

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

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**March 31, 2019**

**TO:** Honorable Drew Springer, Chair, House Committee on Agriculture & Livestock

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB989** by Guillen (Relating to industrial hemp; requiring an occupational license; authorizing fees.), **As Introduced**

**The fiscal impact to the state cannot be determined due to the number of licenses and renewals that would be issued; the number of inspections that would be conducted; the number of inspections and tests that would be conducted; and amounts for license, testing, and inspection fees that would be established being unknown.**

The bill would amend the Agriculture Code regarding the production of industrial hemp. It would direct the Texas Department of Agriculture (TDA) to adopt rules to regulate industrial hemp production in Texas and to annually license producers. The bill would require TDA to establish license, inspection, and plant sample testing fees in amounts comparable to the production of other crops, and collections from those fees could only be appropriated to TDA to implement the provisions created by the bill.

The bill would require TDA, in cooperation with an institution of higher education, to promote the research and development of industrial hemp and commercial markets for industrial hemp. TDA would be authorized to solicit gifts, grants, and donations from public and private sources to implement the research program.

TDA indicates it is unable to estimate the number of licensing applications it would receive from producers for industrial hemp, the number of licenses it would issue each fiscal year, nor the number that would renew in subsequent years. Similarly, TDA is not able to provide any amounts for the licensing, inspection, and plant testing fees that it would be required to establish under the requirements of the bill. The fiscal impact to the state cannot be determined due to the number of licenses and renewals that would be issued; the number of inspections that would be conducted; the number of inspections and tests that would be conducted; and amounts for license, testing, and inspection fees that would be established being unknown.

The bill would be effective September 1, 2019.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

## **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 405 Department of Public Safety, 537 State Health Services, Department of, 551 Department of Agriculture, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 768 Texas Tech University System Administration

**LBB Staff:** WP, SZ, MW, PBO, SMi, LCO