

GOVERNMENT CODE

TITLE 4. EXECUTIVE BRANCH

SUBTITLE C. STATE MILITARY FORCES AND VETERANS

CHAPTER 436. TEXAS MILITARY PREPAREDNESS COMMISSION

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 436.001. DEFINITIONS. In this chapter:

(1) "Commission" means the Texas Military Preparedness Commission.

(2) "Defense community" has the meaning assigned by Section 397.001, Local Government Code.

(3) "Defense worker" means:

(A) an employee of the United States Department of Defense, including a member of the armed forces and a government civilian worker;

(B) an employee of a government agency or private business, or entity providing a department of defense related function, who is employed at a defense facility;

(C) an employee of a business that directly provides services or products to the department of defense and whose job is directly dependent on defense expenditures; or

(D) an employee or private contractor employed by the United States Department of Energy working on a defense or department of energy facility in support of a department of defense related project.

(4) "Defense worker job" means a department of defense authorized permanent position or a position held or occupied by one or more defense workers for more than 12 months.

(5) Repealed by Acts 2015, 84th Leg., R.S., Ch. 330 , Sec. 15, eff. September 1, 2015.

(6) "Panel" means the commission's defense economic adjustment assistance panel.

(7) "Texas Commanders Council" means the consortium of commanding officers of the military installations in this state.

Amended by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. 2546), Sec. 1, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. 1200), Sec. 1, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. 1358), Sec. 15, eff. September 1, 2015.

Sec. 436.002. COMMISSION. The commission is attached for administrative purposes to the office of the governor.

Amended by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. 2546), Sec. 2, eff. September 1, 2009.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. 1358), Sec. 1, eff. September 1, 2015.

#### SUBCHAPTER B. ORGANIZATION AND ADMINISTRATION

Sec. 436.051. COMPOSITION; ELIGIBILITY. (a) The commission is composed of:

- (1) 13 public members, appointed by the governor; and
- (2) the following ex officio members:

(A) the chair of the committee of the Texas House of Representatives that has primary jurisdiction of matters concerning defense affairs and military affairs;

(B) the chair of the committee of the Texas Senate that has primary jurisdiction of matters concerning defense affairs and military affairs; and

(C) the adjutant general.

(b) To be eligible for appointment as a public member to the commission, a person must have demonstrated experience in economic development, the defense industry, military installation operation, environmental issues, finance, local government, or the use of airspace or outer space for future military missions.

(c) Appointments to the commission shall be made without regard to the race, color, disability, sex, religion, age, or national origin of the appointee.

(d) A person may not be a public member of the commission if the person or the person's spouse:

(1) is employed by or participates in the management of a business entity or other organization regulated by or receiving money from the commission;

(2) owns or controls, directly or indirectly, more than a 10 percent interest in a business entity or other organization regulated by or receiving money from the commission; or

(3) uses or receives a substantial amount of tangible goods, services, or money from the commission other than compensation or reimbursement authorized by law for commission membership, attendance, or expenses.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Reenacted and amended by Acts 2005, 79th Leg., Ch. 655 (H.B. 3163), Sec. 1, eff. September 1, 2005.

Reenacted and amended by Acts 2005, 79th Leg., Ch. 1160 (H.B. 3302), Sec. 1, eff. September 1, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. 2546), Sec. 3, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. 1200), Sec. 2, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 157 (H.B. 1133), Sec. 1, eff. September 1, 2015.

Sec. 436.052. TERMS AND OFFICERS; EX OFFICIO MEMBERS; DESIGNATION OF REPRESENTATIVE. (a) The 13 public members of the commission serve staggered terms of six years with the terms of four or five members expiring February 1 of each odd-numbered year. A legislative member vacates the person's position on the commission if the person ceases to be the chair of the applicable legislative committee. The ex officio member of the commission described by Section 436.051(a)(2)(C) vacates the person's position on the commission if the person ceases to hold the position that qualifies the person for service on the commission.

(a-1) The ex officio member of the commission described by

Section 436.051(a)(2)(C) may designate a representative to serve on the commission in the member's absence. A representative designated under this subsection must be an officer or employee of the state agency the ex officio member serves.

(b) The governor shall designate a member of the commission as the presiding officer of the commission to serve in that capacity at the pleasure of the governor.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 655 (H.B. 3163), Sec. 2, eff. September 1, 2005.

Acts 2005, 79th Leg., Ch. 1160 (H.B. 3302), Sec. 2, eff. September 1, 2005.

Acts 2015, 84th Leg., R.S., Ch. 157 (H.B. 1133), Sec. 2, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 157 (H.B. 1133), Sec. 3, eff. September 1, 2015.

