

GOVERNMENT CODE
CHAPTER 486. ASSISTANCE FOR LOCAL AREA AFFECTED BY DEFENSE
RESTRUCTURING
SUBCHAPTER A. GRANTS TO LOCAL AREAS AFFECTED BY DEFENSE BASE
RESTRUCTURING

Sec. 486.001. DEFINITIONS. In this chapter:

- (1) "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 on a defense facility;
 - (C) an employee of a business that provides direct 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.
- (2) "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.
- (3) "Department" means the Texas Department of Commerce.
- (4) "Panel" means the Defense Economic Adjustment Assistance Panel.

Added by Acts 1997, 75th Leg., ch. 918, Sec. 1, eff. June 18, 1997.

Sec. 486.002. GENERAL POWERS AND DUTIES. (a) The department shall administer and monitor the implementation of this chapter.

(b) The department shall establish criteria and procedures for evaluations and awarding grants. The department shall award grants equitably based on evaluations so as to not disproportionately favor one defense-dependent community over another. In awarding grants under this chapter, the department shall give a preference to adversely affected defense-dependent communities over positively affected defense-dependent communities.

(c) The department 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-dependent communities.

(d) The department shall adopt rules necessary to carry out the purposes of this chapter.

Added by Acts 1997, 75th Leg., ch. 918, Sec. 1, eff. June 18, 1997.
Amended by Acts 2005, 79th Leg., ch. 1280, Sec. 4, eff. Sept. 1, 2005.

Sec. 486.003. ELIGIBILITY FOR GRANT. (a) A local governmental entity is eligible for a grant under this chapter if it is:

- (1) a municipality or county that is a defense-dependent community;
- (2) a regional planning commission that has a defense-dependent community within its boundaries;
- (3) a public junior college district all or part of which is located in a defense-dependent community;
- (4) a campus or extension center for education purposes of the Texas State Technical College System located in a defense-dependent community; or
- (5) a defense base development authority created under Chapter 379B, Local Government Code.

(b) A municipality or county is an adversely affected defense-dependent community if the department determines that:

- (1) the municipality or county includes within its boundaries a defense facility that the department of defense or applicable military department has publicly proposed for closure or realignment; or

- (2) the municipality or county:
 - (A) requires assistance because of:
 - (i) the proposed or actual establishment, realignment, or closure of a defense facility;
 - (ii) the cancellation or termination of a United States Department of Defense contract or the failure of the department of defense to proceed with an approved major weapon system program;

(iii) a publicly announced planned major reduction in department of defense spending that would directly and adversely affect the municipality or county; or

(iv) the closure or a significant reduction of the operations of a defense facility as the result of a merger, acquisition, or consolidation of a defense contractor operating the facility; and

(B) is expected to experience, during the period between the beginning of the federal fiscal year during which an event described by Subdivision (2)(A) is finally approved and the date that the event is to be substantially completed, a direct loss of:

(i) 2,500 or more defense worker jobs in any area of the municipality or county that is located in an urbanized area of a metropolitan statistical area;

(ii) 1,000 or more defense worker jobs in any area of the municipality or county that is not located in an urbanized area of a metropolitan statistical area; or

(iii) defense worker jobs representing one percent of the jobs in the municipality or county.

(c) A municipality or county is a positively affected defense-dependent community if the department determines that a military facility located in or near the local governmental entity receives new or expanded military missions as a result of the United States Department of Defense base realignment process.

Added by Acts 1997, 75th Leg., ch. 918, Sec. 1, eff. June 18, 1997. Amended by Acts 1999, 76th Leg., ch. 1242, Sec. 1, eff. June 18, 1999; Acts 2005, 79th Leg., ch. 1280, Sec. 5, eff. Sept. 1, 2005.

Sec. 486.004. GRANT CRITERIA. (a) From money appropriated for this purpose, the department may make a grant to an eligible local governmental entity to:

(1) allow the entity to meet a matching money or investment requirement in order to receive from the United States assistance that is provided to allow the local governmental entity to respond to or recover from an event described by Section 486.003(b)(1);

(2) match the entity's contribution for a purpose described in Section 486.005 on a closed or realigned defense facility; or

(3) construct infrastructure and other projects necessary to accommodate the new or expanded military missions at a military facility located in or near the local governmental entity.

(b) A grant may not be less than \$50,000 or more than the least 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 in Section 486.005, in cases where United States assistance is not available; or

(3) \$2 million.

(c) If the local governmental entity demonstrates to the department that, because of a limited budget, resources are not available to provide 50 percent of the amount of matching money or investment that the local governmental entity is required to provide, the grant may be not more than 80 percent of the amount of that matching money or investment requirement, but may not be more than \$2 million.

(d) The department may make a grant to an eligible local governmental entity described by Section 486.003(a)(3) or (4) without regard to the availability or acquisition of matching money.

Added by Acts 1997, 75th Leg., ch. 918, Sec. 1, eff. June 18, 1997. Amended by Acts 1999, 76th Leg., ch. 1242, Sec. 2, eff. June 18, 1999; Acts 2005, 79th Leg., ch. 1280, Sec. 6, eff. Sept. 1, 2005.

