

## **BILL ANALYSIS**

C.S.H.B. 2334  
By: Hardcastle  
Agriculture & Livestock  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Rural economic development programs are key to the economic development and diversification of Texas agriculture and its products. The Department of Agriculture (TDA) has developed a plan to offer voluntary economic development and marketing opportunities at a fee for Texas communities and businesses. Interested parties claim, however, that certain statutory changes are necessary to provide the TDA the authority to implement the plan. C.S.H.B. 2334 seeks to assist in that implementation by authorizing the TDA to operate programs for rural economic development and for marketing and promotion of agricultural and other products grown, processed, or produced in Texas.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Department of Agriculture in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 2334 amends the Agriculture Code to authorize the Department of Agriculture (TDA) by rule to charge a membership fee to each participant in an economic development program maintained by the TDA for rural areas in Texas. The bill authorizes the TDA to adopt rules as necessary to administer the program and authorizes the TDA to revoke a participant's certificate of registration or license issued under the program if the participant fails to comply with a rule adopted by the TDA.

C.S.H.B. 2334 authorizes the TDA to create, distribute, and provide informational materials to the public in any type of media format in order to market and promote agricultural and other products grown, processed, or produced in Texas. The bill authorizes the TDA, in order to recover the costs of administering specified agricultural activities and programs, to sell advertising and assess and collect fees, revenues, and royalties on department-owned content, information, or certain materials. The bill removes a provision authorizing the TDA to receive royalties on department-owned materials that are sold or supplied to others by the TDA for publication. The bill specifies that the agreements into which the TDA is authorized to enter for publication of information concerning agriculture, horticulture, or related industries are with private entities and local, state, federal, or foreign governmental entities and removes the specification that such agreements are contractual. The bill authorizes the TDA to collect an event fee or a royalty for the marketing and promotional activities authorized by statutory provisions establishing the powers and duties of the TDA and statutory provisions relating to specified agricultural programs. The bill authorizes money received for advertising, fees, revenues, and royalties and deposited in the State Treasury to be appropriated only to the TDA for the department's activities or programs relating to the marketing and promotion of agriculture, horticulture, and other industries that grow, process, or produce products in Texas. The bill removes a provision requiring such money to be deposited in the State Treasury to the credit of the fund from which expenses for the publication were paid.

C.S.H.B. 2334 expands the provision authorizing the TDA to sell or contract for the sale of promotional items for the "Go Texan" program to include the sale or contract for sale of program merchandise; specifies that the purpose of such items and merchandise is to encourage the marketing and promotion of agricultural products grown, processed, or produced in Texas; and expands that purpose to make it applicable to other products grown, processed, or produced in Texas. The bill expands the methods the TDA is authorized to use to advertise and sell such items for the "Go Texan" program to include any available means, including direct marketing, mail, the Internet, and any other media format, rather than specifying the use of the TDA's Internet website. The bill authorizes money received from the sale of such promotional items and program merchandise to be appropriated only to the TDA for its activities or programs relating to the marketing and promotion of agricultural and other products grown, processed, or produced in Texas and removes a provision requiring the money to be deposited to the credit of the "Go Texan" partner program account in the general revenue fund. The bill makes conforming and nonsubstantive changes.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 2334 contains a provision not included in the original authorizing the Texas Department of Agriculture (TDA) to collect an event fee for the marketing and promotional activities authorized by statutory provisions establishing the powers and duties of the department and statutory provisions relating to specified agricultural programs.

C.S.H.B. 2334 differs from the original by specifying that the appropriation of money received from advertising, fees, revenues, and royalties to the TDA for certain department activities or programs may be made only to the TDA for those purposes, whereas the original specifies that the appropriation may be made to the TDA for those purposes.

C.S.H.B. 2334 contains a provision not included in the original including money received from the sale of program merchandise among the money from which the legislature is authorized to make appropriations to the TDA. The substitute differs from the original by specifying that the appropriation of money received from the sale of promotional items and program merchandise to the TDA for certain activities or programs may be made only to the TDA for those purposes, whereas the original specifies that the appropriation may be made to the TDA for those purposes.

C.S.H.B. 2334 differs from the original by making the bill effective on passage or, if the bill does not receive the necessary vote, September 1, 2011, whereas the original makes the bill effective September 1, 2011.