106. COORDINATING ASSISTANCE FOR EVALUATION OF MILITARY BASE. Authorizes a base commander to request the commission to coordinate assistance from other state agencies in preparing evaluation criteria for the base realignment or closure process. Requires state agencies to give such a request top priority. Deletes text referring to administrative support.

[Reserves Sections 436.107-436.150 for expansion.]

#### SUBCHAPTER D. FISCAL PROVISIONS

Sec. 436.151. LOANS. (a) Authorizes the commission to provide loans to certain political subdivisions for projects that will enhance the military value of a military facility in or adjacent to the political subdivision.

(b) Requires the commission, upon receipt of the loan application, to analyze the project with the criteria the United States Department of Defense uses to evaluate military bases in the base realignment and closure process and authorizes the commission to award a loan if based on that criteria it determines that the project will enhance the military value of the facility.

(c) Authorizes the commission to provide a loan only for a project included in the political subdivision's statement under Section 393.022 (Defense Base Military Value Enhancement Statement), Local Government Code, or to prepare a comprehensive defense installation and community strategic impact plan under Section 393.023 (Comprehensive Defense Installation and Community Strategic Impact Plan), Local Government Code.

(d) Requires a project financed with a loan under this section to be completed on or before the fifth anniversary of the date the loan is awarded.

(e) Prohibits the amount of the loan from exceeding one-half of the total cost of the project.

Sec. 436.152. TEXAS MILITARY PREPAREDNESS REVOLVING LOAN ACCOUNT. (a) Provides that the Texas military preparedness revolving account is in the general revenue fund.

(b) Authorizes use of this account only for loans made under this subchapter.

(c) Requires the commission to deposit all loan payments on loans made under Section 436.151 (Loans) to the credit of the account.

Sec. 436.153. GIFTS AND GRANTS. Authorizes the commission to solicit and accept gifts and grants from any source for the purpose of this chapter. Requires the commission to deposit a gift or grant to the credit of the specific account established for the purpose of

the grant or any of the commission's accounts created under this chapter if there is no specific account designated.

Sec. 436.154. ISSUANCE OF GENERAL OBLIGATION BONDS FOR MILITARY PREPAREDNESS ACCOUNT. (a) Authorizes the Texas Public Finance Authority to issue and sell general obligation bonds of the state, as authorized by the Texas Constitution, to provide money to establish the Texas military preparedness revolving loan account. Authorizes the issuance of the bonds in one or several installments.

(b) Requires bond proceeds to be deposited in the Texas military preparedness revolving loan account.

(c) Provides that the bonds must mature not later than the 25th anniversary of their issuance.

SECTION 4. Amends Section 482.001, Government Code, by amending Subsections (a) and (b) and adding Subsection (i), as follows:

(a) Provides that the Texas Aerospace Commission is an advisory committee to the governor, not an agency of the state.

(b) Deletes the requirement that Texas Aerospace Commission members be appointed with the advice and consent of the senate.

(i) Requires the Texas Aerospace Commission to advise the governor on issues relating to aviation and space.

SECTION 5. Amends Section 486.051(3), Government Code, to redefine "office."

SECTION 6. Amends Section 486.052, Government Code, by adding Subsection (d), to require the Texas Defense, Aviation, and Space Commission (office) to give first priority to awarding loans according to the economic development needs of eligible communities with neighboring federal military installations that, before January 1, 2006, are publically proposed for action by the department of defense or applicable military department under the base realignment and closure process. Provides that this subsection expires September 1, 2007.

SECTION 7. Amends Section 4D(j), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), to require the Texas Defense, Aviation, and Space Commission, not the Texas Aerospace Commission, and the Texas Higher Education Coordinating Board to cooperate with a board of directors in carrying out the subsection.

SECTION 8. Amends Section 4E(h), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), to make a conforming change.

SECTION 9. Amends Section 2056.002(b), Government Code, to include in the required content of an agency's strategic plan, an analysis of the agency's expected expenditures that relate to federally owned or operated military installations or facilities, or communities where such facilities are located. Redesignates Subsection (10) as Subsection (11).

