

BILL ANALYSIS

H.B. 1308
By: Darby
Agriculture & Livestock
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties contend that certain statutory provisions need to be amended in order to update references, remove redundancies, and reflect changes to the economic development authority of the Department of Agriculture (TDA) and the structure of the Texas Agricultural Finance Authority. H.B. 1308 seeks to address these issues, improve TDA economic development programs, and enhance the TDA's ability to support producers, businesses, and communities statewide.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the Department of Agriculture in SECTION 3 of this bill.

ANALYSIS

H.B. 1308 amends the Agriculture Code to update provisions relating to the Department of Agriculture's (TDA) economic development program for rural areas in Texas and to authorize the TDA to request, accept, and use any gift, grant, loan, donation, aid, appropriation, guaranty, allocation, subsidy, or contribution of any item of value to further an economic development program in Texas.

H.B. 1308 establishes the Texas economic development fund as a fund in the state treasury and provides for the composition of the fund, including certain money and assets associated with economic development programs established using money allocated and paid to the TDA under a certain allocation agreement between the TDA and the U.S. Department of the Treasury to implement the federal State Small Business Credit Initiative Act of 2010. The bill restricts the appropriation of money in the fund only to the TDA for the purpose of administering, establishing, implementing, or maintaining an economic development program under the fund and establishes that such money is dedicated to and authorized to be used only for the administration, establishment, implementation, or maintenance of one or more of the TDA's economic development programs. The bill exempts the fund from certain Government Code provisions relating to the use of dedicated revenue.

H.B. 1308 requires the TDA to provide to a community certified under the Texas Certified Retirement Community Program assistance in the manner determined by TDA rule, rather than assistance as specified in statute. The bill changes the deadline by which the assistance must be provided from not later than the 90th day after an application is submitted to not later than the 90th day after approval of a submitted application. The bill exempts the Texas certified retirement community program account from the application of certain Government Code provisions relating to the use of dedicated revenue.

H.B. 1308 expands the purpose of the interest rate reduction program established by the board of directors of the Texas Agricultural Finance Authority to include fostering development or expansion of businesses in rural areas of Texas. The bill removes the requirement that copies of

the annual budget of the young farmer loan guarantee program, the farm and ranch finance program, and programs administered by the board under the Texas Agricultural Finance Act be filed with the governor and the legislature and removes a provision making an annual budget ineffective until it is filed. The bill removes the requirement that the authority file copies of an annual report of its activities for the preceding fiscal year with the governor and the legislature.

H.B. 1308 amends the Government Code to remove the requirement that the Office of Rural Affairs compile an annual report describing and evaluating the condition of rural communities. The bill includes activities of the Texas Rural Foundation in the commissioner of agriculture's biennial report to the legislature of the findings of the Texas Rural Health and Economic Development Advisory Council.

H.B. 1308 repeals provisions relating to the requirement that the Office of Rural Affairs submit a biennial report to the legislature regarding the activities of the office, the activities of the Texas Rural Foundation, and any findings and recommendations relating to rural issues. The bill repeals provisions relating to the requirement that the office submit to the legislature a biennial report detailing the grant activities of the community telecommunications alliance program and grant recipients.

H.B. 1308 amends the Transportation Code to make a nonsubstantive change.

H.B. 1308 requires the commissioner of agriculture to appoint a person who represents agriculture-related entities as a member of the board of directors of the Texas Agricultural Finance Authority not later than the 60th day after the bill's effective date.

H.B. 1308 repeals the following provisions:

- Section 12.040(f), Agriculture Code
- Section 487.056, Government Code
- Section 487.653, Government Code

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.