

## **BILL ANALYSIS**

Senate Research Center  
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H.B. 787  
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Veteran Affairs & Military Installations  
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Engrossed

### **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. 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.

H.B. 787 amends current law relating to the Texas Military Preparedness Commission.

### **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 9 (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 within the office of the governor, rather than the Texas Economic Development and Tourism Office in the office of the governor, and is required to report to the governor or the governor's designee, rather than to the executive director of the office.

SECTION 2. Amends Subchapter A, Chapter 436, Government Code, by adding Section 436.003, as follows:

Sec. 436.003. SUNSET PROVISION. Provides that TMPC is subject to Chapter 325 (Texas Sunset Act). Abolishes TMPC, unless continued in existence as provided by that chapter, and provides that this chapter expires September 1, 2027.

SECTION 3. 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 4. Amends Section 436.057, Government Code, by adding Subsection (b) to provide that the director serves at the will of TMPC.

SECTION 5. 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 6. 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 determines, rather than 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 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 of the recipient of the loan and to 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 7. Amends Sections 436.1531(a), (c), (d), (e), and (f), Government Code, as follows:

(a) and (c) Changes references to the office to TMPC.

(d) Authorizes TMPC, if TMPC determines that the funds will be used to finance an economic development project that will reduce the negative effects of a defense base reduction on the defense community and determines that the project is financially feasible, to 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. Changes references to the office to TMPC.

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

SECTION 8. Amends Sections 436.1532(a), (c), (d), (e), and (f), Government Code, to change references to the office to TMPC.

SECTION 9. 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 10. Amends Section 436.156(c), Government Code, to change a reference to the office to TMPC.

SECTION 11. Amends Section 436.204(b), Government Code, to change a reference to the office to TMPC.

SECTION 12. Transfers Subchapter DD, Chapter 481, Government Code, to Chapter 436, Government Code, redesignates it as Subchapter F, Chapter 436, Government Code, and amends it, as follows:

#### SUBCHAPTER F. DEFENSE COMMUNITY ASSISTANCE

Sec. 436.251. New heading: DEFINITION. Redesignates existing Section 481.501 as Section 436.251. Deletes existing definition of "defense community" and makes a nonsubstantive change.

Sec. 436.252. FINANCIAL ASSISTANCE. Redesignates existing Section 481.502 as Section 436.252. (a) Changes references to the office to TMPC.

(b) Makes no change to this subsection.

Sec. 436.253. MEMORANDUM OF UNDERSTANDING. Redesignates existing Section 481.503 as Section 436.253. Changes a reference to the office to TMPC.

Sec. 436.254. SECURITY FOR LOANS. Redesignates existing Section 481.504 as Section 436.254. Makes a conforming change.

SECTION 13. Repealer: Section 436.001(5) (defining "office"), Government Code.

SECTION 14. 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 15. This Act takes effect September 1, 2015.