SECTION 10. Amends Chapter 2056, Government Code, by adding Section 2056.0065, as follows:

Sec. 2056.0065. GOALS: EMPHASIS ON ENHANCING MILITARY FACILITIES. (a) Requires a state agency to consider enhancing military value of federally owned or operated military installations or facilities when establishing agency goals. Provides that the state agency is encouraged to use the most current Texas Defense, Aviation, and Space Commission criteria in making that evaluation.

(b) Requires the state agency to make an expenditure high priority if, based on

base realignment and closure criteria, the agency determines it will enhance the military value of a federally owned or operated military installation or facility.

SECTION 11. Amends Chapter 2167A, Government Code, by adding Section 2167.009, as follows:

Sec. 2167.009. **CONSIDERATION TO MILITARY INSTALLATION.** Requires the private brokerage or real estate firm assisting the Texas Building and Procurement Commission to give consideration to a federally owned or operated military installation or facility in leasing space for the use of a state agency.

SECTION 12. Amends Chapter 380, Local Government Code, by adding Section 380.004, as follows:

Sec. 380.004. **REVIEW OF BUILDINGS ON MILITARY FACILITY.** (a) Requires the largest municipality contiguous to a federally owned or operated military installation or facility in this state to review buildings thereon to determine whether they comply with the municipality's building, plumbing, mechanical, or other related municipal code. Provides that if a federally owned or operated military installation or facility in this state is not contiguous to a municipality, the largest municipality located within 25 miles of the military installation or facility's boundaries is required to perform the review.

(b) Requires the municipality to appoint a liaison to coordinate the review with the Texas Defense, Aviation, and Space Commission. Requires the Texas Defense, Aviation, and Space Commission to establish the parameters and obtain approval of appropriate federal authorities for each review.

(c) Requires the municipality to report the review results to the Texas Defense, Aviation, and Space Commission not later than February 1, 2004. Requires the report to describe each code violation at the military installation or facility and methods and costs to correct the violation.

(d) Authorizes the municipality to contract with a private entity to perform the required review.

(e) Provides that this section does not affect whether municipal codes are considered to apply to a military building.

(f) Provides that this section expires on September 1, 2005.

SECTION 13. Amends the heading of Chapter 393, Local Government Code, to read as follows:

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

SECTION 14. Amends Chapter 393, Local Government Code, by designating Sections 393.001-393.010 as Subchapter A and adding a heading to read as follows:

**SUBCHAPTER A. HOUSING**

SECTION 15. Amends Section 393.001, Local Government Code, to make a conforming change.

SECTION 16. Amends Section 393.002(b), Local Government Code, to make a conforming change.

SECTION 17. Amends Section 393.004, Local Government Code, to make a conforming change.

SECTION 18. Amends Section 393.006(a), Local Government Code, to make a conforming change.

SECTION 19. Amends Section 393.009(a), Local Government Code, to make a conforming change.

SECTION 20. Amends Section 393.010(a), Local Government Code, to make a conforming change.

SECTION 21. Amends Chapter 393, Local Government Code, by adding Subchapter B, as follows:

**SUBCHAPTER B. STRATEGIC PLANNING RELATING TO MILITARY  
INSTALLATIONS**

Sec. 393.021. DEFINITIONS. Defines “defense base” and “defense community.”

Sec. 393.022. DEFENSE BASE MILITARY VALUE ENHANCEMENT STATEMENT. (a) Requires a defense community that applies for financial assistance from the Texas military preparedness revolving loan account to prepare, in consultation with each defense base associated with the community, a defense base military value enhancement statement illustrating specifically how the funds will enhance the military value of the installations. Sets forth the required components of the statement.

(b) Authorizes the commission to require additional information from a defense community to evaluate a community’s request for funds.

(c) Authorizes two or more defense communities near the same defense base to prepare a joint statement for inclusion in the application for financial assistance under the Texas military preparedness revolving loan account.

(d) Requires that a copy of the defense base military value enhancement be distributed to the authorities of each defense base included in the statement and to the commission.

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

Sec. 393.023. COMPREHENSIVE DEFENSE INSTALLATION AND COMMUNITY STRATEGIC IMPACT PLAN. (a) Authorizes a defense community to request financial assistance from the Texas military preparedness revolving loan account to prepare a comprehensive defense installation and community strategic impact plan stating the defense community’s long-range goals and development proposals relating to certain purposes.

