

## **BILL ANALYSIS**

Senate Research Center  
86R6887 MCK-D

H.B. 2119  
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5/6/2019  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The Texas Legislature, in creating a framework for supporting the redevelopment of closed military installations, as well as to help local communities enhance the value of active military installations, established two programs: the Defense Economic Adjustment Assistance Grant (DEAAG), which provides grants funds towards these efforts; and the Texas Military Value Revolving Loan Fund. As envisioned by the 78th Texas Legislature, this revolving loan fund was created to offer a low-cost alternative for military communities to fund needed projects for either base redevelopment, or to enhance and protect active installations.

This proposed legislation would do three things to make the borrowing process more efficient: It would provide a mechanism for the Texas Military Preparedness Commission (TMPC) to approve projects by electronic vote and/or teleconference meetings, to expedite consideration of applications.

TMPC would thus have the authority to, upon the favorable recommendation of the executive director, vote electronically (by e-mail) or by telephone on applications. Secondly, the bill would allow for TMPC and the Texas Public Finance Authority to create a single, common application, to streamline the borrowing process that involves review and approval by both entities. Lastly, the bill would clarify that loan proceeds could be used to pay off other debt, including commercial debt, incurred for purposes of financing an eligible project. This Act takes effect September 1, 2019.

H.B. 2119 amends current law relating to the application for and loans from the Texas military value revolving loan account.

### **RULEMAKING AUTHORITY**

Rulemaking authority previously granted to the Texas Military Preparedness Commission is modified in SECTION 3 (Section 436.154, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 436.054, Government Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Provides that the Texas Military Preparedness Commission (TMPC) is a governmental body for purposes of the open meetings law, Chapter 551 (Definitions). Provides that, except as otherwise provided by Subsection (c), Chapter 551 applies to a meeting of TMPC.

(c) Authorizes TMPC to allow for members' participation in a meeting by telephone or other means of telecommunication or electronic communication to consider an application for a loan from the Texas military value revolving loan account. Requires any voting conducted by telephone or other means of telecommunication or electronic communication to be subject to the same quorum requirements of meetings where members are present in person.

SECTION 2. Amends Subchapter D, Chapter 436, Government Code, by adding Section 436.1533, as follows:

Sec. 436.1533. USE OF LOAN PROCEEDS TO PAY OTHER DEBT INCURRED TO FINANCE PROJECT. Authorizes a defense community awarded a loan of financial assistance from the Texas military value revolving loan account for an eligible project under this subchapter (General Provisions) to use a portion of the loan proceeds to pay off other debt, including commercial debt, the defense community incurred for purposes of financing the project.

SECTION 3. Amends Section 436.154(a), Government Code, to require TMPC to adopt rules, in consultation with the Texas Public Finance Authority, that contain the criteria for evaluating the credit of a loan applicant and the financial feasibility of a project. Requires TMPC, in consultation with the Texas Public Finance Authority, to also adopt a loan application form. Authorizes the application form to include certain financial information.

SECTION 4. Effective date: September 1, 2019.