Sec. 436.053. COMPENSATION AND EXPENSES. (a) A public member of the commission is not entitled to compensation but is entitled to reimbursement, from commission funds, for the travel expenses incurred by the member while conducting the business of the commission, as provided by the General Appropriations Act.

(b) The entitlement of a legislative member to compensation or reimbursement for travel expenses is governed by the law applying to the member's service in that underlying position, and any payments to the member shall be made from the appropriate funds of the applicable house of the legislature.

(c) The entitlement of the ex officio member described by Section 436.051(a)(2)(C) to compensation or to reimbursement for travel expenses incurred while transacting commission business is governed by the law that applies to the member's service in that underlying position, and any payment to the member for either purpose must be made from money that may be used for the purpose and is available to the state agency that the member serves in that underlying position.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 157 (H.B. [1133](#)), Sec. 4, eff. September 1, 2015.

Sec. 436.054. MEETINGS. (a) The commission shall meet at least quarterly. The commission may meet at other times at the call of the presiding officer or as provided by the rules of the commission.

(b) The commission is a governmental body for purposes of the open meetings law, Chapter [551](#). Except as otherwise provided by this section, Chapter [551](#) applies to a meeting of the commission.

(c) The commission may 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. Any voting conducted by telephone or other means of telecommunication or electronic communication shall be subject to the same quorum requirements of meetings where members are present in person.

(d) A meeting described by Subsection (c) is subject to the notice requirements applicable to other meetings. The notice of the meeting must specify as the location of the meeting the location where meetings of the commission are usually held.

(e) Each part of a meeting described by Subsection (c) that is required to be open to the public shall be audible to the public at the location specified in the notice of the meeting as the location of the meeting and the audio shall be recorded. The audio recording shall be made available to the public.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 276 (S.B. [2131](#)), Sec. 1, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 800 (H.B. [2119](#)), Sec. 1, eff. September 1, 2019.

Acts 2021, 87th Leg., R.S., Ch. 915 (H.B. [3607](#)), Sec. 9.005, eff. September 1, 2021.

Sec. 436.055. CONFLICT OF INTEREST. (a) In this section,

"Texas trade association" means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

(b) A person may not be a public member of the commission and may not be a commission employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), and its subsequent amendments, if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of military affairs; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of military affairs.

(c) A person may not be a public member of the commission or act as the general counsel to the commission if the person is required to register as a lobbyist under Chapter 305 because of the person's activities for compensation on behalf of a profession related to the operation of the commission.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Sec. 436.056. REMOVAL. (a) It is a ground for removal from the commission that a public member:

(1) does not have at the time of taking office the qualifications required by Section 436.051(b);

(2) does not maintain during service on the commission the qualifications required by Section 436.051(b);

(3) is ineligible for membership under Section 436.051(d) or 436.055;

(4) cannot, because of illness or disability, discharge the member's duties for a substantial part of the member's term; or

(5) is absent from more than half of the regularly scheduled commission meetings that the member is eligible to attend

during a calendar year without an excuse approved by a majority vote of the commission.

(b) The validity of an action of the commission is not affected by the fact that it is taken when a ground for removal of a commission member exists.

(c) If the director has knowledge that a potential ground for removal exists, the director shall notify the presiding officer of the commission of the potential ground. The presiding officer shall then notify the governor and the attorney general that a potential ground for removal exists. If the potential ground for removal involves the presiding officer, the director shall notify the next highest ranking officer of the commission, who shall then notify the governor and the attorney general that a potential ground for removal exists.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. [2546](#)), Sec. 4, eff. September 1, 2009.

Sec. 436.0561. TRAINING. (a) A person who is appointed to and qualifies for office as a member of the commission may not vote, deliberate, or be counted as a member in attendance at a meeting of the commission until the person completes a training program that complies with this section.

(b) The training program must provide the person with information regarding:

- (1) the legislation that created the commission;
- (2) the programs, functions, rules, and budget of the commission;
- (3) the results of the most recent formal audit of the commission;
- (4) the requirements of laws relating to open meetings, public information, administrative procedure, and conflicts of interest; and
- (5) any applicable ethics policies adopted by the commission or the Texas Ethics Commission.

(c) A person appointed to the commission is entitled to

reimbursement, as provided by the General Appropriations Act, for the travel expenses incurred in attending the training program regardless of whether the attendance at the program occurs before or after the person qualifies for office.

Added by Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. 2546), Sec. 5, eff. September 1, 2009.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. 1358), Sec. 2, eff. September 1, 2015.

Sec. 436.057. DIRECTOR; STAFF. (a) The commission shall, subject to approval of the governor, hire a director to serve as the chief executive officer of the commission and to perform the administrative duties of the commission.

(b) The director shall hire at least one full-time employee who is knowledgeable about or has experience with military installations.

