

1-1 By: Estes, Hegar S.B. No. 1016  
1-2 (In the Senate - Filed March 10, 2009; March 13, 2009, read  
1-3 first time and referred to Committee on Government Organization;  
1-4 April 8, 2009, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 6, Nays 0; April 8, 2009,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1016 By: Hegar

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to the continuation and functions of the Department of  
1-11 Agriculture and the Prescribed Burning Board and the abolition of  
1-12 the Texas-Israel Exchange Fund Board; providing penalties.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 ARTICLE 1. TEXAS AGRICULTURAL FINANCE AUTHORITY

1-15 SECTION 1.01. Subdivisions (1) and (2), Section 44.001,  
1-16 Agriculture Code, are amended to read as follows:

1-17 (1) "Eligible lending institution" means a financial  
1-18 institution that makes commercial loans, is either a depository of  
1-19 state funds or an institution of the Farm Credit System  
1-20 headquartered in this state, and agrees to participate in the  
1-21 interest rate reduction [linked deposit] program and to provide  
1-22 collateral equal to the amount of linked deposits placed with it.

1-23 (2) "Eligible borrower" means a person who proposes to  
1-24 use the proceeds of a loan under this chapter in a manner that will  
1-25 help accomplish the state's goal of fostering the creation and  
1-26 expansion of enterprises based on agriculture in this state [is in  
1-27 the business or entering the business of:

1-28 [~~(A) processing and marketing agricultural crops~~  
1-29 ~~in this state;~~

1-30 [~~(B) producing alternative agricultural crops in~~  
1-31 ~~this state;~~

1-32 [~~(C) producing agricultural crops in this state~~  
1-33 ~~the production of which has declined because of natural disasters;~~

1-34 [~~(D) producing agricultural crops in this state~~  
1-35 ~~using water conservation equipment for agricultural production~~  
1-36 ~~purposes; or~~

1-37 [~~(E) providing nonagricultural goods or services~~  
1-38 ~~that provide an economic benefit to a municipality or county in a~~  
1-39 ~~rural area].~~

1-40 SECTION 1.02. The heading to Section 44.007, Agriculture  
1-41 Code, is amended to read as follows:

1-42 Sec. 44.007. INTEREST RATE REDUCTION [LINKED DEPOSIT]  
1-43 PROGRAM.

1-44 SECTION 1.03. Subsections (a), (c), (d), (k), and (l),  
1-45 Section 44.007, Agriculture Code, are amended to read as follows:

1-46 (a) The board shall establish an interest rate reduction [a  
1-47 linked deposit] program to foster the creation and expansion of  
1-48 enterprises based on agriculture in this state[+.

1-49 [~~(1) encourage commercial lending for the enhanced~~  
1-50 ~~production, processing, and marketing of certain agricultural~~  
1-51 ~~crops;~~

1-52 [~~(2) encourage the development or expansion of~~  
1-53 ~~businesses in rural areas of this state; and~~

1-54 [~~(3) finance water conservation projects or equipment~~  
1-55 ~~for agricultural production purposes].~~

1-56 (c) The board shall promulgate rules for the loan portion of  
1-57 the interest rate reduction [linked deposit] program. [~~The rules~~  
1-58 ~~must include:~~

1-59 [~~(1) a list of the categories of crops customarily~~  
1-60 ~~grown in Texas, with consideration given to the Texas Agricultural~~  
1-61 ~~Statistics Service information available and relevant to this~~  
1-62 ~~determination;~~

1-63 [~~(2) a list of crops that are alternative agricultural~~

2-1 ~~crops, with consideration given to the Texas Agricultural~~  
2-2 ~~Statistics Service information available and relevant to this~~  
2-3 ~~determination;~~

2-4 ~~[(3) identification of criteria for a project eligible~~  
2-5 ~~for natural disaster assistance; and~~

2-6 ~~[(4) identification of projects and types of equipment~~  
2-7 ~~considered as water conservation projects or equipment for~~  
2-8 ~~agricultural production purposes.]~~

2-9 (d) In order to participate in the interest rate reduction  
2-10 ~~[linked deposit]~~ program, an eligible lending institution may  
2-11 solicit loan applications from eligible borrowers.

2-12 (k) The board may adopt rules that create a procedure for  
2-13 determining priorities for loans granted under this chapter. Each  
2-14 rule adopted must state the policy objective of the rule. ~~[The~~  
2-15 ~~policy objectives of the rules may include preferences to:~~

2-16 ~~[(1) achieve adequate geographic distribution of~~  
2-17 ~~loans;~~

2-18 ~~[(2) assist certain industries;~~

2-19 ~~[(3) encourage certain practices including water~~  
2-20 ~~conservation; and~~

2-21 ~~[(4) encourage value-added processing of agricultural~~  
2-22 ~~products.]]~~

2-23 (l) A lending institution is not ineligible to participate  
2-24 in the interest rate reduction ~~[linked deposit]~~ program solely  
2-25 because a member of the board is also an officer, director, or  
2-26 employee of the lending institution, provided that a board member  
2-27 shall recuse himself or herself from any action taken by the board  
2-28 on an application involving a lending institution by which the  
2-29 board member is employed or for which the board member serves as an  
2-30 officer or director.

