LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 27, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB43** by Kitzman (Relating to the Texas Agricultural Finance Authority and certain programs administered by the authority.), **As Passed 2nd House**

The fiscal implications of the bill cannot be determined due to the number and amounts of loans and grants that would be provided under the increased maximum amounts allowed by the bill and the resulting interest earnings to the Texas Agricultural Fund No. 683 being unknown.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would amend the Agriculture Code, to expand the entities definition of an Agricultural Business to include a non-profit organization whose primary purpose is to maintain the agricultural use of land and regarding the Texas Agricultural Finance Authority (TAFA), to adjust the composition and size of the board of directors. The bill would require the Authority to prepare and submit a report to the Legislative Budget Board, on or before January 1 of each year, of its activities for the preceding fiscal year that sets forth a complete operating and financial statement, including the revenues and expenditures of the authority for each program administered by the board.

The bill would remove limits on the maximum allowable aggregate loan amounts to a single business for boll weevil eradication. The bill would also increase the maximum allowable loan in the Farmer Interest Rate Reduction Program, formerly the Young Farmer Interest Rate Reduction Program, from $500,000 to $1.0 million as well as increase the maximum allowable grant under the Agriculture Grant Program, formerly the Young Farmer Grant Program, from $20,000 to $500,000. The bill would change applicant eligibility for the Agricultural Grant Program to include being an agricultural producer or business and would require that matching funds be provided in an amount of no less than 10.0 percent of the grant funds received.

The bill would require the Authority to provide financial assistance to the Animal Health Commission, the Texas A&M AgriLife Extension Service, or Texas A&M AgriLife Research to implement programs to control agriculture-related diseases, pests, or predators in the newly created Pest and Disease Control and Depredation Program. The financial assistance would be required to come from the Texas Agricultural Fund. The bill would require the Animal Health Commission, the Texas A&M AgriLife Extension Service, or Texas A&M AgriLife Research to submit an application to receive financial assistance.

Based on analysis of the Comptroller of Public Accounts, the fiscal implications of the bill cannot be determined due to the number and amounts of loans and grants that would be provided under the increased maximum amounts allowed by the bill and the resulting interest earnings to the Texas Agricultural Fund No. 683 being unknown.

Based on information provided by the Department of Agriculture, the Animal Health Commission, the Texas A&M AgriLife Extension Service, and the Texas A&M University System Administration, it is assumed that any costs associated with the bill could be absorbed using existing resources.

The bill would take effect immediately upon receiving a two-thirds vote of all members elected to each house;

otherwise, the bill would take effect on September 1, 2025.

Local Government Impact

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

Source Agencies: 304 Comptroller of Public Accounts, 551 Department of Agriculture, 554 Animal Health Commission, 555 Texas A&M AgriLife Extension Service, 710 Texas A&M University System Administrative and General Offices

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