(c) The director may hire other staff within the guidelines established by the commission.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. 2546), Sec. 6, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. 2546), Sec. 7, eff. September 1, 2009.

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. 2546), Sec. 22(2), eff. September 1, 2009.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. 1358), Sec. 3, eff. September 1, 2015.

Sec. 436.058. PUBLIC ACCESS. The commission shall develop and implement policies that provide the public with a reasonable opportunity to appear before the commission and to speak on any issue under the jurisdiction of the commission.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Sec. 436.059. EQUAL EMPLOYMENT OPPORTUNITY. (a) The



director or the director's designee shall prepare and maintain a written policy statement that implements a program of equal employment opportunity to ensure that all personnel decisions are made without regard to race, color, disability, sex, religion, age, or national origin.

(b) The policy statement must include:

(1) personnel policies, including policies relating to recruitment, evaluation, selection, training, and promotion of personnel, that show the intent of the commission to avoid the unlawful employment practices described by Chapter 21, Labor Code; and

(2) an analysis of the extent to which the composition of the commission's personnel is in accordance with state and federal law and a description of reasonable methods to achieve compliance with state and federal law.

(c) The policy statement must:

(1) be updated annually;

(2) be reviewed by the state Commission on Human Rights for compliance with Subsection (b)(1); and

(3) be filed with the governor's office.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Sec. 436.060. QUALIFICATIONS AND STANDARDS OF CONDUCT. The director or the director's designee shall provide to members of the commission and to commission employees, as often as necessary, information regarding the requirements for office or employment under this chapter, including information regarding a person's responsibilities under applicable laws relating to standards of conduct for state officers or employees.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Sec. 436.062. COMPLAINTS. (a) The commission shall maintain a file on each written complaint filed with the commission. The file must include:

(1) the name of the person who filed the complaint;

(2) the date the complaint is received by the commission;

- (3) the subject matter of the complaint;
- (4) the name of each person contacted in relation to the complaint;
- (5) a summary of the results of the review or investigation of the complaint; and
- (6) an explanation of the reason the file was closed, if the commission closed the file without taking action other than to investigate the complaint.

(b) The commission shall provide to the person filing the complaint and to each person who is a subject of the complaint a copy of the commission's policies and procedures relating to complaint investigation and resolution.

(c) The commission, at least quarterly until final disposition of the complaint, shall notify the person filing the complaint and each person who is a subject of the complaint of the status of the investigation unless the notice would jeopardize an undercover investigation.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Sec. 436.063. USE OF ALTERNATIVE PROCEDURES. (a) The commission shall develop and implement a policy to encourage the use of:

- (1) negotiated rulemaking procedures under Chapter [2008](#) for the adoption of commission rules; and
- (2) appropriate alternative dispute resolution procedures under Chapter [2009](#) to assist in the resolution of internal and external disputes under the commission's jurisdiction.

(b) The commission's procedures relating to alternative dispute resolution must conform, to the extent possible, to any model guidelines issued by the State Office of Administrative Hearings for the use of alternative dispute resolution by state agencies.

- (c) The commission shall designate a trained person to:
- (1) coordinate the implementation of the policy adopted under Subsection (a);
  - (2) serve as a resource for any training needed to

implement the procedures for negotiated rulemaking or alternative dispute resolution; and

(3) collect data concerning the effectiveness of those procedures, as implemented by the commission.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Sec. 436.064. TECHNOLOGY POLICY. The commission shall develop and implement a policy requiring the director and commission employees to research and propose appropriate technological solutions to improve the commission's ability to perform its functions. The technological solutions must:

(1) ensure that the public is able to easily find information about the commission on the Internet;

(2) ensure that persons who want to use the commission's services are able to:

(A) interact with the commission through the Internet; and

(B) access any service that can be provided effectively through the Internet; and

(3) be cost-effective and developed through the commission's planning processes.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

#### SUBCHAPTER C. POWERS AND DUTIES

Sec. 436.101. GENERAL POWERS AND DUTIES. (a) The commission shall advise the governor and the legislature on defense and military issues.

(b) The commission shall meet not less than once each year with the Texas Commanders Council to:

(1) discuss the goals and challenges facing military installations and develop recommendations for improvements;

(2) discuss ways the state can enhance and complement the mission of the military installations in this state; and

(3) discuss services available to assist transitioning military service members and their families.

(c) The commission shall act as the liaison to improve

coordination among the Texas Commanders Council and relevant state agencies, including:

- (1) the Texas Veterans Commission;
- (2) the Veterans' Land Board;
- (3) the Public Utility Commission of Texas;
- (4) the Office of Public Utility Counsel; and
- (5) the Texas Commission on Environmental Quality.

