

SENATE AMENDMENTS

2nd Printing

By: Kitzman, Guillen, Lopez of Cameron,
Bonnen, González of El Paso, et al.

H.B. No. 43

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Agricultural Finance Authority and certain programs administered by the authority.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 58.002(1), Agriculture Code, is amended to read as follows:

(1) "Agricultural business" means:

(A) a business that is or proposes to be engaged in producing, processing, marketing, or exporting an agricultural product;

(B) an eligible applicant as defined in Subchapter E;

(C) the entity designated to carry out boll weevil eradication in accordance with Section 74.1011;

(D) any agriculture-related business in rural areas of Texas ~~[including a business that provides recreational activities, including hiking, fishing, hunting, or any other activity associated with the enjoyment of nature or the outdoors on agricultural land]~~;

(E) a state agency or an institution of higher education that is engaged in producing an agricultural product; or

(F) a nonprofit organization whose primary purpose is to maintain the agricultural use of land ~~[a business that holds a permit under Subchapter L, Chapter 43, Parks and Wildlife~~

Code, or

~~[(C) any other business in a rural area of this state].~~

SECTION 2. Sections 58.012(a), (b), (c), and (g), Agriculture Code, are amended to read as follows:

(a) The authority is governed by a board of directors composed of the following nine members:

(1) the commissioner of agriculture;

(2) two members appointed by the commissioner who are knowledgeable about agricultural lending practices; and

(3) six~~[, the director of the Institute for International Agribusiness Studies at Prairie View A&M University, and nine]~~ members appointed by the governor ~~[commissioner.~~

~~Members of the board must be appointed in the numbers specified and]~~
from the following categories:

(A) two persons who are representatives ~~[(1) one person who is an elected or appointed official of a municipality or county,~~

~~[(2) four persons who are knowledgeable about agricultural lending practices,~~

~~[(3) one person who is a representative of agricultural businesses,~~

~~[(4) one person who is a representative]~~ of agriculture related entities, including rural chambers of commerce, foundations, trade associations, institutions of higher education, or other entities involved in agricultural matters;
~~[and]~~

1 (B) [~~(5)~~] two persons who represent young
2 farmers or ranchers and the interests of young farmers or ranchers;
3 and

4 (C) two persons who each operate a family farm or
5 ranch in this state.

6 (b) The appointed members of the board serve staggered terms
7 of two years, with the terms of four members expiring on January 1
8 of each even-numbered year and the terms of four [~~five~~] members
9 expiring on January 1 of each odd-numbered year.

10 (c) Any vacancy occurring in an appointed position on the
11 board shall be filled [~~by the commissioner~~] for the unexpired term
12 in the same manner as provided for the appointment of the position.

13 (g) Notwithstanding Subsection (f), age may be considered
14 by the commissioner in making appointments under Subsection
15 (a)(3)(B) [~~(a)(5)~~].

16 SECTION 3. Sections 58.016(b) and (d), Agriculture Code,
17 are amended to read as follows:

18 (b) On or before August 1 of each year, the administrator
19 shall file with the board the proposed annual budgets for the
20 agricultural [~~young farmer~~] loan guarantee program under
21 Subchapter E, the farm and ranch finance program under Chapter 59,
22 and the programs administered by the board under this chapter for
23 the succeeding fiscal year. If there is no administrator, the
24 commissioner shall assume the duties of the administrator in
25 connection with preparation of the budget. The budget must set
26 forth the general categories of expected expenditures out of
27 revenues and income of the funds administered by the authority and

1 the amount on account of each. On or before September 1 of each
2 year, the board shall consider the proposed annual budget and may
3 approve it or amend it. If for any reason the authority does not
4 adopt an annual budget before September 2, no expenditures may be
5 made from the funds until the board approves the annual budget. The
6 authority may adopt an amended annual budget for the current fiscal
7 year.

8 (d) On or before January 1 of each year, the authority shall
9 prepare and submit to the Legislative Budget Board a report of its
10 activities for the preceding fiscal year. The report must set forth
11 a complete operating and financial statement, including the
12 revenues and expenditures of the authority for each program
13 administered by the board.

