

By: Darby

H.B. No. 1308

A BILL TO BE ENTITLED

AN ACT

relating to certain economic development programs administered by the Department of Agriculture.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 12.027, Agriculture Code, is amended by amending Subsections (b) and (d) and adding Subsection (g) to read as follows:

(b) In administering the program, the department shall:

(1) promote economic growth in rural areas;

(2) identify potential opportunities for business in rural areas and assist rural communities in maximizing those opportunities;

(3) work with rural communities to identify economic development needs and direct those communities to persons who can address and assist in meeting those needs;

(4) encourage communication between organizations, industries, and regions to improve economic and community development services to rural areas;

(5) coordinate meetings with public and private entities to distribute information beneficial to rural areas;

(6) enter into a memorandum of agreement to work cooperatively with the Texas ~~[Department of]~~ Economic Development and Tourism Office, the Texas AgriLife ~~[Agricultural]~~ Extension Service, and other entities the department deems appropriate to

1 further program objectives; and

2 (7) perform any other functions necessary to carry out
3 the program.

4 (d) The department by rule may charge a membership fee to a
5 ~~each~~ participant in the program.

6 (g) In addition to the authority set forth in subsection
7 (a), the department may request, accept, and use any gift, grant,
8 loan, donation, aid, appropriation, guaranty, allocation, subsidy,
9 or contribution of any item of value to further an economic
10 development program in this state.

11 SECTION 2. Chapter 12, Agriculture Code, is amended by
12 adding Section 12.0272 to read as follows:

13 Sec. 12.0272. TEXAS ECONOMIC DEVELOPMENT FUND. (a) The
14 Texas economic development fund is a fund in the State Treasury.
15 The account consists of:

16 (1) all interest, income, revenue, and other assets
17 associated with economic development programs established using
18 money allocated and paid to the department under the August 15,
19 2011, allocation agreement between the department and the United
20 States Department of the Treasury, as amended, to implement the
21 State Small Business Credit Initiative Act of 2010 (12 U.S.C.
22 Section 5701 et seq.);

23 (2) all money, deposits, distributions, dividends,
24 earnings, gain, income, interest, proceeds, profits, program
25 income, rents, returns of capital, returns on investments,
26 royalties, revenue, or yields received or realized by the
27 department as a result of an investment made by or on behalf of the

1 department pursuant to the August 15, 2011, allocation agreement
2 between the department and the United States Department of the
3 Treasury, as amended;

4 (3) gifts, loans, donations, aid, appropriations,
5 guaranties, allocations, subsidies, grants, or contributions
6 received under Section 12.027(g);

7 (4) interest and income earned on the investment of
8 money in the fund; and

9 (5) other money required by law to be deposited in the
10 fund.

11 (b) Money in the Texas economic development fund may be
12 appropriated only to the department for the purpose of
13 administering, establishing, implementing, or maintaining an
14 economic development program under this section and is dedicated to
15 and may be used only for the administration, establishment,
16 implementation, or maintenance of one or more of the department's
17 economic development programs.

18 (c) The Texas Economic Development Fund is exempt from
19 Section 403.095, Government Code.

20 SECTION 3. Sections 12.040(d), (g), and (i), Agriculture
21 Code, are amended to read as follows:

22 (d) To be eligible to be a Texas certified retirement
23 community, a community shall:

24 (1) through a board or panel that serves as the
25 community's official program sponsor:

26 (A) complete a retiree desirability assessment,
27 as developed by the department, to include facts regarding crime

1 statistics, tax information, recreational opportunities, housing
2 availability, and other appropriate factors, including criteria
3 listed in Subsection (e); and

4 (B) work to gain the support of churches, clubs,
5 businesses, media, and other entities, as necessary for the success
6 of the program in the community;

7 (2) identify emergency medical services and a hospital
8 within a 75-mile radius of the community; and

9 (3) submit to the department:

10 (A) a [~~an application~~] fee in an amount equal to
11 the greater of:

12 (i) \$5,000; or

13 (ii) \$0.25 multiplied by the population of
14 the community, as determined by the most recent census;

15 (B) a marketing plan detailing the mission as
16 applied to the community, the target market, the competition, an
17 analysis of the community's strengths, weaknesses, opportunities
18 and dangers, and the strategies the community will employ to attain
19 the goals of the program; and

20 (C) a long-term plan outlining the steps the
21 community will undertake to maintain its desirability as a
22 destination for retirees, including an outline of plans to correct
23 any facility and service deficiencies identified in the retiree
24 desirability assessment required by Subdivision (1)(A).