(d) The commission shall:

(1) administer and monitor the implementation of this chapter;

(2) establish criteria and procedures and award grants equitably based on evaluations, giving preference to defense communities that may be adversely affected over positively affected defense communities;

(3) make recommendations regarding:

(A) the development of policies and plans to support the long-term viability and prosperity of the military, active and civilian, in this state, including promoting strategic regional alliances that may extend over state lines; and

(B) the development of methods to assist defense-dependent communities in the design and execution of programs that enhance a community's relationship with military installations and defense-related businesses;

(4) provide information to communities, the legislature, the state's congressional delegation, and state agencies regarding federal actions affecting military installations and missions;

(5) serve as a clearinghouse for:

(A) defense economic adjustment and transition information and activities along with the Texas Business and Community Economic Development Clearinghouse; and

(B) information about:

(i) issues related to the operating costs, missions, and strategic value of federal military installations located in the state;

(ii) employment issues for communities that depend on defense bases and in defense-related businesses; and

(iii) defense strategies and incentive programs that other states are using to maintain, expand, and attract new defense contractors;

(6) provide assistance to communities that have experienced a defense-related closure or realignment;

(7) assist communities in the design and execution of programs that enhance a community's relationship with military installations and defense-related businesses, including regional alliances that may extend over state lines;

(8) assist communities in the retention and recruiting of defense-related businesses, including fostering strategic regional alliances that may extend over state lines;

(9) encourage economic development in this state by fostering the development of industries related to defense affairs; and

(10) advocate for the preservation and expansion of missions of reservists at military installations in the state.

(e) The commission may use an amount equal to not more than two percent of the total amount of grants authorized during each biennium to administer this chapter and other law relating to readjustment of defense communities.

(f) The commission shall adopt rules necessary to implement this chapter.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 1160 (H.B. [3302](#)), Sec. 3, eff. September 1, 2005.

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. [2546](#)), Sec. 8, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. [1200](#)), Sec. 3, eff. September 1, 2013.

Sec. 436.102. CONSULTING AGREEMENTS. With prior approval of the governor, the commission may enter into an agreement with a consulting firm to provide information and assistance on a pending decision of the United States Department of Defense or other federal agency regarding the status of military installations and

defense-related businesses located in this state.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Sec. 436.103. BIENNIAL REPORT; ANNUAL MEETING. (a) In this section, "state agency" has the meaning assigned by Section [2151.002](#).

(b) Not later than July 1 of each even-numbered year, the commission shall prepare and submit a report to the governor and the legislature about the active military installations, communities that depend on military installations, and defense-related businesses in this state. The commission may update the report in an odd-numbered year. The report must include:

(1) an economic impact statement describing in detail the effect of the military on the economy of this state;

(2) a statewide assessment of active military installations and current missions;

(3) a statewide strategy to attract new military missions and defense-related business and include specific actions that add military value to existing military installations;

(4) a list of state and federal activities that have significant impact on active military installations and current missions;

(5) a statement identifying:

(A) the state and federal programs and services that assist communities impacted by military base closures or realignments and the efforts to coordinate those programs; and

(B) the efforts to coordinate state agency programs and services that assist communities in retaining active military installations and current missions;

(6) an evaluation of initiatives to retain existing defense-related businesses;

(7) a list of agencies with regulations, policies, programs, or services that impact the operating costs or strategic value of federal military installations and activities in the state; and

(8) a summary of the commission's meetings with the Texas Commanders Council under Section [436.101\(b\)](#), including

recommendations, goals, and challenges based on those meetings.

(c) State agencies shall cooperate with and assist the commission in the preparation of the report required under Subsection (b), including providing information about regulations, policies, programs, and services that may impact communities dependent on military installations, defense-related businesses, and the viability of existing Texas military missions.

(d) The commission shall periodically meet with each state agency that has defense-related programs or is engaged in a project in a defense-dependent community and with each member of the legislature whose district contains an active, closed, or realigned military installation to discuss defense-related issues and the implementation of the recommendations outlined in the report required under Subsection (b).

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2005, 79th Leg., Ch. 396 (S.B. [1481](#)), Sec. 2, eff. June 17, 2005.

Acts 2005, 79th Leg., Ch. 1160 (H.B. [3302](#)), Sec. 4, eff. September 1, 2005.

Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. [1200](#)), Sec. 4, eff. September 1, 2013.

Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. [1200](#)), Sec. 5, eff. September 1, 2013.