(b) Provides that the comprehensive defense installation and community strategic impact plan should include, if appropriate, maps, diagrams and text to support its proposals and certain other elements as they relate to each defense base included in the plan.

(c) Authorizes two or more defense communities near the same defense base to prepare a joint plan.

Sec. 393.024. PLANNING MANUAL. Provides that a defense community that has prepared a comprehensive defense installation and community strategic impact plan described by Section 393.024 (Comprehensive Defense Installation and Community Strategic Impact Plan) is encouraged to develop, in coordination with the authorities of each associated defense base, a planning manual based on the proposals in the plan.

Provides that the manual should adopt guidelines for community planning and development to further the purposes described under Section 393.022 (Defense Base Military Value Enhancement Statement). Provides that the defense community should consult with defense base authorities periodically regarding any changes needed in the planning manual guidelines adopted under this section.

Sec. 393.025. **CONSULTATION WITH DEFENSE BASE AUTHORITIES.** Requires the defense community to seek comments and analysis from the defense base authorities on the compatibility of any proposed ordinance, rule, or plan with base operations. Requires the defense community to consider and analyze the comments and analysis before making a final decision on the proposed ordinance, rule, or plan.

**SECTION 22.** Amends Chapter 161F, Natural Resources Code, by adding Sections 161.2311 and 161.2312, as follows:

Sec. 161.2311. **AGREEMENT TO DEVELOP LAND ACQUIRED FROM FORMER MILITARY FACILITY.** (a) Authorizes a municipality or county to enter into an agreement with the Veterans' Land Board (VLB) to develop all or part of land acquired as a result of a closed or realigned military installation or facility.

(b) Sets forth the required components of the agreement.

(c) Provides that Section 161.281 (Selection of Land) does not apply to the sale or development of land under this section.

Sec. 161.2312. **DEVELOPMENT OF SUBDIVISION ON FORMER MILITARY FACILITY LAND.** (a) Authorizes the VLB to contract with one or more private persons to build single-family houses for veterans who purchase land in the subdivision from the VLB. Sets forth what the agreement may provide.

(b) Requires the builder to market the subdivision to veterans in the same manner that private housing development projects are marketed to the general public.

(c) Provides that Section 161.281 (Selection of Land) does not apply to the sale or development of land under this section.

**SECTION 23.** Amends Section 35.101(2), Utilities Code, to redefine "public retail customer."

**SECTION 24.** Amends Section 35.102, Utilities Code, as follows:

Sec. 35.102. **STATE AUTHORITY TO SELL OR CONVEY POWER.** (a) Creates this subsection out of existing text. Includes natural gas in the specification of what a member of the Public Utility Commission of Texas can sell or convey on behalf of the state.

(b) Creates this subsection out of existing text. Makes conforming changes.

**SECTION 25.** Amends Chapter 36H, Utilities Code, by adding Section 36.354, as follows:

Sec. 36.354. **DISCOUNTED RATES FOR MILITARY BASES.** (a) Requires each municipally owned utility, electric cooperative, or electric utility in an area without customer choice or where the Public Utility Commission (PUC) has delayed customer choice implementation in accordance with Section 39.103 (Commission Authority to Delay Competition and Set New Rates) to discount charges for electric service provided to a military base, notwithstanding any other provision of this title.

(b) Provides that the discount under Subsection (a) is 20 percent.

(c) Provides that an electric utility, municipally owned utility, or an electric cooperative is not required to comply with this section if it would result in

revenue greater than one percent of the utility's total annual revenues.

(d) Authorizes an electric utility, municipally owned utility, or an electric cooperative to recover from retail and wholesale customers any assigned and allocated costs of serving a military base receiving the discount under Subsection (a).

(e) Requires each electric utility to file a tariff with the commission reflecting the discount required by Subsection (a) and authorizes the electric utility to file a tariff proposing a cost recovery mechanism provided for by Subsection (d). Provides that an initial tariff filed under this subsection is not a rate change.

SECTION 26. Amends Chapter 39H, Utilities Code, by adding Section 39.3535, as follows:

Sec. 39.3535. **MILITARY BASES AGGREGATORS.** (a) Defines "military bases aggregator."

