

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 18, 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.), **As Introduced**

<p>No fiscal implication to the State is anticipated.</p>
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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 allow a purchaser to request from a producer information supporting the producer's estimate of production under an acreage contract, and would prohibit a purchaser from filing suit against a producer based on inaccuracies in such an estimate unless the purchaser makes a written request for the information not later than the 30th day after the date the acreage contract is executed. 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