

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**April 19, 2017**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB3063** by Kacal (relating to agricultural liens.), **Committee Report 1st House, Substituted**

<p><b>No fiscal implication to the State is anticipated.</b></p>
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The bill would Amend Texas Property Code, Subchapter E, Agricultural Liens, to amend the definition of "contract purchaser" to include a person licensed under Texas Agriculture Code, Chapter 14, or the United States Warehouse Act, and to define the terms "company-owned crop," "open storage crop," "secured lender," and "warehouse," as well as to incorporate deliveries and transfers to warehouses in consideration of agricultural liens, and to disregard whether a crop is placed in open storage for certain liens. The bill would amend Texas Property Code, Section 70.404 to provide that Subchapter E does not abridge the protections afforded by applicable law, including Texas Agriculture Code, Chapter 14; Texas Business and Commerce Code, Chapter 7, the United States Warehouse Act, or common law. The bill would amend Texas Property Code, Section 70.4045 to amend the priority of certain security interests or liens. The bill would apply only to agricultural producers who deliver or transfer an agricultural crop grown, produced, or harvested by the producer to a warehouse on or after the effective date of the bill.

The Texas Department of Agriculture (TDA) estimates that no fiscal impact would result from enactment of the bill, as TDA does not receive lien filings.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 551 Department of Agriculture

**LBB Staff:** UP, SZ, MSO