

BILL ANALYSIS

Senate Research Center
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S.B. 691
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The COVID-19 public health emergency exposed our dependence on a global supply chain that could not meet consumer demand. Overnight, mass culling and labor shortages impacted the meat industry, leaving barren grocery stores across the nation.

Now we face unprecedented inflation rates coupled with an unrecovered supply chain creating ever-increasing meat prices and limited inventory. Both small-scale ranchers and consumers have felt the side effects of limited resources.

Texas Health and Safety Code, Section 433.006, currently permits an exemption for personal use. The purpose of this bill is to phase in new standards for meat purchasing and consumption in Texas that align with USDA guidelines already in practice. FSIS USDA allows for custom exemptions, bypassing state inspection, for all meat being processed for livestock co-owners. The bill authorizes consumers in Texas to enter into an animal share, functioning as co-owners of livestock.

The bill aims to bridge the access gap for both ranchers and consumers, allowing a farmer or rancher to provide meat to underserved or unserved populations, especially in rural areas of Texas. Custom slaughterhouses, which process meat directly for livestock owners to consume, are more accessible to ranchers in terms of location and cost. Allowing a small-scale rancher to presell their livestock in shares, creating multiple owners, keeps the Texas meat industry thriving and satisfies the growing demands of food insecurity.

As proposed, S.B. 691 amends current law relating to an animal share exemption for certain meat and meat food products and provides a civil penalty.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 433, Health and Safety Code, by adding Section 433.0065, as follows:

Sec. 433.0065. ANIMAL SHARE EXEMPTION; CIVIL PENALTY. (a) Defines "animal share."

(b) Requires that an animal share executed by a consumer and a farmer or rancher under this section include:

(1) a bill of sale the farmer or rancher provides to the consumer conveying to the consumer an ownership interest in the livestock;

(2) a provision authorizing the farmer or rancher to board the livestock and arrange preparation of the livestock as meat and meat food products for the consumer; and

(3) a provision entitling the consumer to a share of meat and meat food products derived from the livestock.

(c) Provides that the provisions of Chapter 433 (Texas Meat and Poultry Inspection Act) requiring inspection of livestock before slaughter and inspection of the preparation of meat and meat food products do not apply to the slaughter of livestock and preparation of meat and meat food products if:

(1) ownership of the livestock under an animal share is established before the livestock is slaughtered and the meat and meat food products are prepared;

(2) the meat and meat food products are:

(A) prepared from livestock subject to an animal share and delivered to the establishment preparing the products by the farmer or rancher boarding the livestock; and

(B) following preparation, delivered directly to the consumer who owns the animal share;

(3) on delivery of the meat or meat food products to the consumer, the establishment provides to the consumer notice that the Department of State Health Services (DSHS) has not inspected the meat or meat food products in:

(A) a separate written statement that prominently displays the warning; or

(B) a warning statement prominently displayed on a label affixed to the meat or meat food product packaging; and

(4) the farmer or rancher provides to the consumer information describing the standards the farmer or rancher followed in maintaining livestock health and preparing the meat and meat food products derived from the livestock.

(d) Prohibits a consumer from selling, donating, or commercially redistributing meat or meat food products delivered to the consumer in accordance with this section. Provides that a person who violates this subsection is liable to this state for a civil penalty in the amount of \$10,000 for each violation. Authorizes the attorney general to bring an action to recover a civil penalty authorized under this subsection and to recover reasonable expenses incurred in obtaining the civil penalty, including court costs, attorney's fees, investigative costs, witness fees, and deposition expenses.

(e) Prohibits a farmer or rancher from publishing a statement that implies DSHS approval or endorsement regarding meat or meat food products delivered pursuant to an animal share.

SECTION 2. Amends Section 433.024(b), Health and Safety Code, as follows:

(b) Provides that this subsection does not nullify the provisions in Section 433.006 (Exemption for Personal Use or Donation to Nonprofit Food Bank) relating to exemptions or Section 433.0065 relating to an animal share exemption.

SECTION 3. Effective date: September 1, 2023.