

BILL ANALYSIS

Senate Research Center

H.B. 3323
By: Goodwin et al. (West)
Water, Agriculture & Rural Affairs
5/11/2023
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 3323 establishes the Food System Security and Resiliency Planning Council (council) to address food system security and planning in Texas.

This legislation is partially in response to the Texas Food Access Study conducted by The University of Texas Rio Grande Valley and the Texas Department of Agriculture (TDA). This study was funded via a rider in the General Appropriations Act passed by the 87th Texas Legislature.

This legislation is also in response to various supply chain issues, issues related to various disease outbreaks in animals over the last several years, and other issues that threaten the state's food supply.

The COVID-19 pandemic and subsequent, long-lasting supply chain issues resulting from the pandemic, the 2022 baby formula shortage, and the 2023 egg shortage, have shown that the food supply chain in our state and our nation are vulnerable to a variety of disruptions.

To ensure that Texas has a secure and resilient food supply for future generations, H.B. 3323 tasks the council with reviewing and developing a state food system security plan, which must:

- Ensure sufficient food is available at reasonable cost to ensure public health, safety and welfare of the state; further economic development; and protect the agricultural and natural resources of this state.
- Account for times of severe drought conditions, natural disaster, man-made disaster, and other calamities.
- Include legislative recommendations that are needed or desirable to facilitate the resilience and availability of food supplies in this state.

The council established under this legislation would include:

- Seven members appointed by the governor;
- Seven members appointed by the lieutenant governor;
- Six members appointed by the speaker of the house;
- One member appointed by the commissioner of agriculture to represent food banks; and
- Additional non-voting members representing the Health and Human Services Commission, AgriLife Extension, and the assistant commissioner of agriculture for food and nutrition.

H.B. 3323 also establishes the Texas Food System Security and Resiliency Grant Program, which shall award grants to increase food system security and resiliency in this state. Projects must be related to food production, food system security, or food supply resiliency, and have the ability to either impact an individual community or the production of a specific agricultural commodity.

A committee substitute adds guardrails for the grant program as follows:

- Limits to \$10 million the total amount of all combined awards which may be made.

- Requires that the maximum grant amount is \$250,000 and the minimum amount is \$10,000.
- Includes language insuring that TDA ensures geographic and project variety in awarding of the grants.
- Grants expire August 31, 2025.

Additionally, the committee substitute includes a biannual reporting requirement to the legislature on both the activities of the council and TDA with regard to awarding of the grants.

H.B. 3323 amends current law relating to food system security and resiliency planning.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Agriculture in SECTION 1 (Section 23.007, Agriculture Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 2, Agriculture Code, by adding Chapter 23, as follows:

CHAPTER 23. FOOD SYSTEM SECURITY

Sec. 23.001. DEFINITIONS. Defines "council" and "office."

Sec. 23.002. TEXAS FOOD SYSTEM SECURITY AND RESILIENCY PLANNING COUNCIL. (a) Requires the Office of Food System Security and Resiliency (office) to establish the Texas food system security and resiliency planning council (council). Provides that the council is composed of the following members:

- (1) three members appointed by the governor;
- (2) three members appointed by the lieutenant governor;
- (3) three members appointed by the speaker of the house of representatives;
- (4) one member of the Texas Animal Health Commission appointed by the governor;
- (5) one member appointed by the commissioner of agriculture (commissioner) to represent food banks;
- (6) one member appointed by the commissioner to represent nonprofit organizations that provide home delivered meals;
- (7) two members appointed by the commissioner to represent agricultural producer organizations, marketing associations organized under Chapter 52 (Cooperative Marketing Associations), or farmers' cooperative societies incorporated under Chapter 51 (Farmers' Cooperative Societies);
- (8) the assistant commissioner of agriculture for the food and nutrition division as a nonvoting member;
- (9) the director of the Texas A&M AgriLife Extension Service as a nonvoting member; and
- (10) one nonvoting member appointed by the executive commissioner of the Health and Human Services Commission (executive commissioner) to represent the supplemental nutrition assistance program, the federal

special supplemental nutrition program for women, infants, and children, and the supplemental nutrition assistance program-education.

(b) Requires a person appointed under Subsection (a) to have experience in an industry or economic sector involving food production or food sales or in a related industry or economic sector.

(c) Provides that the Texas Farm Bureau, for the purpose of Subsection (a)(7), is considered an agricultural producer organization.

(d) Provides that a council member serves at the pleasure of the appointing authority.