25 (g) If the department finds that a community successfully
26 meets the requirements of a Texas certified retirement community,
27 not later than the 90th day after the application is submitted and

1 approved, the department shall provide [~~the following~~] assistance
2 to the community as determined by department rule[+]

3 [~~(1) assistance in the training of local staff and~~
4 ~~volunteers,~~

5 [~~(2) ongoing oversight and guidance in marketing, plus~~
6 ~~updates on retirement trends,~~

7 [~~(3) inclusion in the state's national advertising and~~
8 ~~public relations campaigns and travel show promotions, including a~~
9 ~~prominent feature on the department's Internet website, to be~~
10 ~~coordinated with the Internet websites of other agencies, as~~
11 ~~appropriate,~~

12 [~~(4) eligibility for state financial assistance for~~
13 ~~brochures, support material, and advertising, and~~

14 [~~(5) an evaluation and progress assessment on~~
15 ~~maintaining and improving the community's desirability as a home~~
16 ~~for retirees].~~

17 (i) The Texas certified retirement community program
18 account is an account in the general revenue fund. The account is
19 composed of fees collected under Subsection (d). Money in the
20 account may be appropriated to the department only for the purposes
21 of this section, including the payment of administrative and
22 personnel costs of the department associated with administering the
23 program. The account is exempt from the application of Section
24 403.095, Government Code.

25 SECTION 4. Section 44.007(a), Agriculture Code, is amended
26 to read as follows:

27 (a) The board shall establish an interest rate reduction

1 program to foster the:

2 (1) creation and expansion of enterprises based on
3 agriculture in this state; or

4 (2) development or expansion of businesses in rural
5 areas of this state.

6 SECTION 5. Sections 58.016(b) and (d), Agriculture Code,
7 are amended to read as follows:

8 (b) On or before August 1 of each year, the administrator
9 shall file with the board the proposed annual budgets for the young
10 farmer loan guarantee program under Subchapter E, the farm and
11 ranch finance program under Chapter 59, and the programs
12 administered by the board under this chapter for the succeeding
13 fiscal year. If there is no administrator, the commissioner shall
14 assume the duties of the administrator in connection with
15 preparation of the budget. The budget must set forth the general
16 categories of expected expenditures out of revenues and income of
17 the funds administered by the authority and the amount on account of
18 each. On or before September 1 of each year, the board shall
19 consider the proposed annual budget and may approve it or amend it.

20 ~~[Copies of the annual budget certified by the chairman of the board~~
21 ~~shall be promptly filed with the governor and the legislature. The~~
22 ~~annual budget is not effective until it is filed.]~~ If for any

23 reason the authority does not adopt an annual budget before
24 September 2, no expenditures may be made from the funds until the
25 board approves the annual budget. The authority may adopt an
26 amended annual budget for the current fiscal year~~[, but the amended~~
27 ~~annual budget may not supersede a prior budget until it is filed~~

1 ~~with the governor and the legislature].~~

2 (d) On or before January 1 of each year, the authority shall
3 prepare a report of its activities for the preceding fiscal year.
4 The report must set forth a complete operating and financial
5 statement. ~~[The authority shall file copies of the report with the
6 governor and the legislature as soon as practicable.]~~

7 SECTION 6. Section 58.022, Agriculture Code, is amended to
8 read as follows:

9 Sec. 58.022. POWERS OF AUTHORITY. The authority has all
10 powers necessary to accomplish the purposes and programs of the
11 authority, including the power:

12 (1) to adopt and enforce bylaws, rules, and procedures
13 and perform all functions necessary for the board to carry out this
14 chapter;

15 (2) to sue and be sued, complain, and defend, in its
16 own name;

17 (3) to adopt and use an official seal and alter it when
18 considered advisable;

19 (4) to acquire, hold, invest, use, pledge, and dispose
20 of its revenues, income, receipts, funds, and money from every
21 source and to select one or more depositories, inside or outside the
22 state, subject to this chapter, any resolution, bylaws, or in any
23 indenture pursuant to which the funds are held;

24 (5) to establish, charge, and collect fees, charges,
25 and penalties in connection with the programs, services, and
26 activities provided by the authority in accordance with this
27 chapter;

1 (6) to issue its bonds, to provide for and secure the
2 payment of the bonds, and provide for the rights of the owners of
3 the bonds, in the manner and to the extent permitted by this
4 chapter, and to purchase, hold, cancel, or resell or otherwise
5 dispose of its bonds, subject to any restrictions in any resolution
6 authorizing the issuance of its bonds;

7 (7) to procure insurance and pay premiums on insurance
8 of any type, in amounts, and from insurers as the board considers
9 necessary and advisable to accomplish any of its purposes;

10 (8) to make, enter into, and enforce contracts,
11 agreements, including management agreements, for the management of
12 any of the authority's property, leases, indentures, mortgages,
13 deeds of trust, security agreements, pledge agreements, credit
14 agreements, and other instruments with any person, including any
15 lender and any federal, state, or local governmental agency, and to
16 take other actions as may accomplish any of its purposes;

17 (9) to own, rent, lease, or otherwise acquire, accept,
18 or hold real, personal, or mixed property, or any interest in
19 property in performing its duties and exercising its powers under
20 this chapter, by purchase, exchange, gift, assignment, transfer,
21 foreclosure, mortgage, sale, lease, or otherwise and to hold,
22 manage, operate, or improve real, personal, or mixed property,
23 wherever situated;

24 (10) to sell, lease, encumber, mortgage, exchange,
25 donate, convey, or otherwise dispose of any or all of its properties
26 or any interest in its properties, deed of trust or mortgage lien
27 interest owned by it or under its control, custody, or in its

1 possession, and release or relinquish any right, title, claim,
2 lien, interest, easement, or demand however acquired, including any
3 equity or right of redemption in property foreclosed by it, and to
4 do any of the foregoing by public or private sale, with or without
5 public bidding, notwithstanding any other law; and to lease or rent
6 any improvements, lands, or facilities from any person to effect
7 the purposes of this chapter;

8 (11) to request, accept, and use gifts, loans,
9 donations, aid, appropriations, guaranties, allocations,
10 subsidies, grants, or contributions of any item of value for the
11 furtherance of any of its purposes;

12 (12) to make secured or unsecured loans for the
13 purpose of providing temporary or permanent financing or
14 refinancing for eligible agricultural businesses for the purposes
15 authorized by this chapter, including the refunding of outstanding
16 obligations, mortgages, or advances issued for those purposes, and
17 charge and collect interest on those loans for such loan payments
18 and on such terms and conditions as the board may consider advisable
19 and not in conflict with this chapter;

20 (13) to secure the payment by the state or the
21 authority on guarantees and to pay claims from money in the
22 authority's funds pursuant to the loan guarantee and insurance
23 programs implemented by the authority;

24 (14) to purchase or acquire, sell, discount, assign,
25 negotiate, and otherwise dispose of notes, debentures, bonds, or
26 other evidences of indebtedness of eligible agricultural
27 businesses, whether unsecured or secured, as the board may

1 determine, or portions or portfolios of or participations in those
2 evidences of indebtedness, and sell and guarantee securities,
3 whether taxable or tax exempt under federal law in primary and
4 secondary markets in furtherance of any of the authority's
5 purposes; and

6 (15) to exercise all powers given to a corporation
7 under Chapter 22, Business Organizations Code [~~the Texas Non-Profit~~
8 ~~Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil~~
9 ~~Statutes)~~], to the extent not inconsistent with this chapter.