Sec. 436.104. COORDINATING ASSISTANCE FOR EVALUATION OF MILITARY BASE. When a commander of a military installation receives a copy of the evaluation criteria for the base under the United States Department of Defense base realignment or closure process, the base commander may request that the commission coordinate assistance from other state agencies to assist the commander in preparing the evaluation. If the commission asks a state agency for assistance under this section, the state agency shall make the provision of that assistance a top priority.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Sec. 436.1051. MILITARY BASE REALIGNMENT AND CLOSURE TASK

FORCE; PRESERVATION OF INFORMATION. (a) On the abolishment of the military base realignment and closure task force, the task force shall transfer all information written, produced, collected, assembled, or maintained by or for the task force to the commission and the commission shall maintain the information.

(b) Any information transferred to the commission under Subsection (a) is public information subject to disclosure under Chapter 552.

Added by Acts 2017, 85th Leg., R.S., Ch. 575 (S.B. 751), Sec. 2, eff. September 1, 2017.

#### SUBCHAPTER D. FISCAL PROVISIONS

Sec. 436.152. ANALYSIS OF PROJECTS THAT ADD MILITARY OR DEFENSE VALUE; FINANCING. (a) A defense community may submit the community's military base or defense facility value enhancement statement prepared under Chapter 397, Local Government Code, to the commission.

(b) On receiving a defense community's military base or defense facility value enhancement statement, the commission shall analyze the projects included in the statement using the criteria it has developed. The commission shall develop project analysis criteria based on the criteria the United States Department of Defense uses for evaluating military bases or defense facilities in the department's realignment and closure process.

(c) The commission shall determine whether each project identified in the defense community's military base or defense facility value enhancement statement will enhance the military or defense value of the military base or defense facility. The commission shall assist the community in prioritizing the projects that enhance the military or defense value of a military base or defense facility, giving the highest priority to projects that add the most value under the commission's project analysis criteria.

(d) The commission shall 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. If there is no existing program to finance a project, the commission may provide a loan of financial assistance to the defense community for the project.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. [2546](#)), Sec. 9, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. [1200](#)), Sec. 7, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. [1358](#)), Sec. 6, eff. September 1, 2015.

Sec. 436.153. LOANS. (a) The commission may provide a loan of financial assistance to a defense community for a project that will enhance the military or defense value of a military base or defense facility located in, near, or adjacent to the defense community. The loan shall be made from the Texas military value revolving loan account established under Section [436.156](#).

(b) On receiving an application for a loan under this section, the commission shall confirm that the project adds military or defense value to the military base or defense facility.

(c) If the commission determines that a project will enhance the military or defense value of the military base or defense facility, the commission shall, in accordance with the criteria adopted by the commission under Section [436.154](#)(a):

(1) analyze the creditworthiness of the defense community to determine the defense community's ability to repay the loan; and

(2) evaluate the feasibility of the project to be financed to ensure that the defense community has pledged a source of revenue or taxes sufficient to repay the loan for the project.

(d) If the commission 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 the commission determines that the project is financially feasible, the commission may award a loan to the defense community for the project. The commission shall enter into a written agreement with a defense community that is awarded a loan. The agreement must contain the terms and conditions of the loan, including the loan repayment requirements.

(e) The commission shall notify the Texas Public Finance Authority 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. The commission and the authority shall determine the amount and time of a bond issue to best provide funds for one or multiple loans.

(f) The commission shall administer the loans to ensure full repayment of the general obligation bonds issued to finance the project.

(g) The commission may provide a loan only for a project that is included in the political subdivision's statement under Section 397.002, Local Government Code, or to prepare a comprehensive defense installation and community strategic impact plan under Section 397.003, Local Government Code.

(h) A project financed with a loan under this section must be completed on or before the fifth anniversary of the date the loan is awarded.

(i) The amount of a loan under this section may not exceed the total cost of the project.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. 2546), Sec. 10, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. 1200), Sec. 8, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. 1358), Sec. 7, eff. September 1, 2015.

Sec. 436.1531. LOANS FOR COMMUNITIES ADVERSELY AFFECTED BY DEFENSE BASE REDUCTION. (a) The commission may provide a loan of

financial assistance to a defense community for an economic development project that minimizes the negative effects of a defense base reduction on the defense community as a result of a United States Department of Defense base realignment process that occurs during 1995 or later. The loan shall be made from the Texas military value revolving loan account established under Section [436.156](#).

(b) On receiving an application for a loan under this section, the commission shall evaluate the economic development project to determine how the project will minimize the negative effects of a defense base reduction on the defense community, including the number of jobs that the project will create and the economic impact the project will have on the community.

(c) If the commission determines that a project will reduce the negative effects of a defense base reduction on the defense community, the commission shall:

(1) analyze the creditworthiness of the defense community to determine the defense community's ability to repay the loan; and

(2) evaluate the feasibility of the project to be financed to ensure that the defense community has pledged a source of revenue or taxes sufficient to repay the loan for the project.

