

## **BILL ANALYSIS**

H.B. 1580  
By: Flynn  
Agriculture & Livestock  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Texas Boll Weevil Eradication Foundation, Inc., is a primarily grower-initiated and grower-funded effort created to eradicate the boll weevil and pink bollworm from Texas cotton fields. The foundation's main functions include mapping cotton fields, setting and monitoring boll weevil traps, and arranging for aerial pesticide applications in areas of boll weevil infestation. All active cotton-growing areas of Texas voluntarily participate in the foundation's efforts.

The foundation is a quasi-governmental entity with oversight by the commissioner of agriculture. Its employees are not state employees, and its budget is not subject to the legislative appropriations process. In calendar year 2008, the foundation operated on a budget of about \$58 million, derived from assessments levied on nearly 26,000 growers, federal funding, and state funding. The foundation also has an accumulated statewide debt of \$99 million in low-interest loans from the Farm Service Agency of the U.S. Department of Agriculture.

The foundation is subject to the Texas Sunset Act and will be abolished on September 1, 2009, unless continued by the legislature. The sunset review found that the foundation's current structure promotes meaningful participation by cotton growers and encourages a cooperative, self-policing attitude that makes the program more proactive than traditional regulatory approaches. However, inflexible methods and mechanisms for collecting and using grower assessments may affect the foundation's ability to successfully complete its mission of eradicating the boll weevil. H.B. 1580 provides the foundation flexibility in the collection and use of grower assessments to meet the changing nature of boll weevil eradication efforts.

H.B. 1580 removes limitations that prevent the foundation from transferring assessments among zones and allows it the flexibility to do so upon approval of the foundation board and the agriculture commissioner. The bill allows the foundation flexibility to adapt its method and mechanism for collecting assessments in its eradication program, upon approval of the foundation board and the agriculture commissioner. The bill continues the Texas Boll Weevil Eradication Foundation, Inc., as a non-profit, quasi-governmental agency that works to eradicate the boll weevil and pink bollworm from Texas cotton fields, for an additional 12 years.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of agriculture in SECTION 2 of this bill.

### **ANALYSIS**

H.B. 1580 amends the Agriculture Code to modify provisions relating to the Texas Boll Weevil Eradication Foundation, Inc. The bill removes a prohibition against the assessment levied on cotton growers in one boll weevil eradication zone being used to pay for eradication in another zone, or for another zone's bank loans or debts. The bill authorizes the foundation, with approval of the foundation's board of directors and the commissioner of agriculture, to transfer proceeds from the collection of assessments in one eradication zone to another eradication zone, but only

for purposes of eradication, the foundation's operating costs including payments on debt incurred for a foundation activity, and the conducting of other programs consistent with policies of boll weevil eradication.

H.B. 1580 authorizes the commissioner of agriculture to adopt rules that provide for an alternative method, manner, and mechanism to impose and collect assessments on cotton growers for boll weevil eradication activities. The bill authorizes the commissioner to adopt such rules only after receiving a recommendation from the foundation's board of directors. The bill requires the board to consult with cotton grower steering committees and the technical advisory committee in formulating a recommendation, which the bill permits the commissioner to accept, reject, or modify. The bill provides that such rules apply notwithstanding the law on assessment referenda and must require anyone collecting an assessment to forward it to the foundation. The bill specifies that the maximum amount of such an assessment may not exceed the maximum amount of an assessment approved by cotton growers in a referendum.

H.B. 1580 extends the foundation's abolition date, under the Texas Sunset Act, from September 1, 2009, to September 1, 2021.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.