14 SECTION 4. Section 58.021, Agriculture Code, is amended by
15 amending Subsections (c) and (d) and adding Subsection (e) to read
16 as follows:

17 (c) [~~Except as otherwise provided by this subsection, the~~
18 ~~maximum aggregate amount of loans made to or guaranteed, insured,~~
19 ~~coinsured, or reinsured under this subchapter for a single eligible~~
20 ~~agricultural business by the authority from funds provided by the~~
21 ~~authority is \$2 million. The authority may make, guarantee,~~
22 ~~insure, coinsure, or reinsure a loan for a single eligible~~
23 ~~agricultural business that results in an aggregate amount exceeding~~
24 ~~\$2 million, but not exceeding \$5 million, if the action is approved~~
25 ~~by a two-thirds vote of the board members present.] The authority
26 may make, guarantee, participate in, insure, coinsure, or reinsure
27 loans to the entity designated to carry out boll weevil eradication~~

1 in accordance with Section 74.1011 in an amount approved by the
2 board to enable that entity to execute Subchapter D, Chapter 74.
3 The authority may issue an obligation on behalf of, or make,
4 guarantee, participate in, insure, coinsure, or reinsure loans to,
5 a state agency or an institution of higher education for the purpose
6 of the development, improvement, or expansion of an agricultural
7 product or an agriculture-related business in an amount approved by
8 the board. The authority may make, guarantee, participate in,
9 insure, coinsure, or reinsure loans to an eligible agricultural
10 business from the proceeds of revenue bonds issued in accordance
11 with Section 58.033 in an amount approved by the board.

12 (d) Notwithstanding any other provision of this section,
13 the authority may also design and implement programs to:

14 (1) further agriculture-related rural economic
15 development; and

16 (2) reduce the amount of interest paid on loans
17 approved by the authority.

18 (e) The authority may provide financial assistance to the
19 Texas Animal Health Commission, Texas A&M AgriLife Extension
20 Service, or Texas A&M AgriLife Research to design and implement
21 programs to control agriculture-related diseases, pests, or
22 predators under Subchapter H.

23 SECTION 5. The heading to Subchapter F, Chapter 58,
24 Agriculture Code, is amended to read as follows:

25 SUBCHAPTER F. [~~YOUNG~~] FARMER INTEREST RATE REDUCTION PROGRAM

26 SECTION 6. Sections 58.071(1) and (2), Agriculture Code,
27 are amended to read as follows:

1 (1) "Eligible lending institution" means a financial
2 institution that makes commercial loans, is either a depository of
3 state funds or an institution of the Farm Credit System
4 ~~[headquartered in this state]~~, and agrees to participate in the
5 ~~[young]~~ farmer interest rate reduction program and to provide
6 collateral equal to the amount of linked deposits placed with it.

7 (2) "Linked deposit" means a time deposit governed by
8 a written deposit agreement between the state and an eligible
9 lending institution that provides:

10 (A) that the eligible lending institution pay
11 interest on the deposit at a rate that is not less than the greater
12 of:

13 (i) the current market rate of a United
14 States treasury bill or note of comparable maturity minus three
15 percent; or

16 (ii) 0.5 percent;

17 (B) that the state not withdraw any part of the
18 deposit before the expiration of a period set by a written advance
19 notice of the intention to withdraw; and

20 (C) that the eligible lending institution agree
21 to lend the value of the deposit to an eligible borrower at a
22 maximum rate that is the linked deposit rate plus a maximum of one
23 ~~[four]~~ percent.

24 SECTION 7. The heading to Section 58.072, Agriculture Code,
25 is amended to read as follows:

26 Sec. 58.072. ~~[YOUNG]~~ FARMER INTEREST RATE REDUCTION
27 PROGRAM.

SECTION 8. Sections 58.072(a), (b), (d), (e), (k), (m), and (n), Agriculture Code, are amended to read as follows:

(a) The board shall establish a ~~[young]~~ farmer interest rate reduction program to promote the creation and expansion of agricultural businesses by ~~[young]~~ people in this state.

