

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 25, 2017

TO: Honorable Tracy O. King, Chair, House Committee on Agriculture & Livestock

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **HB338** by Burrows (relating to acreage contracts and quantity contracts for the purchase of agricultural products.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Texas Agriculture Code by adding Chapter 104 regarding acreage contracts and quantity contracts. The bill would require that a contract between a producer and a purchaser regarding an agricultural product must clearly and conspicuously state on its face that it is an acreage contract or a quantity contract, as applicable. The bill would prohibit a purchaser from filing suit against a producer under an acreage contract unless the producer knowingly fails to deliver to the purchaser all of an agricultural product grown on specified land as provided by the contract. The bill would apply only to a contract executed on or after the effective date of the bill. The bill would take effect September 1, 2017.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 551 Department of Agriculture

LBB Staff: UP, SZ, MSO