(d) If the commission 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 that the project is financially feasible, the commission may award a loan to the defense community for the project. The commission shall enter into a written agreement with a defense community that is awarded a loan. The agreement must contain the terms and conditions of the loan, including the loan repayment requirements.

(e) The commission shall notify the Texas Public Finance Authority 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. The commission and the authority shall determine the amount and time of a bond issue to best provide funds for one or multiple loans.

(f) The commission shall administer the loans to ensure full repayment of the general obligation bonds issued to finance the project.

(g) A project financed with a loan under this section must be completed on or before the fifth anniversary of the date the loan is awarded.

(h) The amount of a loan under this section may not exceed the total cost of the project.

Added by Acts 2005, 79th Leg., Ch. 396 (S.B. [1481](#)), Sec. 3, eff. June 17, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. [2546](#)), Sec. 11, eff. September 1, 2009.

Acts 2015, 84th Leg., R.S., Ch. 71 (S.B. [503](#)), Sec. 1, eff. May 22, 2015.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. [1358](#)), Sec. 8, eff. September 1, 2015.

Sec. 436.1532. LOANS FOR COMMUNITIES POSITIVELY AFFECTED BY DEFENSE BASE RESTRUCTURING. (a) The commission may provide a loan of financial assistance to a defense community for an infrastructure project to accommodate new or expanded military missions assigned to a military base or defense facility located in, near, or adjacent to the defense community as a result of a United States Department of Defense base realignment process that occurs during 1995 or later. The loan shall be made from the Texas military value revolving loan account established under Section [436.156](#).

(b) On receiving an application for a loan under this section, the commission shall evaluate the infrastructure project to determine how the project will assist the defense community in accommodating the new or expanded military missions that are assigned to the military facility.

(c) If the commission determines that the project will assist the defense community in accommodating the new or expanded military missions that are assigned to the military facility, the commission shall:

(1) analyze the creditworthiness of the defense community to determine the defense community's ability to repay the loan; and

(2) evaluate the feasibility of the project to be financed to ensure that the defense community has pledged a source of revenue or taxes sufficient to repay the loan for the project.

(d) If the commission determines that the funds will be used to finance an infrastructure project to accommodate new or expanded military missions assigned to the military facility located in, near, or adjacent to the defense community and the commission determines that the project is financially feasible, the commission may award a loan to the defense community for the project. The commission shall enter into a written agreement with a defense community that is awarded a loan. The agreement must contain the terms and conditions of the loan, including the loan repayment requirements.

(e) The commission shall notify the Texas Public Finance Authority 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. The commission and the authority shall determine the amount and time of a bond issue to best provide funds for one or multiple loans.

(f) The commission shall administer the loans to ensure full repayment of the general obligation bonds issued to finance the project.

(g) A project financed with a loan under this section must be completed on or before the fifth anniversary of the date the loan is awarded.

(h) The amount of a loan under this section may not exceed the total cost of the project.

Added by Acts 2005, 79th Leg., Ch. 396 (S.B. [1481](#)), Sec. 3, eff. June 17, 2005.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. [2546](#)), Sec. 12, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. [1200](#)), Sec. 9, eff. September 1, 2013.

Acts 2015, 84th Leg., R.S., Ch. 71 (S.B. 503), Sec. 2, eff. May 22, 2015.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. 1358), Sec. 9, eff. September 1, 2015.

Sec. 436.1533. USE OF LOAN PROCEEDS TO PAY OTHER DEBT INCURRED TO FINANCE PROJECT. A defense community awarded a loan of financial assistance from the Texas military value revolving loan account for an eligible project under this subchapter may 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.

Added by Acts 2019, 86th Leg., R.S., Ch. 276 (S.B. 2131), Sec. 2, eff. September 1, 2019.

Added by Acts 2019, 86th Leg., R.S., Ch. 800 (H.B. 2119), Sec. 2, eff. September 1, 2019.

Sec. 436.154. LOAN PROCESS. (a) The commission shall 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. The commission, in consultation with the Texas Public Finance Authority, shall also adopt a loan application form. The application form may include:

(1) the name of the defense community and its principal officers;

(2) the total cost of the project;

(3) the amount of state financial assistance requested;

(4) the plan for repaying the loan; and

(5) any other information the commission requires to perform its duties and to protect the public interest.

(b) The commission may not accept an application for a loan from the Texas military value revolving loan account unless the application is submitted in affidavit form by the officials of the defense community. The commission shall prescribe the affidavit form.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. [2546](#)), Sec. 13, eff. September 1, 2009.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. [1358](#)), Sec. 10, eff. September 1, 2015.