(b) The board may disperse a loan under the ~~[To be eligible to participate in the young]~~ farmer interest rate reduction program quarterly, annually, or biennially, or on another disbursement schedule, as determined by the board after considering the needs of the recipient ~~[, an applicant must be at least 18 years of age but younger than 46 years of age]~~.

(d) The board shall adopt rules for the loan portion of the ~~[young]~~ farmer interest rate reduction program.

(e) In order to participate in the ~~[young]~~ farmer interest rate reduction program, an eligible lending institution may solicit loan applications from eligible applicants.

(k) If a lending institution holding linked deposits ceases to be either a state depository or a Farm Credit System institution ~~[headquartered in this state]~~, the comptroller may withdraw the linked deposits.

(m) A lending institution is not ineligible to participate in the ~~[young]~~ farmer interest rate reduction program solely because a member of the board is also an officer, director, or employee of the lending institution, provided that a board member shall recuse himself or herself from any action taken by the board on an application involving a lending institution by which the board member is employed or for which the board member serves as an

officer or director.

(n) Linked deposits under the ~~[young]~~ farmer interest rate reduction program shall be funded from the Texas agricultural fund.

SECTION 9. Section 58.075(a), Agriculture Code, is amended to read as follows:

(a) The maximum amount of a loan under this subchapter is \$1 million ~~[\$500,000]~~.

SECTION 10. The heading to Subchapter G, Chapter 58, Agriculture Code, is amended to read as follows:

SUBCHAPTER G. AGRICULTURE ~~[YOUNG FARMER]~~ GRANT PROGRAM

SECTION 11. Section 58.091(a), Agriculture Code, is amended to read as follows:

(a) The authority shall administer an agriculture ~~[a young farmer]~~ grant program. A grant must be for the purpose of maintaining agricultural businesses, maintaining agricultural uses of land, or fostering supply chain resiliency or the creation and expansion of agricultural businesses by ~~[young]~~ people in this state.

SECTION 12. Section 58.092, Agriculture Code, is amended to read as follows:

Sec. 58.092. ELIGIBILITY. To be eligible to receive a grant under this subchapter, an applicant ~~[a person]~~ must:

(1) be an agricultural producer or business ~~[who is at least 18 years of age but younger than 46 years of age]~~; and

(2) provide matching funds in an ~~[the]~~ amount ~~[of]~~ not less than 10 percent ~~[one dollar for each dollar]~~ of the grant money received.

SECTION 13. Section 58.093, Agriculture Code, is amended to read as follows:

Sec. 58.093. AMOUNT OF GRANTS. A grant under the agriculture ~~[young farmer]~~ grant program may not be less than \$5,000 or more than \$500,000 ~~[\$20,000]~~.

SECTION 14. Section 58.095, Agriculture Code, is amended to read as follows:

Sec. 58.095. FUNDING. The source of funds for the agriculture ~~[young farmer]~~ grant program is the Texas agricultural fund.

SECTION 15. Chapter 58, Agriculture Code, is amended by adding Subchapter H to read as follows:

SUBCHAPTER H. PEST AND DISEASE CONTROL AND DEPREDACTION PROGRAM

Sec. 58.101. PEST AND DISEASE CONTROL AND DEPREDACTION PROGRAM. (a) The authority shall provide financial assistance to the Texas Animal Health Commission, Texas A&M AgriLife Extension Service, or Texas A&M AgriLife Research to implement programs to control agriculture-related pests, diseases, or predators.

(b) A program implemented under this section must be designed to mitigate agricultural losses by an agricultural business through the control of agriculture-related pests, diseases, or predators.

Sec. 58.102. APPLICATIONS. The Texas Animal Health Commission, Texas A&M AgriLife Extension Service, or Texas A&M AgriLife Research shall submit an application to receive financial assistance under this subchapter on a form approved by the board or the board's designee.

1 Sec. 58.103. FUNDING. The source of funds for the financial
2 assistance program under this subchapter is the Texas agricultural
3 fund.

