

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

April 11, 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.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would Amend Texas Property Code, Subchapter E, Agricultural Liens, to amend the definitions of an "agricultural crop" and "contract purchaser" and to define the terms "company-owned crop," "open storage crop," "warehouse," and "warehouse operator", 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 diminish or abridge any protections afforded to an agricultural producer by Texas Agriculture Code, Chapter 14; Texas Business and Commerce Code, Chapter 7, or the United States Warehouse Act. 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 significant fiscal impact would result from enactment of the bill, as TDA does not receive lien filings. Duties and responsibilities with implementing the provisions of the bill could be accomplished utilizing existing resources.

Local Government Impact

According to the Texas Municipal League, the fiscal impact to municipalities is not anticipated to be significant.

Source Agencies: 551 Department of Agriculture

LBB Staff: UP, SZ, MW, MSO, JGA