Acts 2019, 86th Leg., R.S., Ch. 276 (S.B. [2131](#)), Sec. 3, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 800 (H.B. [2119](#)), Sec. 3, eff. September 1, 2019.

Sec. 436.155. INCURRENCE OF DEBT BY PUBLIC ENTITY. (a) A defense community in this state may borrow money from the state, including by direct loan, based on the credit of the defense community to finance a project included in the community's military base or defense facility value enhancement statement.

(b) A defense community may enter into a loan agreement with the state to provide financing for a project. The defense community may pledge the taxes of the community or provide any other guarantee for the loan.

(c) Money borrowed must be segregated from other funds under the control of the defense community and may only be used for purposes related to a specific project.

(d) The authority granted by this section does not affect the ability of a defense community to incur debt using other statutorily authorized methods.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. [1200](#)), Sec. 10, eff. September 1, 2013.

Sec. 436.156. TEXAS MILITARY VALUE REVOLVING LOAN ACCOUNT.

(a) The Texas military value revolving loan account is an account in the general revenue fund.

(b) The account may be used only for loans made under this subchapter.

(c) The commission shall deposit to the credit of the

account all loan payments made by a political subdivision for a loan under Section [436.153](#), [436.1531](#), or [436.1532](#). The loan payments shall be used to reimburse the general revenue fund for money appropriated to pay the principal, premium if any, and interest on the bonds issued under Section [436.158](#). If loan payments exceed the amounts required for reimbursement, the excess shall first be applied to reimburse the expenses of administering the program and secondly deposited to the credit of the Texas military value revolving loan account to fund subsequent loans.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. [2546](#)), Sec. 14, eff. September 1, 2009.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. [1358](#)), Sec. 11, eff. September 1, 2015.

Sec. 436.157. GIFTS AND GRANTS. The commission may solicit and accept gifts and grants from any source for the purposes of this chapter. The commission shall deposit a gift or grant to the credit of the specific account that is established for the purpose for which the gift or grant was made. If a gift or grant is not made for a specific purpose, the commission may deposit the gift or grant to the credit of any of the commission's accounts created under this chapter.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. May 27, 2003.

Sec. 436.158. ISSUANCE OF GENERAL OBLIGATION BONDS AND NOTES FOR MILITARY VALUE ACCOUNT. (a) The Texas Public Finance Authority may issue and sell general obligation bonds and notes of the state, as authorized by Section [49-n](#), Article III, Texas Constitution, for the purpose of providing money to establish the Texas military value revolving loan account.

(b) The proceeds of the bonds and notes shall be deposited into the Texas military value revolving loan account or into other separate funds as may be required to provide for payment of issuance and administrative costs and may be used as authorized by Section [49-n](#), Article III, Texas Constitution, including:



(1) to fund loans approved under Section 436.153, 436.1531, or 436.1532;

(2) to pay the costs of issuing and selling bonds and notes; and

(3) to pay the costs of administering the bonds and notes and the loan program, including the payment of fees and expenses of advisors.

(c) The bonds and notes shall be issued in accordance with and subject to the provisions of Chapters [1201](#), [1207](#), [1231](#), [1232](#), and [1371](#).

(d) In connection with bonds or notes issued under this section, the Texas Public Finance Authority may enter into one or more credit agreements at any time for a period and on conditions the authority approves.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. September 13, 2003.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 43 (H.B. [2546](#)), Sec. 15, eff. September 1, 2009.

Sec. 436.159. APPROPRIATION REQUIRED. In accordance with Section [49-n](#), Article III, Texas Constitution, general revenue is to be appropriated to the Texas Public Finance Authority in an amount determined by the authority to be necessary to pay the principal, premium if any, and interest on the bonds, and that amount shall be specified in biennial appropriations acts.

Added by Acts 2003, 78th Leg., ch. 149, Sec. 3, eff. September 13, 2003.

#### SUBCHAPTER E. GRANTS

Sec. 436.201. ELIGIBILITY FOR GRANT. (a) The following local governmental entities are eligible for a grant under this subchapter:

(1) a municipality or county that is a defense community;

(2) a regional planning commission that has a defense

community within its boundaries;

(3) a public junior college district that is wholly or partly located in a defense community;

(4) a campus or education extension center of the Texas State Technical College System that is located in a defense community;

(5) a defense base development authority created under Chapter 379B, Local Government Code; and

(6) a political subdivision that has the power of a defense base development authority created under Chapter 379B, Local Government Code.

(b) An eligible local governmental entity may be awarded a grant if the commission determines that the entity may be adversely or positively affected by an anticipated, planned, announced, or implemented action of the United States Department of Defense to close, reduce, increase, or otherwise realign defense worker jobs or facilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. 1200), Sec. 11, eff. September 1, 2013.

