

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 787
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Veteran Affairs & Military Installations
5/20/2015
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that, with an upcoming Defense Base Closure and Realignment Commission (BRAC) study, the responsibility of the Texas Military Preparedness Commission (TMPC) to assist Texas' many military installations in meeting economic challenges is more important than ever. These parties further note that in a recent review of TMPC by the Sunset Advisory Commission, the administrative structure of TMPC was identified as in need of improvement and that TMPC could maximize its assistance to the military community through greater correspondence with the office of the governor. C.S.H.B. 787 seeks to take additional strides in responding to sunset recommendations and enhance the ability of the commission to focus on assisting in the economic development, preservation, and growth of Texas military and defense communities.

C.S.H.B. 787 amends current law relating to the Texas Military Preparedness Commission and strategic planning regarding military bases and defense installations.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas Economic Development and Tourism Office in the office of the governor is transferred to the Texas Military Preparedness Commission in SECTION 10 (Section 436.154, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 436.002, Government Code, as follows:

Sec. 436.002. COMMISSION. Provides that the Texas Military Preparedness Commission (TMPC) is attached for administrative purpose to the office of the governor, rather than is within the Texas Economic Development and Tourism Office in the office of the governor. Deletes existing text requiring TMPC to report to the executive director of the Texas Economic Development and Tourism Office in the office of the governor.

SECTION 2. Amends Section 436.0561(b), Government Code, to require that the training program provide the person with certain information, including information regarding any applicable ethics policies adopted by TMPC or the Texas Ethics Commission (TEC), rather than the office, TMPC, or TEC.

SECTION 3. Amends Section 436.057, Government Code, by adding Subsection (b) and amending Subsection (c), as follows:

(b) Requires the director of TMPC (director) to hire at least one full-time employee who is knowledgeable about or has experience with military installations.

(c) Authorizes the director to hire other staff within the guidelines established by TMPC. Deletes existing text requiring the governor to determine the staff for TMPC.

SECTION 4. Amends the heading to Section 436.105, Government Code, to read as follows:

Sec. 436.105. MILITARY BASE REALIGNMENT AND CLOSURE TASK FORCE; EXPIRATION DATE.

SECTION 5. Amends Section 436.105, Government Code, by adding Subsections (b-1) and (d), as follows:

(b-1) Entitles a member of the Military Base Realignment and Closure Task Force (task force) to reimbursement for travel expenses.

(d) Abolishes the task force and provides that this section expires September 1, 2019.

SECTION 6. Amends Section 436.152(d), Government Code, as follows:

(d) Requires TMPC to refer the defense community to the appropriate state agency that has an existing program to provide financing for each project identified in the community's military base or defense facility value enhancement statement that adds military or defense value to a military base or defense facility. Authorizes TMPC, rather than the office, if there is no existing program to finance a project, to provide a loan of financial assistance to the defense community for the project.

SECTION 7. Amends Sections 436.153(a) through (g), Government Code, as follows:

(a) Changes a reference to the office to TMPC.

(b) Requires TMPC, rather than the office, in receiving an application for a loan under this section, to confirm, rather than to confirm with TMPC, that the project adds military or defense value to the military base or defense facility.

(c) Changes references to the office to TMPC.

(d) Provides that if TMPC confirms that the funds will be used to enhance the military or defense value of the military base or defense facility based on the base realignment and closure criteria, to overcome an action of the United States Department of Defense that will negatively impact the military base or defense facility, or for the recruitment or retention of a defense facility and TMPC, rather than the office, determines that the project is financially feasible, TMPC, rather than the executive director of the office, may award a loan to the defense community for the project. Requires TMPC to enter into a written agreement with a defense community that is awarded a loan. Requires that the agreement contain the terms and conditions of the loan, including the loan repayment requirements. Deletes a reference to the office.

(e) Requires TMPC to notify the Texas Public Finance Authority (TPFA) of the amount of the loan and the recipient of the loan and request the authority to issue general obligation bonds in an amount necessary to fund the loan. Requires TMPC and TPFA to determine the amount and time of a bond issue to best provide funds for one or multiple loans. Changes references to the office to TMPC.

(f) and (g) Changes references to the office to TMPC.

SECTION 8. Amends Sections 436.1531(a), (c), (d), (e), and (f), Government Code, to change references to the office to TMPC.

SECTION 9. Amends Sections 436.1532(a), (c), (d), (e), and (f), Government Code, to change references to the office to TMPC.

SECTION 10. Amends Section 436.154, Government Code, as follows:

Sec. 436.154. LOAN PROCESS. (a) Requires TMPC, rather than the office, to adopt rules, in consultation with TPFA, that contain the criteria for evaluating the credit of a

loan applicant and the financial feasibility of a project. Changes references to the office to TMPC.

(b) Changes references to the office to TMPC.

SECTION 11. Amends Section 436.156(c), Government Code, to change a reference to the office to TMPC.

SECTION 12. Amends Sections 436.202(b) and (c), Government Code, as follows:

(b) Prohibits TMPC from making a grant for an amount less than \$50,000 or an amount more than the lesser of 50 percent of certain amounts or \$5 million, rather than \$2 million.

(c) Changes a reference to \$2 million to \$5 million.

SECTION 13. Amends Section 436.204(b), Government Code, to change a reference to the office to TMPC.

SECTION 14. Amends Section 481.502(a), Government Code, as follows:

(a) Requires the office and TMPC to assist defense communities in obtaining financing for economic development projects that seek to address future realignment or closure of a defense base that is in, adjacent to, or near the defense community. Makes no further change to this subsection.

SECTION 15. Repealer: Section 436.001(5) (defining "office"), Government Code.

SECTION 16. Provides that a rule, policy, procedure, or decision of the Texas Economic Development and Tourism Office with respect to functions that are transferred by this Act to TMPC continues in effect as a rule, policy, procedure, or decision of TMPC until superseded by an act of that commission.

SECTION 17. Effective date: September 1, 2015.