

## **BILL ANALYSIS**

H.B. 2785  
By: Eiland  
Agriculture & Livestock  
Committee Report (Amended)

### **BACKGROUND AND PURPOSE**

Current economic conditions, including rising gas fuel and other operating costs, coupled with declining market prices caused by the flooding of domestic markets with foreign farm raised shrimp, and increased regulatory constraints on shrimp fisheries and harvesting seasons, have driven the Texas shrimp industry to the brink of bankruptcy. In an effort to help the industry, this bill creates a Shrimp Marketing Assistance Program administered by the Texas Department of Agriculture (TDA) to help promote and market shrimp harvested in Texas. The Program is modeled after the successful Texas Oyster Program also administered by TDA.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Department of Agriculture in SECTION 1 (Sec.47.051 and Sec. 47.052)(Agriculture Code).

### **ANALYSIS**

H.B. 2785 amends Chapter 47, Agriculture Code, by renaming the Texas Oyster Program to the Texas Oyster and Shrimp Program and creating the Texas Shrimp Marketing Assistance Program (Program) in the Department of Agriculture.

The Program is established in the Texas Department of Agriculture (TDA) to assist the Texas shrimp industry in promoting and marketing shrimp harvested from coastal waters and educating the public about the Texas shrimp industry and shrimp harvested from coastal waters.

The Commissioner of Agriculture (Commissioner), in consultation with the advisory committee established under Section 47.052, is required to adopt rules as necessary to implement the program. TDA may accept grants, gifts and gratuities from any source, including a governmental entity, private or public corporation, and any other person in furtherance of the program. Any monies received as a grant, gift or gratuity is required to be deposited in the shrimp marketing account.

Program funding is required at a minimum level of \$250,000.00 per fiscal year with funds deposited into the shrimp marketing account. The department may not expend more than two percent (2%) of the annual program budget on out-of-state travel.

The bill requires the Commissioner to appoint a Shrimp Advisory Committee (advisory committee) to provide guidance and direction on the programs and activities established in the program and sets forth requirements, duties and terms for the appointees. The members of the advisory committee serve without compensation, but may be reimbursed for certain expenses.

The bill authorizes the Commissioner to employ one or more persons as employees of the department to staff the Program. Unless otherwise expressly provided by the legislature, the source of funding for the employee(s) and program promotion shall be monies generated from the program, including the license surcharge authorized pursuant to Section 77.002, Parks and Wildlife Code.

The bill amends the Parks and Wildlife Code, Chapter 77, to require a fee increase of 10% as of September 1, 2003, for particular shrimp licenses and the amount of the increase shall be credited to the shrimp marketing account.

The bill sets forth the requirement that the shrimp marketing account monies may be used only to implement, maintain and conduct, including program staff employees, the Texas Shrimp Marketing Assistance Program. The bill sets forth expense and accounting requirements for administration of the Program.

**EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.

**EXPLANATION OF AMENDMENTS**

Committee Amendment No. 1 makes technical corrections by renumbering sections of the bill and referencing correct subchapters of the Agriculture Code. The amendment also adds four additional licenses from the Parks and Wildlife Code to the surcharge increase for funding purposes. The amendment increases from the amount of money per fiscal year that the Department of Agriculture may allocate to cover administrative and personnel costs from no more than \$50,000 to no more than \$100,000, and deletes in-state travel from administrative costs.