

Amend CSHB 7 as follows:

Strike everything below page 1, line 2 and insert the following.

ARTICLE ____ . PROMOTION PARTNERSHIP BETWEEN
THE TEXAS DEPARTMENT OF AGRICULTURE AND
CERTAIN COMMODITY PRODUCERS BOARDS

SECTION __.1. Sec. 12.0176, Agriculture Code, is amended to read as follows:

Sec. 12.0176 Cooperation with Certain Commodity Producers Boards. The department, may as resources allow, enter into cooperative agreements with a board in order to increase the effectiveness and efficiency of the promotion of Texas agricultural products. Such cooperative agreements may include provisions relating to the programs instituted by the department under Chs. 12 and 46 of this Code, provisions relating to board contributions for promotional costs, and any other provisions the department and the board deem appropriate. Funds contributed by a board pursuant to an agreement under this section are not state funds.

SECTION __.2. Sec. 41.002(1), Agriculture Code, is amended to read as follows:

(1) "Agricultural commodity" means an agricultural, horticultural, viticulture, or vegetable product, bees and honey, planting seed, rice, livestock or livestock product, or poultry or poultry product, produced in this state, either in its natural state or as processed by the producer. The term does not include flax. ~~[or cattle.]~~

SECTION __.3. Subchapter H, Agriculture Code, is added to read as follows:

SUBCHAPTER H. TEXAS BEEF MARKETING, EDUCATION,
RESEARCH AND PROMOTION

SECTION __.4. Sec. 41.30, Agriculture Code, is added to read as follows:

Sec. 41.30. Declaration of Policy

(a) It is the intent of the Legislature that the promotion, marketing, research and educational efforts concerning beef and beef products carried out under this Subchapter utilize existing cattle industry infrastructure to the extent possible.

(b) The Texas Beef Council, Inc, a Texas non-profit corporation chartered by the Secretary of State on March 7, 1986, shall be recognized as the entity to plan, carry out and operate programs of research, education, promotion and marketing programs.

(c) The Department may recover costs for administration of this subchapter.

(d) The council shall issue to the commissioner and the appropriate oversight committee in the Senate and House of Representatives an annual report detailing its efforts to carry out the purposes of this subchapter.

SECTION __.5. Sec. 41.31, Agriculture Code, is added to read as follows:

Sec. 41.31, Conflict with General Commodity Law Provisions.
To the extent that the provisions of this subchapter conflict with other provisions of this chapter, the provisions of this subchapter shall prevail.

SECTION __.6. Sec. 41.32, Agriculture Code, is added to read as follows:

Sec. 41.32 Definitions

In this subchapter:

(1) "beef products" means products produced in whole or in part from beef, exclusive of milk and products made there from.

(2) "board" means the Board of Directors of the Texas Beef Council, Inc.

(3) "council" means the Texas Beef Council, Inc.

(4) "department" means the Texas Department of Agriculture.

(5) "commissioner" means the Commissioner of Agriculture.

(6) "person" means any individual, group of individuals, partnership, corporation, association, cooperative or any other entity.

(7) "producer" means any person who owns or acquires ownership of cattle except that a person shall not be considered to be a producer if the person's only share in the proceeds of a sale of cattle or beef is a sales commission, handling fee, or other service fee.

SECTION __.7. Sec. 41.33, Agriculture Code, is added to read as follows:

Sec. 41.33 Council Composition

(a) The board shall be composed of members appointed by the commissioner under Subsection (b) of this section. The commissioner shall appoint an initial board composed of 21 members.

(b) The commissioner shall appoint the following board members, for a one year term:

(1) three (3) representatives of the Texas and Southwestern Cattle Raisers Association;

(2) three (3) representatives of the Texas Cattle Feeders Association;

(3) three (3) representatives of the Texas Farm Bureau;

(4) two (2) representatives of the Independent Cattlemen's Association;

(5) two (2) representatives of Texas purebred cattle

associations, as a group;

(6) two (2) representatives of Texas dairy associations, as a group;

(7) two (2) representatives of Livestock Marketing Association of Texas;

(8) one (1) representative of meat packer/exporter associations, as a group;

(9) one (1) representative of Texas Cattle Women; and

(10) two (2) at-large directors.

(c) A vacancy on the board shall be filled by appointment by the commissioner for the unexpired term.

SECTION __.7. Sec. 41.34, Agriculture Code, is added to read as follows:

Sec. 41.34 Establishment, Collection of Assessment, Finances.

(a) The commissioner, on the recommendation of the council, shall propose the maximum assessment in a referendum.

(b) If an assessment referendum is approved, the council shall collect the assessment.

(c) An assessment levied on cattle producers may be applied to efforts relating to the marketing, education, research and promotion of beef and beef products in Texas, the United States and international markets.

(d) Prior to operations each year the commissioner shall review and approve the council's operating budget.

(e) Funds collected by the council are not state funds and are not required to be deposited in the state treasury.

(f) The council may:

(1) accept gifts, donations, and grants of money, including appropriated funds, from state government, federal government, local governments, private corporations, or other persons, to be used for the purposes of this subchapter;

(2) borrow money upon approval of the commissioner;
and

(3) take other action and exercise other authority as necessary to execute any act authorized by this subchapter or the Texas Nonprofit Corporation Act (Article 1396-101 et. seq. Vernon's

Texas Civil Statutes).

(g) The commissioner and the State Auditor at any time may inspect the books and other financial records of the council.

(h) Assessments collected by the council under this subchapter are subject to Section 41.083 of this Code, but are not subject to Section 41.082 of this Code.

SECTION __.8. Sec. 41.35, Agriculture Code, is added to read as follows:

Sec. 41.35 Conduct of Referendum; Balloting

(a) On the recommendation of the Council, the commissioner shall conduct a referendum authorized under this subchapter. Persons qualified to vote in a referendum are those producers who have owned cattle within 12 months preceding the referendum.

(b) The council shall bear all expenses incurred in conducting a referendum.

(c) An eligible cattle producer may vote only once in a referendum.

(d) Each vote is entitled to equal weight regardless of the volume of production.

(e) A referendum is approved if a simple majority of those voting vote in favor of the referendum.

(f) Individual voter information, including an individual's vote in a referendum conducted under this section, is confidential and not subject to disclosure under the Open Records law, Chapter 552 Government Code.

SECTION __.9. Sec. 41.36, Agriculture Code, is added to read as follows:

Sec. 41.36 Authority to Adopt Rules

The commissioner may adopt rules as necessary to implement the provisions of this subchapter, including without limitation rules relating to the auditing of the books of the council, fidelity bonds required for certain council employees, conflicts of interest, penalties, and to a statewide referendum.

SECTION __.10. Sec. 41.37, Agriculture Code, is added to read as follows:

Sec. 41.37 Penalties

(a) A person who violates this subchapter or a rule adopted

under this subchapter commits an offense.

(b) An offense under this section is a Class C misdemeanor.

Renumber accordingly.