4 Sec. 58.104. RULES. The board shall adopt rules to
5 implement this subchapter, including rules governing the operation
6 of the program.

7 SECTION 16. The changes in law made by this Act in the
8 qualifications of members of the board of directors of the Texas
9 Agricultural Finance Authority do not affect the entitlement of a
10 member serving on the board immediately before the effective date
11 of this Act to continue to carry out the board's functions for the
12 remainder of the member's term. The changes in law apply only to a
13 member appointed on or after the effective date of this Act. This
14 Act does not prohibit a person who is a member of the board on the
15 effective date of this Act from being reappointed to the board if
16 the person has the qualifications required for a member under
17 Section 58.012, Agriculture Code, as amended by this Act.

18 SECTION 17. As soon as is practicable after the effective
19 date of this Act, the commissioner of agriculture shall adopt rules
20 to implement Chapter 58, Agriculture Code, as amended by this Act,
21 including rules to implement the pest and disease control and
22 depredation program established under Subchapter H, Chapter 58,
23 Agriculture Code, as added by this Act.

24 SECTION 18. This Act takes effect immediately if it
25 receives a vote of two-thirds of all the members elected to each
26 house, as provided by Section 39, Article III, Texas Constitution.
27 If this Act does not receive the vote necessary for immediate

1 effect, this Act takes effect September 1, 2025.

ADOPTED

MAY 25 2023

Latey Law
Secretary of the Senate

By: *[Signature]*

H.B. No. 43

Substitute the following for H.B. No. 43:

By: *[Signature]*

C.S.H.B. No. 43

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the Texas Agricultural Finance Authority and certain
3 programs administered by the authority.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 58.002(1), Agriculture Code, is amended
6 to read as follows:

7 (1) "Agricultural business" means:

8 (A) a business that is or proposes to be engaged
9 in producing, processing, marketing, or exporting an agricultural
10 product;

11 (B) an eligible applicant as defined in
12 Subchapter E;

13 (C) the entity designated to carry out boll
14 weevil eradication in accordance with Section 74.1011;

15 (D) any agriculture-related business in rural
16 areas of Texas [~~including a business that provides recreational~~
17 ~~activities, including hiking, fishing, hunting, or any other~~
18 ~~activity associated with the enjoyment of nature or the outdoors on~~
19 ~~agricultural land~~];

20 (E) a state agency or an institution of higher
21 education that is engaged in producing an agricultural product; or

22 (F) a nonprofit organization whose primary
23 purpose is to maintain the agricultural use of land [~~a business that~~
24 ~~holds a permit under Subchapter L, Chapter 43, Parks and Wildlife~~

1 ~~Code, or~~

2 ~~[(G) any other business in a rural area of this~~
3 ~~state].~~

4 SECTION 2. Sections 58.012(a), (b), (c), and (g),
5 Agriculture Code, are amended to read as follows:

6 (a) The authority is governed by a board of directors
7 composed of the following nine members:

8 (1) the commissioner of agriculture;

9 (2) two members appointed by the commissioner who are
10 knowledgeable about agricultural lending practices; and

11 (3) six~~[, the director of the Institute for~~
12 ~~International Agribusiness Studies at Prairie View A&M University,~~
13 ~~and nine]~~ members appointed by the governor ~~[commissioner.~~

14 ~~Members of the board must be appointed in the numbers specified and]~~
15 from the following categories:

16 (A) two persons who are representatives ~~[(1) one~~
17 ~~person who is an elected or appointed official of a municipality or~~
18 ~~county;~~

19 ~~[(2) four persons who are knowledgeable about~~
20 ~~agricultural lending practices;~~

21 ~~[(3) one person who is a representative of~~
22 ~~agricultural businesses;~~

23 ~~[(4) one person who is a representative]~~ of
24 agriculture related entities, including rural chambers of
25 commerce, foundations, trade associations, institutions of higher
26 education, or other entities involved in agricultural matters;
27 ~~[and]~~

1 (B) [~~(5)~~] two persons who represent young
2 farmers or ranchers and the interests of young farmers or ranchers;
3 and

4 (C) two persons who each operate a family farm or
5 ranch in this state.