Sec. 436.202. GRANT CRITERIA. (a) From money appropriated for this purpose, the commission may make a grant to an eligible local governmental entity to:

(1) enable the entity to match money or meet an investment requirement necessary to receive federal assistance provided to the local governmental entity for responding to or recovering from an event described by Section 436.201(b);

(2) match the entity's contribution for a purpose described by Section 436.203 at a closed or realigned defense facility;

(3) construct infrastructure and other projects necessary to accommodate a new, expanded, or retained military mission at a military base or to reduce the impact of an action of the United States Department of Defense that will negatively impact a defense facility located in or near the entity; or

(4) construct infrastructure and other projects necessary to prevent the reduction or closing of a defense

facility.

(b) The commission may not make a grant for an amount less than \$50,000 or an amount more than the lesser of:

(1) 50 percent of the amount of matching money or investment that the local governmental entity is required to provide, subject to Subsection (c);

(2) 50 percent of the local governmental entity's investment for purposes described by Section [436.203](#) if federal assistance is unavailable; or

(3) \$5 million.

(c) If the local governmental entity demonstrates to the commission that, because of a limited budget, the entity lacks the resources necessary to provide 50 percent of the amount of matching money or investment that the entity is required to provide, the commission may make a grant in an amount of not more than 80 percent of the amount of that matching money or investment requirement but may not make a grant in an amount that exceeds \$5 million.

(d) The commission may make a grant to an eligible local governmental entity without regard to the availability or acquisition of matching money.

Added by Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. [1200](#)), Sec. 11, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 71 (S.B. [503](#)), Sec. 3, eff. May 22, 2015.

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. [1358](#)), Sec. 12, eff. September 1, 2015.

Acts 2015, 84th Leg., R.S., Ch. 840 (S.B. [318](#)), Sec. 1, eff. June 17, 2015.

Sec. 436.203. USE OF PROCEEDS. (a) A local governmental entity may use the proceeds of a grant awarded under this subchapter for the purchase of property, including the purchase of property from the United States Department of Defense or its designated agent, new construction, rehabilitation or renovation of facilities or infrastructure, or purchase of capital equipment or facilities insurance.

(b) The local governmental entity may deliver the money to a special district, development corporation, or other instrumentality of this state or the local governmental entity for use as provided by this chapter and other applicable law.

Text of subsection as amended by Acts 2015, 84th Leg., R.S., Ch. 71  
(S.B. 503), Sec. 4

(c) An eligible local governmental entity described by Section 436.201(a)(3), (4), or (5) may use the proceeds of the grant to purchase or lease equipment to train defense workers whose jobs have been threatened or lost because of an event described by Section 436.201(b) or to train workers to support military installations or defense facilities.

Text of subsection as amended by Acts 2015, 84th Leg., R.S., Ch. 840  
(S.B. 318), Sec. 2

(c) An eligible local governmental entity described by Section 436.201(a)(3), (4), or (5) may use the proceeds of the grant to purchase or lease equipment to train defense workers whose jobs have been threatened or lost because of an event described by Section 436.201(b) or to train workers to support the mission at military installations or defense facilities.

Added by Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. 1200), Sec. 11, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 71 (S.B. 503), Sec. 4, eff. May 22, 2015.

Acts 2015, 84th Leg., R.S., Ch. 840 (S.B. 318), Sec. 2, eff. June 17, 2015.

Sec. 436.204. APPLICATION FOR GRANT. (a) A local governmental entity may apply for a grant under this subchapter to the commission on a form prescribed by the commission. The commission shall establish periodic application cycles to enable the evaluation of groups of applicants.

(b) The commission may assist a local governmental entity in applying for a grant under this chapter.

Added by Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. 1200), Sec. 11, eff. September 1, 2013.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 330 (S.B. 1358), Sec. 13, eff. September 1, 2015.

Sec. 436.205. PANEL: EVALUATION OF APPLICATION. (a) The commission shall establish a defense economic adjustment assistance panel composed of at least three and not more than five professional full-time employees of the office of the governor appointed by the director of the commission.

(b) The panel shall evaluate each grant application and assign the applicant a score based on:

(1) the significance of the adverse or positive effect within the local governmental entity; and

(2) any other criteria established by the commission.

Added by Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. 1200), Sec. 11, eff. September 1, 2013.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 83 (S.B. 1443), Sec. 2, eff. September 1, 2019.

Sec. 436.206. MAKING OF GRANT. The panel shall submit its scores to the commission. The commission shall use the scores to determine whether to make a grant to an applicant. The commission may not make a grant unless the legislature has appropriated the money for the grant.

Added by Acts 2013, 83rd Leg., R.S., Ch. 777 (S.B. 1200), Sec. 11, eff. September 1, 2013.