(b) Provides that it is the state's policy to encourage military bases to aggregate their facilities to create a single purchasing unit to reduce the cost of electricity used by the bases. Requires the PUC to assist a military bases aggregator to evaluate offers from providers, upon request.

(c) Authorizes an aggregator registered under another section of this subchapter to provide aggregation services to military bases.

(d) Sets forth who may register as a military bases aggregator to exclusively serve military bases.

(e) Exempts a registered military bases aggregator under Subsection (d) from customer protection provisions, disclosure requirements, or marketing guidelines prescribed by this title or established by the commission while providing aggregation services exclusively to military bases.

(f) Requires the commission to expedite consideration of an application submitted by an applicant for registration under Subsection (d).

SECTION 27. Amends Chapter 39Z, Utilities Code, by adding Section 39.910, as follows:

Sec. 39.910. **INCENTIVE PROGRAM AND GOAL FOR ENERGY EFFICIENCY FOR MILITARY BASES.** (a) Requires the PUC to establish, by rule, an electric energy efficiency incentive program, design to offer a variety of choices for the installation of energy efficiency devices or other alternatives at military bases to reduce energy consumption and costs.

(b) Requires PUC to establish a goal to reduce electricity consumption by military bases by five percent, compared to 2002 levels, before January 1, 2005.

(c) Authorizes PUC to approve a nonbypassable rate mechanism to recover costs associated with the program.

(d) Requires and electric utility to administer the program in a market-neutral nondiscriminatory manner. Prohibits the electric utility from offering underlying competitive services.

SECTION 28. (a) Requires the Texas Education Agency (TEA) to develop and implement a plan not later than December 1, 2003, addressing the educational needs of military dependents required to transfer into, out of, or between public schools in this state as a result of military relocation. Sets forth the required content of the plan.

(b) Authorizes modifying the TEA plan to include allowing a military dependent who is a student transferring into a public school in this state during the last 30 days of the semester from out of state to postpone taking high stakes or exit examination until the next administration of the examination upon request of the student's parents or legal guardian.

(c) Provides that TEA is encouraged to consult with relevant state agencies during the development and implementation of the plan.

(d) Authorizes the commissioner of education to adopt rules to implement the plan.

(e) Requires TEA to prepare and submit a report to the legislature no later than December 1, 2004, describing the plan. Sets forth additional required content of the report.

SECTION 29. Repealer: Section 481.0065 (Office of Defense Affairs), Section 482.002 (Texas Aerospace Commission, General Provisions), Section 482.003 (Texas Aerospace Commission, General Powers and Duties of the Commission), and Section 482.004 (Texas Aerospace Commission, Spaceport Trust Fund), Government Code, and Section 502.271 (Registration of Vehicles, Texas Aerospace Commission License Plates) Transportation Code.

SECTION 30. (a) Requires the governor to appoint the initial members of the Texas Defense, Aviation, and Space Commission (commission) not later than November 1, 2003, with three members' terms expiring February 1, 2005, three members' terms expiring February 1, 2007, and three members' terms expiring February 1, 2009. Prohibits the commission from taking action until a majority of members have taken office.

(b) Requires the commission to employ an executive director not later than December 1, 2003.

(c) Requires the governor to select a presiding officer not later than the 60th day after the first commission meeting.

SECTION 31. (a) Provides that on the date by which a majority of the member of the Texas Defense, Aviation, and Space Commission (commission) have taken office the Office of Defense Affairs (ODA) is abolished with all relevant powers, responsibilities, and funds transferring to the commission.

(b) Provides that the transfer of the powers and duties of the ODA does not affect the validity of a right, privilege, or obligation accrued, a contract or acquisition made, any liability incurred, a permit or license issued, any penalty, forfeiture, or punishment assessed, a rule adopted, a proceeding, investigation, or remedy begun, a decision made, or other action taken by or in connection with the ODA.

(c) Continues all rules, policies, procedures, and decisions of the ODA in effect as rules, policies, procedures, and decisions of the Texas Defense, Aviation, and Space Commission until superseded by a rule or other appropriate action of the Texas Defense, Aviation, and Space Commission.

(d) Provides that any action before the ODA transfers to the commission without a change in status and the commission assumes the ODA's position without a change in status.

