

1-1 By: Schwertner S.B. No. 1214  
 1-2 (In the Senate - Filed March 6, 2013; March 12, 2013, read  
 1-3 first time and referred to Committee on Agriculture, Rural Affairs,  
 1-4 and Homeland Security; March 20, 2013, reported adversely, with  
 1-5 favorable Committee Substitute by the following vote: Yeas 3,  
 1-6 Nays 0; March 20, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12			X	
1-13	X			

1-14 COMMITTEE SUBSTITUTE FOR S.B. No. 1214 By: Schwertner

1-15 A BILL TO BE ENTITLED  
 1-16 AN ACT

1-17 relating to certain economic development programs administered by  
 1-18 the Department of Agriculture.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. Section 12.027, Agriculture Code, is amended by  
 1-21 amending Subsections (b) and (d) and adding Subsection (g) to read  
 1-22 as follows:

1-23 (b) In administering the program, the department shall:

1-24 (1) promote economic growth in rural areas;

1-25 (2) identify potential opportunities for business in  
 1-26 rural areas and assist rural communities in maximizing those  
 1-27 opportunities;

1-28 (3) work with rural communities to identify economic  
 1-29 development needs and direct those communities to persons who can  
 1-30 address and assist in meeting those needs;

1-31 (4) encourage communication between organizations,  
 1-32 industries, and regions to improve economic and community  
 1-33 development services to rural areas;

1-34 (5) coordinate meetings with public and private  
 1-35 entities to distribute information beneficial to rural areas;

1-36 (6) enter into a memorandum of agreement to work  
 1-37 cooperatively with the Texas ~~[Department of]~~ Economic Development  
 1-38 and Tourism Office, the Texas A&M AgriLife ~~[Agricultural]~~ Extension  
 1-39 Service, and other entities the department deems appropriate to  
 1-40 further program objectives; and

1-41 (7) perform any other functions necessary to carry out  
 1-42 the program.

1-43 (d) The department by rule may charge a membership fee to a  
 1-44 ~~each~~ participant in the program.

1-45 (g) In addition to the department's authority under  
 1-46 Subsection (a), the department may request, accept, and use any  
 1-47 gift, grant, loan, donation, aid, appropriation, guaranty,  
 1-48 allocation, subsidy, or contribution of any item of value to  
 1-49 further an economic development program in this state.

1-50 SECTION 2. Chapter 12, Agriculture Code, is amended by  
 1-51 adding Section 12.0272 to read as follows:

1-52 Sec. 12.0272. TEXAS ECONOMIC DEVELOPMENT FUND. (a) The  
 1-53 Texas economic development fund is a fund in the state treasury.  
 1-54 The fund consists of:

1-55 (1) all interest, income, revenue, and other assets  
 1-56 associated with economic development programs established using  
 1-57 money allocated and paid to the department under the August 15,  
 1-58 2011, allocation agreement between the department and the United  
 1-59 States Department of the Treasury, as amended, to implement the  
 1-60 State Small Business Credit Initiative Act of 2010 (12 U.S.C.