6 (b) The appointed members of the board serve staggered terms
7 of two years, with the terms of four members expiring on January 1
8 of each even-numbered year and the terms of four [~~five~~] members
9 expiring on January 1 of each odd-numbered year.

10 (c) Any vacancy occurring in an appointed position on the
11 board shall be filled [~~by the commissioner~~] for the unexpired term
12 in the same manner as provided for the appointment of the position.

13 (g) Notwithstanding Subsection (f), age may be considered
14 by the commissioner in making appointments under Subsection
15 (a)(3)(B) [~~(a)(5)~~].

16 SECTION 3. Sections 58.016(b) and (d), Agriculture Code,
17 are amended to read as follows:

18 (b) On or before August 1 of each year, the administrator
19 shall file with the board the proposed annual budgets for the
20 agricultural [~~young farmer~~] loan guarantee program under
21 Subchapter E, the farm and ranch finance program under Chapter 59,
22 and the programs administered by the board under this chapter for
23 the succeeding fiscal year. If there is no administrator, the
24 commissioner shall assume the duties of the administrator in
25 connection with preparation of the budget. The budget must set
26 forth the general categories of expected expenditures out of
27 revenues and income of the funds administered by the authority and

1 the amount on account of each. On or before September 1 of each
2 year, the board shall consider the proposed annual budget and may
3 approve it or amend it. If for any reason the authority does not
4 adopt an annual budget before September 2, no expenditures may be
5 made from the funds until the board approves the annual budget. The
6 authority may adopt an amended annual budget for the current fiscal
7 year.

8 (d) On or before January 1 of each year, the authority shall
9 prepare and submit to the Legislative Budget Board a report of its
10 activities for the preceding fiscal year. The report must set forth
11 a complete operating and financial statement, including the
12 revenues and expenditures of the authority for each program
13 administered by the board.

14 SECTION 4. Section 58.021, Agriculture Code, is amended by
15 amending Subsections (c) and (d) and adding Subsection (e) to read
16 as follows:

17 (c) ~~[Except as otherwise provided by this subsection, the~~
18 ~~maximum aggregate amount of loans made to or guaranteed, insured,~~
19 ~~coinsured, or reinsured under this subchapter for a single eligible~~
20 ~~agricultural business by the authority from funds provided by the~~
21 ~~authority is \$2 million. The authority may make, guarantee,~~
22 ~~insure, coinsure, or reinsure a loan for a single eligible~~
23 ~~agricultural business that results in an aggregate amount exceeding~~
24 ~~\$2 million, but not exceeding \$5 million, if the action is approved~~
25 ~~by a two-thirds vote of the board members present.]~~ The authority
26 may make, guarantee, participate in, insure, coinsure, or reinsure
27 loans to the entity designated to carry out boll weevil eradication

1 in accordance with Section 74.1011 in an amount approved by the
2 board to enable that entity to execute Subchapter D, Chapter 74.
3 The authority may issue an obligation on behalf of, or make,
4 guarantee, participate in, insure, coinsure, or reinsure loans to,
5 a state agency or an institution of higher education for the purpose
6 of the development, improvement, or expansion of an agricultural
7 product or an agriculture-related business in an amount approved by
8 the board. The authority may make, guarantee, participate in,
9 insure, coinsure, or reinsure loans to an eligible agricultural
10 business from the proceeds of revenue bonds issued in accordance
11 with Section 58.033 in an amount approved by the board.

12 (d) Notwithstanding any other provision of this section,
13 the authority may also design and implement programs to:

14 (1) further agriculture-related rural economic
15 development; and

16 (2) reduce the amount of interest paid on loans
17 approved by the authority.

18 (e) The authority may provide financial assistance to the
19 Texas Animal Health Commission, Texas A&M AgriLife Extension
20 Service, or Texas A&M AgriLife Research to design and implement
21 programs to control agriculture-related diseases, pests, or
22 depredating animals under Subchapter H.