(e) Authorizes the commission to employ the same number of full-time equivalent employees as the ODA.

(f) Provides that funds, foundations, or accounts administered by the ODA are considered transferred to the commission, not abolished.

(g) Requires the ODA to continue to exercise its powers and perform its duties until the

date it is abolished.

SECTION 32. (a) Provides that on the date by which a majority of the member of the Texas Defense, Aviation, and Space Commission (commission) have taken office the Texas Strategic Military Planning Commission is abolished with all relevant powers, responsibilities, and funds transferring to the commission.

(b) Provides that the transfer of the powers and duties of the Texas Strategic Military Planning Commission does not affect the validity of a right, privilege, or obligation accrued, a contract or acquisition made, any liability incurred, a permit or license issued, any penalty, forfeiture, or punishment assessed, a rule adopted, a proceeding, investigation, or remedy begun, a decision made, or other action taken by or in connection with the Texas Strategic Military Planning Commission.

(c) Continues all rules, policies, procedures, and decisions of the Texas Strategic Military Planning Commission in effect as rules, policies, procedures, and decisions of the Texas Defense, Aviation, and Space Commission until superseded by a rule or other appropriate action of the Texas Defense, Aviation, and Space Commission.

(d) Provides that any action before the Texas Strategic Military Planning Commission transfers to the commission without a change in status and the commission assumes the Texas Strategic Military Planning Commission's position without a change in status.

(e) Authorizes the commission to employ the same number of full-time equivalent employees as the Texas Strategic Military Planning Commission.

(f) Provides that funds, foundations, or accounts administered by the Texas Strategic Military Planning Commission are considered transferred to the commission, not abolished.

(g) Requires the Texas Strategic Military Planning Commission to continue to exercise its powers and perform its duties until the date it is abolished.

SECTION 33. (a) Transfers on the date by which a majority of the members of the Texas Defense, Aviation, and Space Commission have taken office, all powers, duties, obligations, rights, contracts, leases, records, personnel, property, and unspent and unobligated appropriations and other funds of the Texas Aerospace Commission (TAC) to the Texas Defense, Aviation, and Space Commission.

(b) Provides that the transfer of the powers and duties of the TAC does not affect the validity of a right, privilege, or obligation accrued, a contract or acquisition made, any liability incurred, a permit or license issued, any penalty, forfeiture, or punishment assessed, a rule adopted, a proceeding, investigation, or remedy begun, a decision made, or other action taken by or in connection with the TAC.

(c) Continues all rules, policies, procedures, and decisions of the TAC in effect as rules, policies, procedures, and decisions of the Texas Defense, Aviation, and Space Commission until superseded by a rule or other appropriate action of the Texas Defense, Aviation, and Space Commission.

(d) Transfers any action or proceeding before the TAC without change in status to the Texas Defense, Aviation, and Space Commission, and the Texas Defense, Aviation, and Space Commission assumes, without a change in status, the position of the TAC in any action or proceeding to which the TAC is a party.

(e) Authorizes the Texas Defense, Aviation, and Space Commission to employ the same number of full-time equivalent employees as the TAC to exercise the powers and perform the duties transferred under this section.

(f) Provides that a fund, foundation, or account administered by the TAC is not considered to be abolished and re-created by this Act but is considered to be transferred to the Texas Defense, Aviation, and Space Commission.

(g) Requires the TAC until the date the TAC is transferred as provided by Subsection (a) of this section, to continue to exercise the powers and perform duties assigned to the TAC under the law as it existed immediately before the effective date of this Act or as modified by another Act of the 78th Legislature, Regular Session, 2003, that becomes law, and the former law is continued in effect for that purpose.

SECTION 34. Authorizes the executive director of the Texas Defense, Aviation, and Space Commission to change the duties of any employee who is transferred to the Texas Defense, Aviation, and Space Commission.

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

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

SECTION 37. Recreates the community infrastructure development revolving loan account described by Section 486.053, Government Code, as a separate account in the general revenue fund. Rededicates any money in the account for the purposes described by Section 486.053(b), Government Code.

SECTION 38. Effective date: (a) Upon passage or September 1, 2003, except as provided by Subsection (b).

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