2-1 Section 5701 et seq.);  
 2-2 (2) all money, deposits, distributions, dividends,  
 2-3 earnings, gain, income, interest, proceeds, profits, program  
 2-4 income, rents, returns of capital, returns on investments,  
 2-5 royalties, revenue, or yields received or realized by the  
 2-6 department as a result of an investment made by or on behalf of the  
 2-7 department pursuant to the August 15, 2011, allocation agreement  
 2-8 between the department and the United States Department of the  
 2-9 Treasury, as amended;  
 2-10 (3) gifts, loans, donations, aid, appropriations,  
 2-11 guaranties, allocations, subsidies, grants, or contributions  
 2-12 received under Section 12.027(g);  
 2-13 (4) interest and income earned on the investment of  
 2-14 money in the fund; and  
 2-15 (5) other money required by law to be deposited in the  
 2-16 fund.  
 2-17 (b) Money in the Texas economic development fund may be  
 2-18 appropriated only to the department for the purpose of  
 2-19 administering, establishing, implementing, or maintaining an  
 2-20 economic development program under this section and is dedicated to  
 2-21 and may be used only for the administration, establishment,  
 2-22 implementation, or maintenance of one or more of the department's  
 2-23 economic development programs.  
 2-24 (c) The Texas economic development fund is exempt from  
 2-25 Section 403.095, Government Code.  
 2-26 SECTION 3. Subsections (d), (g), and (i), Section 12.040,  
 2-27 Agriculture Code, are amended to read as follows:  
 2-28 (d) To be eligible to be a Texas certified retirement  
 2-29 community, a community shall:  
 2-30 (1) through a board or panel that serves as the  
 2-31 community's official program sponsor:  
 2-32 (A) complete a retiree desirability assessment,  
 2-33 as developed by the department, to include facts regarding crime  
 2-34 statistics, tax information, recreational opportunities, housing  
 2-35 availability, and other appropriate factors, including criteria  
 2-36 listed in Subsection (e); and  
 2-37 (B) work to gain the support of churches, clubs,  
 2-38 businesses, media, and other entities, as necessary for the success  
 2-39 of the program in the community;  
 2-40 (2) identify emergency medical services and a hospital  
 2-41 within a 75-mile radius of the community; and  
 2-42 (3) submit to the department:  
 2-43 (A) a ~~an application~~ fee in an amount equal to  
 2-44 the greater of:  
 2-45 (i) \$5,000; or  
 2-46 (ii) \$0.25 multiplied by the population of  
 2-47 the community, as determined by the most recent census;  
 2-48 (B) a marketing plan detailing the mission as  
 2-49 applied to the community, the target market, the competition, an  
 2-50 analysis of the community's strengths, weaknesses, opportunities  
 2-51 and dangers, and the strategies the community will employ to attain  
 2-52 the goals of the program; and  
 2-53 (C) a long-term plan outlining the steps the  
 2-54 community will undertake to maintain its desirability as a  
 2-55 destination for retirees, including an outline of plans to correct  
 2-56 any facility and service deficiencies identified in the retiree  
 2-57 desirability assessment required by Subdivision (1)(A).  
 2-58 (g) If the department finds that a community successfully  
 2-59 meets the requirements of a Texas certified retirement community,  
 2-60 not later than the 90th day after the application is submitted and  
 2-61 approved, the department shall provide ~~the following~~ assistance  
 2-62 to the community as determined by department rule~~+~~  
 2-63 ~~(1) assistance in the training of local staff and~~  
 2-64 ~~volunteers,~~  
 2-65 ~~(2) ongoing oversight and guidance in marketing, plus~~  
 2-66 ~~updates on retirement trends,~~  
 2-67 ~~(3) inclusion in the state's national advertising and~~  
 2-68 ~~public relations campaigns and travel show promotions, including a~~  
 2-69 ~~prominent feature on the department's Internet website, to be~~

3-1 ~~coordinated with the Internet websites of other agencies, as~~  
3-2 ~~appropriate,~~

3-3 ~~[(4) eligibility for state financial assistance for~~  
3-4 ~~brochures, support material, and advertising; and~~

3-5 ~~[(5) an evaluation and progress assessment on~~  
3-6 ~~maintaining and improving the community's desirability as a home~~  
3-7 ~~for retirees].~~

3-8 (i) The Texas certified retirement community program  
3-9 account is an account in the general revenue fund. The account is  
3-10 composed of fees collected under Subsection (d). Money in the  
3-11 account may be appropriated to the department only for the purposes  
3-12 of this section, including the payment of administrative and  
3-13 personnel costs of the department associated with administering the  
3-14 program. The account is exempt from the application of Section  
3-15 403.095, Government Code.

3-16 SECTION 4. Subsection (a), Section 44.007, Agriculture  
3-17 Code, is amended to read as follows:

3-18 (a) The board shall establish an interest rate reduction  
3-19 program to foster the:

3-20 (1) creation and expansion of enterprises based on  
3-21 agriculture in this state; or

3-22 (2) development or expansion of businesses in rural  
3-23 areas of this state.

3-24 SECTION 5. Section 58.022, Agriculture Code, is amended to  
3-25 read as follows:

3-26 Sec. 58.022. POWERS OF AUTHORITY. The authority has all  
3-27 powers necessary to accomplish the purposes and programs of the  
3-28 authority, including the power:

3-29 (1) to adopt and enforce bylaws, rules, and procedures  
3-30 and perform all functions necessary for the board to carry out this  
3-31 chapter;

3-32 (2) to sue and be sued, complain, and defend, in its  
3-33 own name;

3-34 (3) to adopt and use an official seal and alter it when  
3-35 considered advisable;

3-36 (4) to acquire, hold, invest, use, pledge, and dispose  
3-37 of its revenues, income, receipts, funds, and money from every  
3-38 source and to select one or more depositories, inside or outside the  
3-39 state, subject to this chapter, any resolution, bylaws, or in any  
3-40 indenture pursuant to which the funds are held;

3-41 (5) to establish, charge, and collect fees, charges,  
3-42 and penalties in connection with the programs, services, and  
3-43 activities provided by the authority in accordance with this  
3-44 chapter;

3-45 (6) to issue its bonds, to provide for and secure the  
3-46 payment of the bonds, and provide for the rights of the owners of  
3-47 the bonds, in the manner and to the extent permitted by this  
3-48 chapter, and to purchase, hold, cancel, or resell or otherwise  
3-49 dispose of its bonds, subject to any restrictions in any resolution  
3-50 authorizing the issuance of its bonds;

3-51 (7) to procure insurance and pay premiums on insurance  
3-52 of any type, in amounts, and from insurers as the board considers  
3-53 necessary and advisable to accomplish any of its purposes;