(e) Requires the governor to designate a chair of the council from the members the governor appoints. Requires the lieutenant governor to designate a vice chair of the council from the members the lieutenant governor appoints.

(f) Requires the council to meet at least once quarterly or more frequently at the call of the chair.

(g) Provides that a member of the council is not entitled to compensation or reimbursement for expenses incurred in performing council duties.

(h) Requires the council to:

(1) give guidance to the office; and

(2) review the state food system security plan developed under Section 23.003.

Sec. 23.003. STATE FOOD SYSTEM SECURITY PLAN. (a) Requires the office to develop a state food system security plan. Requires that the plan:

(1) provide for the orderly development and management of food system security throughout this state, including ensuring sufficient food is available at a reasonable cost to ensure public health, safety, and welfare; further economic development; and protect the agricultural and natural resources of this state;

(2) account for times of severe drought conditions, natural disasters, man-made disasters, or other calamities; and

(3) include legislative recommendations that are needed or desirable to facilitate the resilience and availability of food in this state.

(b) Requires the office, in developing the plan, to seek the advice of the Department of State Health Services and the Texas Parks and Wildlife Department.

(c) Requires the office to:

(1) review and revise as necessary the plan developed under Subsection (a) at least once every five years; and

(2) deliver the plan to the governor, the lieutenant governor, the speaker of the house of representatives, and the chair of the appropriate committees in each house of the legislature.

Sec. 23.004. FOOD SYSTEM SECURITY PLANNING FUND. (a) Defines "planning fund."

(b) Provides that the planning fund is a dedicated account in the general revenue fund and consists of:

- (1) appropriations of money to the planning fund by the legislature;
- (2) gifts, grants, including federal grants, and other donations received for the planning fund; and
- (3) interest earned on the investment of money in the planning fund.

(c) Authorizes the planning fund to be used only to administer the council under Section 23.002.

(d) Authorizes the office to accept grants, gifts, or donations from any source that are made for the purposes of this section. Requires that money received under this subsection be deposited in the planning fund.

Sec. 23.005. TEXAS FOOD SYSTEM SECURITY AND RESILIENCY GRANT PROGRAM. (a) Defines "eligible recipient" and "grant fund."

(b) Provides that the Texas food system security and resiliency projects fund (grant fund) is a dedicated account in the general revenue fund and consists of:

- (1) appropriations of money to the grant fund by the legislature;
- (2) gifts, grants, including federal grants, and other donations received for the grant fund; and
- (3) interest earned on the investment of money in the grant fund.

(c) Requires the office to award grants to eligible recipients to increase food system security or resiliency in this state. Requires a project, to be eligible for a grant, to be related to food production, food system security, or food supply resiliency and have the ability to impact either an individual community or the production of a specific agricultural commodity. Requires the Texas Department of Agriculture (TDA) to award grants to a variety of eligible recipients across the state.

(d) Authorizes the grant fund to be used by the office only to award grants under this section and to administer the grant program under this section.

(e) Prohibits the amount of a grant awarded under this section from being less than \$10,000 or more than \$250,000. Prohibits the total amount of grants awarded under this section from exceeding \$10 million.

(f) Provides that this section expires August 31, 2025.

Sec. 23.006. BIENNIAL REPORT. (a) Requires TDA to report to the legislature biennially on the activities of the office and council. Requires that the report contain a description of:

- (1) the activities of the council under this chapter; and
- (2) grants awarded under Section 23.005.

(b) Provides that this section expires January 14, 2025.

Sec. 23.007. RULES. Requires TDA to adopt rules necessary to administer this chapter.

SECTION 2. (a) Requires TDA to adopt rules and procedures as required to implement Chapter 23, Agriculture Code, as added by this Act, as soon as practicable after the effective date of this Act.

(b) Requires the governor, lieutenant governor, speaker of the house of representatives, executive commissioner, and commissioner to appoint the initial members of the council under Section 23.002, Agriculture Code, as added by this Act, as soon as practicable after the adoption of rules and procedures under Subsection (a) of this section.

SECTION 3. Requires the office, as that term is defined by Section 23.001, Agriculture Code, as added by this Act, to deliver the initial state food system security plan as required by Section 23.003(c), Agriculture Code, as amended by this Act, not later than September 1, 2025.

SECTION 4. (a) Defines "office."

(b) Provides that the office is not required to award a grant under Section 23.005, Agriculture Code, as added by this Act, unless the legislature appropriates money specifically for that purpose during the state fiscal biennium ending August 31, 2025.

SECTION 5. Effective date: upon passage or September 1, 2023.