23 SECTION 5. The heading to Subchapter F, Chapter 58,
24 Agriculture Code, is amended to read as follows:

25 SUBCHAPTER F. ~~[YOUNG]~~ FARMER INTEREST RATE REDUCTION PROGRAM

26 SECTION 6. Sections 58.071(1) and (2), Agriculture Code,
27 are amended to read as follows:

1 (1) "Eligible lending institution" means a financial
2 institution that makes commercial loans, is either a depository of
3 state funds or an institution of the Farm Credit System
4 ~~[headquartered in this state]~~, and agrees to participate in the
5 ~~[young]~~ farmer interest rate reduction program and to provide
6 collateral equal to the amount of linked deposits placed with it.

7 (2) "Linked deposit" means a time deposit governed by
8 a written deposit agreement between the state and an eligible
9 lending institution that provides:

10 (A) that the eligible lending institution pay
11 interest on the deposit at a rate that is not less than the greater
12 of:

13 (i) the current market rate of a United
14 States treasury bill or note of comparable maturity minus three
15 percent; or

16 (ii) 0.5 percent;

17 (B) that the state not withdraw any part of the
18 deposit before the expiration of a period set by a written advance
19 notice of the intention to withdraw; and

20 (C) that the eligible lending institution agree
21 to lend the value of the deposit to an eligible borrower at a
22 maximum rate that is the linked deposit rate plus a maximum of one
23 ~~[four]~~ percent.

24 SECTION 7. The heading to Section 58.072, Agriculture Code,
25 is amended to read as follows:

26 Sec. 58.072. ~~[YOUNG]~~ FARMER INTEREST RATE REDUCTION
27 PROGRAM.

1 SECTION 8. Sections 58.072(a), (b), (d), (e), (k), (m), and
2 (n), Agriculture Code, are amended to read as follows:

3 (a) The board shall establish a [young] farmer interest rate
4 reduction program to promote the creation and expansion of
5 agricultural businesses by [young] people in this state.

6 (b) The board may disperse a loan under the [To be eligible
7 to participate in the young] farmer interest rate reduction program
8 quarterly, annually, or biennially, or on another disbursement
9 schedule, as determined by the board after considering the needs of
10 the recipient~~[, an applicant must be at least 18 years of age but~~
11 ~~younger than 46 years of age]~~.

12 (d) The board shall adopt rules for the loan portion of the
13 [young] farmer interest rate reduction program.

14 (e) In order to participate in the [young] farmer interest
15 rate reduction program, an eligible lending institution may solicit
16 loan applications from eligible applicants.

17 (k) If a lending institution holding linked deposits ceases
18 to be either a state depository or a Farm Credit System institution
19 ~~[headquartered in this state]~~, the comptroller may withdraw the
20 linked deposits.

21 (m) A lending institution is not ineligible to participate
22 in the [young] farmer interest rate reduction program solely
23 because a member of the board is also an officer, director, or
24 employee of the lending institution, provided that a board member
25 shall recuse himself or herself from any action taken by the board
26 on an application involving a lending institution by which the
27 board member is employed or for which the board member serves as an

1 officer or director.

2 (n) Linked deposits under the ~~[young]~~ farmer interest rate
3 reduction program shall be funded from the Texas agricultural fund.

4 SECTION 9. Section 58.075(a), Agriculture Code, is amended
5 to read as follows:

6 (a) The maximum amount of a loan under this subchapter is
7 \$750,000 ~~[\$500,000]~~.

8 SECTION 10. The heading to Subchapter G, Chapter 58,
9 Agriculture Code, is amended to read as follows:

10 SUBCHAPTER G. AGRICULTURE ~~[YOUNG FARMER]~~ GRANT PROGRAM

11 SECTION 11. Section 58.091(a), Agriculture Code, is amended
12 to read as follows:

13 (a) The authority shall administer an agriculture ~~[a young~~
14 ~~farmer]~~ grant program. A grant must be for the purpose of
15 maintaining agricultural businesses, maintaining agricultural uses
16 of land, or fostering supply chain resiliency or the creation and
17 expansion of agricultural businesses by ~~[young]~~ people in this
18 state.