Sec. 486.005. USE OF PROCEEDS. (a) The local governmental entity may use the proceeds of the grant for purchase of property from the department of defense or its designated agent, new construction, rehabilitation, or renovation of facilities or infrastructure, or purchase of capital equipment or insurance.

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

(c) An eligible local governmental entity described by

Section 486.003(a)(3) or (4) 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 486.003(b)(2)(A).

Added by Acts 1997, 75th Leg., ch. 918, Sec. 1, eff. June 18, 1997. Amended by Acts 1999, 76th Leg., ch. 1242, Sec. 3, eff. June 18, 1999.

Sec. 486.006. DEFENSE ECONOMIC ADJUSTMENT ASSISTANCE PANEL. The department shall establish a defense economic adjustment assistance panel within the department. The panel consists of at least three and not more than five professional full-time employees of the department appointed by the executive director of the department.

Added by Acts 1997, 75th Leg., ch. 918, Sec. 1, eff. June 18, 1997.

Sec. 486.007. APPLICATION FOR GRANT. A local governmental entity may apply for a grant under this chapter to the department on a form prescribed by the department. The department shall establish periodic application cycles to enable the panel and department to evaluate groups of applicants in relation to each other.

Added by Acts 1997, 75th Leg., ch. 918, Sec. 1, eff. June 18, 1997.

Sec. 486.008. EVALUATION OF APPLICATION. The panel shall evaluate each application and assign the applicant a score based on:

(1) the significance of the adverse effect within the local governmental entity, including the number of jobs lost in relation to the workforce in the local governmental entity's jurisdiction and the effect on the area's economy and tax revenue;

(2) the extent to which the local governmental entity has used its existing resources to promote local economic development;

(3) the amount of any grant that the local governmental entity has previously received under this chapter;

(4) the anticipated number of jobs to be created in relation to the amount of the grant sought; and

(5) the extent to which the grant will affect the region in which the local governmental entity is located.

Added by Acts 1997, 75th Leg., ch. 918, Sec. 1, eff. June 18, 1997.

Sec. 486.009. MAKING OF GRANT. The panel shall submit its scores to the department's governing body. The governing body shall use the scores to determine whether to make a grant to an applicant. The governing body may not make a grant unless the legislature has appropriated the money for the grant.

Added by Acts 1997, 75th Leg., ch. 918, Sec. 1, eff. June 18, 1997.

Sec. 486.010. DEFENSE-DEPENDENT COMMUNITY WITH MORE THAN ONE MILITARY FACILITY. For purposes of the preference for adversely affected defense-dependent communities under Section 486.002(b), a defense-dependent community that contains or is near more than one military facility is considered an adversely affected defense-dependent community if the local governmental entity is applying for a grant under this subchapter for a project relating to the military facility that is closed or whose operations are significantly reduced.

Added by Acts 2005, 79th Leg., ch. 1280, Sec. 7, eff. Sept. 1, 2005.

SUBCHAPTER B. REVOLVING LOANS TO COMMUNITIES POTENTIALLY AFFECTED BY DEFENSE BASE REDUCTION PROCESS

Sec. 486.051. DEFINITIONS. In this subchapter:

(1) "Account" means the community infrastructure development revolving loan account.

(2) "Eligible community" means a local governmental entity eligible for a grant under Section 486.003 and that is located less than 25 miles from a defense base facility described by Section 486.003(b)(1).

(3) "Office" means the Texas Military Preparedness Commission.

Added by Acts 2001, 77th Leg., ch. 1283, Sec. 2, eff. Sept. 1, 2001.

Amended by Acts 2003, 78th Leg., ch. 149, Sec. 4, eff. May 27, 2003.

Sec. 486.052. REVOLVING LOAN PROGRAM. (a) The office shall administer a revolving loan program for assistance to an eligible community in developing infrastructure to minimize the possibility of or the negative effects of defense base reduction on the eligible community. The loans may be granted to an eligible community before the neighboring defense base is closed.

(b) The office by rule shall establish criteria and procedures for evaluations of applications for loans under the

program.

(c) The office by rule shall establish categories of eligible infrastructure projects for which an eligible community may apply for a loan.

(d) The office shall give first priority to awarding loans under the program according to the economic development needs of eligible communities with neighboring federal military installations that, after the effective date of the legislation enacting this subsection and before January 1, 2006, are publicly proposed for action by the department of defense or applicable military department under the base realignment or closure process. This subsection expires September 1, 2007.

Added by Acts 2001, 77th Leg., ch. 1283, Sec. 2, eff. Sept. 1, 2001.

Amended by Acts 2003, 78th Leg., ch. 149, Sec. 5, eff. May 27, 2003.

Sec. 486.053. REVOLVING LOAN ACCOUNT. (a) The community infrastructure development 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 office may accept gifts or grants from any source for the purposes of this subchapter. The office shall deposit gifts or grants to the credit of the account.

(d) The office shall deposit to the credit of the account all loan payments made by an eligible community.

Added by Acts 2001, 77th Leg., ch. 1283, Sec. 2, eff. Sept. 1, 2001.