3-54 (8) to make, enter into, and enforce contracts,  
3-55 agreements, including management agreements, for the management of  
3-56 any of the authority's property, leases, indentures, mortgages,  
3-57 deeds of trust, security agreements, pledge agreements, credit  
3-58 agreements, and other instruments with any person, including any  
3-59 lender and any federal, state, or local governmental agency, and to  
3-60 take other actions as may accomplish any of its purposes;

3-61 (9) to own, rent, lease, or otherwise acquire, accept,  
3-62 or hold real, personal, or mixed property, or any interest in  
3-63 property in performing its duties and exercising its powers under  
3-64 this chapter, by purchase, exchange, gift, assignment, transfer,  
3-65 foreclosure, mortgage, sale, lease, or otherwise and to hold,  
3-66 manage, operate, or improve real, personal, or mixed property,  
3-67 wherever situated;

3-68 (10) to sell, lease, encumber, mortgage, exchange,  
3-69 donate, convey, or otherwise dispose of any or all of its properties

4-1 or any interest in its properties, deed of trust or mortgage lien  
4-2 interest owned by it or under its control, custody, or in its  
4-3 possession, and release or relinquish any right, title, claim,  
4-4 lien, interest, easement, or demand however acquired, including any  
4-5 equity or right of redemption in property foreclosed by it, and to  
4-6 do any of the foregoing by public or private sale, with or without  
4-7 public bidding, notwithstanding any other law; and to lease or rent  
4-8 any improvements, lands, or facilities from any person to effect  
4-9 the purposes of this chapter;

4-10 (11) to request, accept, and use gifts, loans,  
4-11 donations, aid, appropriations, guaranties, allocations,  
4-12 subsidies, grants, or contributions of any item of value for the  
4-13 furtherance of any of its purposes;

4-14 (12) to make secured or unsecured loans for the  
4-15 purpose of providing temporary or permanent financing or  
4-16 refinancing for eligible agricultural businesses for the purposes  
4-17 authorized by this chapter, including the refunding of outstanding  
4-18 obligations, mortgages, or advances issued for those purposes, and  
4-19 charge and collect interest on those loans for such loan payments  
4-20 and on such terms and conditions as the board may consider advisable  
4-21 and not in conflict with this chapter;

4-22 (13) to secure the payment by the state or the  
4-23 authority on guarantees and to pay claims from money in the  
4-24 authority's funds pursuant to the loan guarantee and insurance  
4-25 programs implemented by the authority;

4-26 (14) to purchase or acquire, sell, discount, assign,  
4-27 negotiate, and otherwise dispose of notes, debentures, bonds, or  
4-28 other evidences of indebtedness of eligible agricultural  
4-29 businesses, whether unsecured or secured, as the board may  
4-30 determine, or portions or portfolios of or participations in those  
4-31 evidences of indebtedness, and sell and guarantee securities,  
4-32 whether taxable or tax exempt under federal law in primary and  
4-33 secondary markets in furtherance of any of the authority's  
4-34 purposes; and

4-35 (15) to exercise all powers given to a corporation  
4-36 under Chapter 22, Business Organizations Code [~~the Texas Non-Profit~~  
4-37 ~~Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil~~  
4-38 ~~Statutes)], to the extent not inconsistent with this chapter.~~

4-39 SECTION 6. Subsection (a), Section 58.053, Agriculture  
4-40 Code, is amended to read as follows:

4-41 (a) An eligible applicant's documentation shall include the  
4-42 following for the board's review:

4-43 (1) the plan, as submitted to the lender, for the  
4-44 applicant's proposed farm or ranch operation or  
4-45 agriculture-related business to be financed that includes a budget  
4-46 for the proposed operation;

4-47 (2) a completed application for a loan from a  
4-48 commercial lender on which an eligible applicant has indicated how  
4-49 the loan proceeds will be used to implement the applicant's plan;  
4-50 and

4-51 (3) the signed statement of a loan officer of the  
4-52 commercial lender that a loan guarantee is requested [~~required~~]  
4-53 for approval of the loan application.

4-54 SECTION 7. The heading to Section 502.404, Transportation  
4-55 Code, is amended to read as follows:

4-56 Sec. 502.404. VOLUNTARY ASSESSMENT FOR TEXAS AGRICULTURAL  
4-57 FINANCE AUTHORITY [~~YOUNG FARMER LOAN GUARANTEES~~].

4-58 SECTION 8. Subsection (f), Section 12.040, Agriculture  
4-59 Code, is repealed.

4-60 SECTION 9. This Act takes effect immediately if it receives  
4-61 a vote of two-thirds of all the members elected to each house, as  
4-62 provided by Section 39, Article III, Texas Constitution. If this  
4-63 Act does not receive the vote necessary for immediate effect, this  
4-64 Act takes effect September 1, 2013.

4-65 \* \* \* \* \*