19 SECTION 12. Section 58.092, Agriculture Code, is amended to
20 read as follows:

21 Sec. 58.092. ELIGIBILITY. To be eligible to receive a grant
22 under this subchapter, an applicant ~~[a person]~~ must:

23 (1) be an agricultural producer or business ~~[who is at~~
24 ~~least 18 years of age but younger than 46 years of age]~~; and

25 (2) provide matching funds in an ~~[the]~~ amount ~~[of]~~ not
26 less than 10 percent ~~[one dollar for each dollar]~~ of the grant money
27 received.

1 SECTION 13. Section 58.093, Agriculture Code, is amended to
2 read as follows:

3 Sec. 58.093. AMOUNT OF GRANTS. A grant under the
4 agriculture [~~young farmer~~] grant program may not be less than
5 \$5,000 or more than \$100,000 [~~\$20,000~~].

6 SECTION 14. Section 58.095, Agriculture Code, is amended to
7 read as follows:

8 Sec. 58.095. FUNDING. The source of funds for the
9 agriculture [~~young farmer~~] grant program is the Texas agricultural
10 fund.

11 SECTION 15. Chapter 58, Agriculture Code, is amended by
12 adding Subchapter H to read as follows:

13 SUBCHAPTER H. PEST AND DISEASE CONTROL AND DEPREDAATION PROGRAM

14 Sec. 58.101. PEST AND DISEASE CONTROL AND DEPREDAATION
15 PROGRAM. (a) The authority shall provide financial assistance to
16 the Texas Animal Health Commission, Texas A&M AgriLife Extension
17 Service, or Texas A&M AgriLife Research to implement programs to
18 control agriculture-related pests, diseases, or depredating
19 animals.

20 (b) A program implemented under this section must be
21 designed to mitigate agricultural losses by an agricultural
22 business through the control of agriculture-related pests,
23 diseases, or depredating animals.

24 Sec. 58.102. APPLICATIONS. The Texas Animal Health
25 Commission, Texas A&M AgriLife Extension Service, or Texas A&M
26 AgriLife Research shall submit an application to receive financial
27 assistance under this subchapter on a form approved by the board or

1 the board's designee.

2 Sec. 58.103. FUNDING. The source of funds for the financial
3 assistance program under this subchapter is the Texas agricultural
4 fund.

5 Sec. 58.104. RULES. The board shall adopt rules to
6 implement this subchapter, including rules governing the operation
7 of the program.

8 SECTION 16. The changes in law made by this Act in the
9 qualifications of members of the board of directors of the Texas
10 Agricultural Finance Authority do not affect the entitlement of a
11 member serving on the board immediately before the effective date
12 of this Act to continue to carry out the board's functions for the
13 remainder of the member's term. The changes in law apply only to a
14 member appointed on or after the effective date of this Act. This
15 Act does not prohibit a person who is a member of the board on the
16 effective date of this Act from being reappointed to the board if
17 the person has the qualifications required for a member under
18 Section 58.012, Agriculture Code, as amended by this Act.

19 SECTION 17. The Texas Agricultural Finance Authority is
20 required to make a loan or a grant under Section 58.075 or 58.093,
21 Agriculture Code, as amended by this Act, only if the legislature
22 appropriates money specifically for that purpose. If the
23 legislature does not appropriate money for that purpose, the Texas
24 Agricultural Finance Authority may, but is not required to, make a
25 loan or a grant under Section 58.075 or 58.093, Agriculture Code, as
26 amended by this Act, using other money available for that purpose.

27 SECTION 18. As soon as is practicable after the effective

1 date of this Act, the commissioner of agriculture shall adopt rules
2 to implement Chapter 58, Agriculture Code, as amended by this Act,
3 including rules to implement the pest and disease control and
4 depredation program established under Subchapter H, Chapter 58,
5 Agriculture Code, as added by this Act.

6 SECTION 19. (a) Except as provided by Subsection (b) of
7 this section, this Act takes effect immediately if it receives a
8 vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
11 Act takes effect September 1, 2025.

12 (b) Sections 58.075(a) and 58.093, Agriculture Code, as
13 amended by this Act and Section 17 of this Act take effect September
14 1, 2027.

