

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 22, 2007**

**TO:** Honorable Tom Craddick, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2542** by Kolkhorst (Relating to the continuation and functions of the Office of Rural Community Affairs.), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Government Code to continue the Office of Rural Community Affairs (ORCA) for four years. The bill would modify the executive committee from a committee made up of nine members to a board with 11 members. The bill would narrow ORCA's powers and duties to include assisting rural communities in the key areas of economic development, community development, rural health, and rural housing; serve as a clearinghouse for information and resources on all state and federal programs affecting rural communities; identify and prioritize policy issues and concerns affecting rural communities in the state; and make recommendations to the legislature to address the concerns affecting rural communities. The bill would authorize ORCA to collocate its field staff in the Department of Agriculture's offices and work in conjunction with the Department of Agriculture to regularly cross-train office employees regarding the programs administered and services provided by each agency to rural communities. The bill would require the board to review grant applications and approve grant and loan awards. The bill would require ORCA to work in consultation with the Department of Agriculture to evaluate and streamline the administration of the rural Community Development Block Grant (CDBG) program.

Based on information provided by ORCA, the Department of Agriculture, and the Sunset Advisory Commission, it is assumed that any additional costs related to the duties and responsibilities associated with implementing the provisions of the bill could be covered by utilizing existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house; otherwise, the bill would take effect September 1, 2007.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 357 Office of Rural Community Affairs, 551 Department of Agriculture

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