

BILL ANALYSIS

S.B. 1086
By: Estes
Agriculture & Livestock
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The introduced versions of H.B. 1 and S.B. 1 reduce general revenue appropriations to the Texas Department of Agriculture's (TDA) economic development and marketing programs by 100 percent and 95 percent, respectively. The Legislative Budget Board (LBB) found value in these programs, but encouraged TDA to apply cost recovery models to continue offering these critical services.

Funding reductions will eliminate or drastically decrease technical assistance provided to businesses and rural communities. TDA will not have a field presence to assist in rural business retention and expansion, assist in community strategic planning, help communities access and leverage federal funding, or facilitate regional cooperation in new job recruitment.

The proposed budget will also eliminate support provided to more than 2,500 GO TEXAN Partner Program member companies and eliminate the grant program, which facilitates jobs and economic development through matching fund grants. The bill eliminates up to 80.7 full-time equivalent positions who help promote Texas products, culture, and communities around the world and abandons 10 years of state investment in the GO TEXAN brand.

Agriculture currently represents 9.5 percent of the gross state product and employs one in seven working Texans. These programs are key to the economic development and diversification of Texas agriculture and its products. TDA understands LBB's mandate to apply cost recovery models to continue these critical services; therefore, TDA has developed a plan to offer certain voluntary economic development and marketing opportunities at a fee for Texas communities and businesses. However, statutory changes are necessary to provide TDA the specific authority to implement these solutions.

S.B. 1086 amends current law relating to the operation by TDA of programs for rural economic development and the marketing and promotion of agricultural and other products grown, processed, or produced in this state.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Agriculture in SECTION 1 (Section 12.027, Agriculture Code) of this bill.

ANALYSIS

SECTION 1. Amends Section 12.027, Agriculture Code, by adding Subsections (d), (e), and (f), as follows:

- (d) Authorizes the Texas Department of Agriculture (TDA) by rule to charge a membership fee to each participant in the economic development program (program).
- (e) Authorizes TDA to adopt rules as necessary to administer the program, including rules regarding the use of any state or federally registered trademarks, certification marks, or service marks of TDA.
- (f) Authorizes 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 TDA.

SECTION 2. Amends the heading to Section 12.031, Agriculture Code, to read as follows:

Sec. 12.031. ADVERTISING, PUBLICATIONS, AND FEES.

SECTION 3. Amends Section 12.031, Agriculture Code, by amending Subsections (b), (c), and (d) and adding Subsections (a-1) and (c-1), as follows:

(a-1) Authorizes TDA, in order to market and promote agricultural and other products grown, processed, or produced in this state, to create, distribute, and provide informational materials to the public in any type of media format.

(b) Authorizes TDA, in order to recover the costs of administering activities under Sections 12.002 (Development of Agriculture), 12.0175 (Grown or Produced in Texas Program), 46.0095 (Sale of Promotional Items), 47.052 (Program Established), and 50B.001 (Findings and Purpose), to sell advertising and assess and collect fees, revenues, and royalties on TDA-owned content, information, or materials described by Subsections (a) (related to providing or selling information to the public concerning agriculture, horticulture, or related industries) and (a-1), including the TDA's state or federally registered certification marks, service marks, and trademarks. Deletes existing text authorizing TDA to receive royalties on TDA-owned materials that are sold or supplied to others by TDA for publication.

(c) Authorizes TDA to enter into agreements, rather than contractual agreements, with private entities and local, state, federal, or foreign governmental entities for publication of information concerning agriculture, horticulture, or related industries.

(c-1) Authorizes TDA to collect an event fee or a royalty for the marketing and promotional activities authorized by this chapter, Chapter 46 ("Go Texan" Partner Program), Chapter 47 (Texas Oyster and Shrimp Program), or Chapter 50B (Texas Wine Industry Development Act).

(d) Requires money received under this section to be deposited in the State Treasury and authorizes it to be appropriated only to TDA for TDA's activities or programs relating to the marketing and promotion of agriculture, horticulture, and other industries that grow, process, or produce products in this state, rather than being deposited in the State Treasury to the credit of the fund from which expenses for the publication were paid.

SECTION 4. Amends Section 46.0095, Agriculture Code, as follows:

Sec. 46.0095. New heading: SALE OF PROMOTIONAL ITEMS OR PROGRAM MERCHANDISE. (a) Authorizes TDA to sell or contract for the sale of "Go Texan" promotional items and program merchandise, including clothing, posters, and banners, in order to encourage the marketing and promotion of agricultural and other products grown, processed, or produced in this state, rather than designed to promote Texas agricultural products. Authorizes TDA to use any available means, including direct marketing, mail, the Internet, and any other media format, rather than use its Internet website, to advertise and sell those items.

(b) Authorizes that money received from the sale of promotional items and program merchandise under this section be appropriated to TDA for TDA's activities or programs relating to the marketing and promotion of agricultural and other products grown, processed, or produced in this state. Deletes existing text requiring that money received from the sale of promotional items under this section be deposited to the credit of the "Go Texan" partner program account in the general revenue fund.

SECTION 5. Effective date: upon passage or September 1, 2011.

EFFECTIVE DATE

Effective date: upon passage or September 1, 2011.