ADOPTED

MAY 25 2025

Latey Law
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: *J. O. Felt*

Amend C.S.H.B. No. 43 (senate committee report) as follows:

(1) In SECTION 9 of the bill, amending Section 58.075(a), Agriculture Code (page 4, line 14), strike "\$750,000" and substitute "\$1 million".

(2) In SECTION 13 of the bill, amending Section 58.093, Agriculture Code (page 4, line 39), strike "\$100,000" and substitute "\$500,000".

(3) Add the following appropriately numbered SECTION to the bill:

SECTION _____. Section 58.023, Agriculture Code, is amended by adding Subsection (e) to read as follows:

(e) The board shall adopt rules to allow a recipient of a loan or grant under a program administered by the board:

(1) to use a portion of the loan or the grant to apply for other forms of financial assistance, including matching federal funds; and

(2) to use the loan or grant in conjunction with financial assistance provided through another state or federal program.

(4) Strike SECTION 17 of the bill (page 5, lines 11 through 18).

(5) Strike SECTION 19 of the bill (page 5, lines 25 through 33) and substitute the following:

SECTION 19. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as

1 provided by Section 39, Article III, Texas Constitution. If this
2 Act does not receive the vote necessary for immediate effect, this
3 Act takes effect September 1, 2025.

4 (6) Renumber the SECTIONS of the bill accordingly.

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

LBB Staff: JMc, FV, MW, RSTE, TUF

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 20, 2025

TO: Honorable Charles Perry, Chair, Senate Committee on Water, Agriculture and Rural Affairs

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.), **Committee Report 2nd House, Substituted**

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 Department of Agriculture is required to implement the provisions of the bill related to making a loan or grant only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the Department of Agriculture may, but is not required to, implement the provisions of the bill related to making a loan or grant using other appropriations available for that purpose.

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 \$750,000 as well as increase the maximum allowable grant under the Agriculture Grant Program, formerly the Young Farmer Grant Program, from \$20,000 to \$100,000. 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.

Except for the sections of the bill related to increasing the maximum allowable loan amount for the Farmer Interest Rate Reduction Program to \$750,000, increasing the maximum allowable grant under the Agriculture Grant Program to \$100,000, and requiring TAFA loans and grants to be made contingent on appropriations being made for that purpose, the bill would take effect immediately upon receiving a two-thirds majority vote in both houses of the Legislature. Otherwise, it would take effect September 1, 2025. Sections of the bill relating to the maximum allowable loan amount Farmer Interest Rate Reduction Program; the maximum allowable grant amount for the Agricultural Grant Program; and the provisions of the bill requiring TAFA loans or grants to be made contingent on appropriations being made for that purpose would take effect September 1, 2027.

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

LBB Staff: JMc, FV, MW, RSTE, TUF

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 16, 2025

TO: Honorable Charles Perry, Chair, Senate Committee on Water, Agriculture and Rural Affairs

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 Engrossed**

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, 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 \$1,000,000 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 enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect 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

LBB Staff: JMc, FV, MW, RSTE, TUf

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

April 14, 2025

TO: Honorable Ryan Guillen, Chair, House Committee on Agriculture & Livestock

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.), **Committee Report 1st House, Substituted**

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, 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 \$1,000,000 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 enactment, assuming it received the requisite two-thirds majority

votes in both houses of the Legislature. Otherwise, it would take effect 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

LBB Staff: JMc, TUf, MW, RSTE

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 31, 2025

TO: Honorable Ryan Guillen, Chair, House Committee on Agriculture & Livestock

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB43 by Kitzman (Relating to the Texas Agricultural Finance Authority and to a study and report on plant diseases and pest outbreaks.), **As Introduced**

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, regarding the Texas Agricultural Finance Authority, to adjust the composition and size of the board of directors and require an annual study of plant disease and pest outbreaks in Texas among other issues impacting agricultural producers.

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 \$1,000,000 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.

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 enactment, assuming it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect 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

LBB Staff: JMc, TUf, MW, RSTE