10 SECTION 7. Section 58.053(a), Agriculture Code, is amended
11 to read as follows:

12 (a) An eligible applicant's documentation shall include the
13 following for the board's review:

14 (1) the plan, as submitted to the lender, for the
15 applicant's proposed farm or ranch operation or
16 agriculture-related business to be financed that includes a budget
17 for the proposed operation;

18 (2) a completed application for a loan from a
19 commercial lender on which an eligible applicant has indicated how
20 the loan proceeds will be used to implement the applicant's plan;
21 and

22 (3) the signed statement of a loan officer of the
23 commercial lender that a loan guarantee is requested [~~required~~] for
24 approval of the loan application.

25 SECTION 8. Section 487.051(a), Government Code, is amended
26 to read as follows:

27 (a) The office shall:

1 (1) assist rural communities in the key areas of
2 economic development, community development, rural health, and
3 rural housing;

4 (2) serve as a clearinghouse for information and
5 resources on all state and federal programs affecting rural
6 communities;

7 (3) in consultation with rural community leaders,
8 locally elected officials, state elected and appointed officials,
9 academic and industry experts, and the interagency work group
10 created under this chapter, identify and prioritize policy issues
11 and concerns affecting rural communities in the state;

12 (4) make recommendations to the legislature to address
13 the concerns affecting rural communities identified under
14 Subdivision (3);

15 (5) monitor developments that have a substantial
16 effect on rural Texas communities, especially actions of state
17 government [~~and compile an annual report describing and evaluating~~
18 ~~the condition of rural communities~~];

19 (6) administer the federal community development
20 block grant nonentitlement program;

21 (7) administer programs supporting rural health care
22 as provided by this chapter;

23 (8) perform research to determine the most beneficial
24 and cost-effective ways to improve the welfare of rural
25 communities;

26 (9) ensure that the office qualifies as the state's
27 office of rural health for the purpose of receiving grants from the

1 Office of Rural Health Policy of the United States Department of
2 Health and Human Services under 42 U.S.C. Section 254r;

3 (10) manage the state's Medicare rural hospital
4 flexibility program under 42 U.S.C. Section 1395i-4;

5 (11) seek state and federal money available for
6 economic development in rural areas for programs under this
7 chapter;

8 (12) in conjunction with other offices and divisions
9 of the Department of Agriculture, regularly cross-train office
10 employees with other employees of the Department of Agriculture
11 regarding the programs administered and services provided to rural
12 communities; and

13 (13) work with interested persons to assist volunteer
14 fire departments and emergency services districts in rural areas.

15 SECTION 9. Section 487.804(b), Government Code, is amended
16 to read as follows:

17 (b) Not later than January 1 of each even-numbered year, the
18 commissioner shall submit to the legislature a report of the
19 findings of the advisory council and the activities of the Texas
20 Rural Foundation.

21 SECTION 10. The heading to Section 502.404, Transportation
22 Code, is amended to read as follows:

23 Sec. 502.404. VOLUNTARY ASSESSMENT FOR TEXAS AGRICULTURAL
24 FINANCE AUTHORITY [~~YOUNG FARMER LOAN GUARANTEES~~].

25 SECTION 11. The following provisions are repealed:

26 (1) Section 12.040(f), Agriculture Code;

27 (2) Section 487.056, Government Code; and

1 (3) Section 487.653, Government Code.

2 SECTION 12. Not later than the 60th day after the effective
3 date of this Act, the commissioner of agriculture shall appoint a
4 member of the board of directors of the Texas Agricultural Finance
5 Authority under Section 58.012(a)(4), Agriculture Code, as amended
6 by this Act.

7 SECTION 13. This Act takes effect immediately if it
8 receives a vote of two-thirds of all the members elected to each
9 house, as provided by Section 39, Article III, Texas Constitution.
10 If this Act does not receive the vote necessary for immediate
11 effect, this Act takes effect September 1, 2013.