2-31 SECTION 1.04. Subsections (a) and (b), Section 44.010,  
2-32 Agriculture Code, are amended to read as follows:

2-33 (a) At any one time, not more than \$30 million ~~[, \$10 million~~  
2-34 ~~of which may be used only to finance water conservation projects and~~  
2-35 ~~\$5 million of which may be used only to finance the economic~~  
2-36 ~~development of businesses in rural areas,]~~ may be placed in linked  
2-37 deposits under this chapter.

2-38 (b) The maximum amount of a loan under this chapter ~~[to~~  
2-39 ~~process and market Texas agricultural crops]~~ is \$500,000. ~~[The~~  
2-40 ~~maximum amount of a loan under this chapter to produce alternative~~  
2-41 ~~agricultural crops in this state is \$250,000. The maximum amount of~~  
2-42 ~~a loan under this chapter to finance water conservation projects or~~  
2-43 ~~equipment for agricultural production purposes is \$250,000. The~~  
2-44 ~~maximum amount of a loan under this chapter to finance production of~~  
2-45 ~~a crop declared eligible for natural disaster relief, as defined by~~  
2-46 ~~board rule, is \$250,000. The maximum amount of a loan under this~~  
2-47 ~~chapter to finance a business in a rural area is \$250,000.]~~

2-48 SECTION 1.05. Section 58.012, Agriculture Code, is amended  
2-49 by amending Subsections (a), (b), and (c) and adding Subsection (g)  
2-50 to read as follows:

2-51 (a) The authority is governed by a board of directors  
2-52 composed of the commissioner of agriculture, the director of the  
2-53 Institute for International Agribusiness Studies at Prairie View  
2-54 A&M University, and nine ~~[seven]~~ members appointed by the  
2-55 commissioner ~~[governor with the advice and consent of the senate]~~.  
2-56 Members of the board must be appointed in the numbers specified and  
2-57 from the following categories:

2-58 (1) one person who is an elected or appointed official  
2-59 of a municipality or county;

2-60 (2) four persons who are knowledgeable about  
2-61 agricultural lending practices;

2-62 (3) one person who is a representative of agricultural  
2-63 businesses; ~~[and]~~

2-64 (4) one person who is a representative of agriculture  
2-65 related entities, including rural chambers of commerce,  
2-66 foundations, trade associations, institutions of higher education,  
2-67 or other entities involved in agricultural matters; and

2-68 (5) two persons who represent young farmers and the  
2-69 interests of young farmers.

3-1 (b) The appointed members of the board serve staggered terms  
3-2 of two years, with the terms of four [~~three~~] members expiring on  
3-3 January 1 of each even-numbered year and the terms of five [~~four~~]  
3-4 members expiring on January 1 of each odd-numbered year.

3-5 (c) Any vacancy occurring in an appointed position on the  
3-6 board shall be filled by the commissioner [~~governor~~] for the  
3-7 unexpired term.

3-8 (g) Notwithstanding Subsection (f), age may be considered  
3-9 by the commissioner in making appointments under Subsection (a)(5).

3-10 SECTION 1.06. Subsection (a), Section 58.013, Agriculture  
3-11 Code, is amended to read as follows:

3-12 (a) The commissioner [~~governor~~] shall designate a member of  
3-13 the board as the chairman of the board to serve in that capacity at  
3-14 the pleasure of the commissioner [~~governor~~]. The board shall elect  
3-15 a vice-chairman biennially from its members and shall elect a  
3-16 secretary, a treasurer, and other officers it considers necessary.

3-17 SECTION 1.07. Subsection (a), Section 58.0176, Agriculture  
3-18 Code, is amended to read as follows:

3-19 (a) Before a member of the board may assume the member's  
3-20 duties [~~and before the member may be confirmed by the senate~~], the  
3-21 member must complete at least one course of the training program  
3-22 established under this section.

3-23 SECTION 1.08. Subsections (c) and (d), Section 58.023,  
3-24 Agriculture Code, are amended to read as follows:

3-25 (c) Eligible agricultural businesses or lenders  
3-26 participating in the authority's programs shall pay the costs of  
3-27 applying for, participating in, and administering and servicing the  
3-28 program, in amounts the board considers reasonable and necessary.  
3-29 The board shall charge an administrative fee for guaranteeing a  
3-30 loan under Subchapter E that may not be less than one percent of the  
3-31 amount of the guaranteed loan. Any costs not paid by the eligible  
3-32 agricultural businesses or lenders shall be paid from the funds of  
3-33 the authority, including those funds established from bond  
3-34 proceeds.

3-35 (d) The board by rule shall adopt an agreement to be used  
3-36 between a lender and an approved applicant under which the  
3-37 authority makes a payment from the Texas agricultural fund for the  
3-38 purpose of providing a reduced interest rate on a loan guaranteed to  
3-39 a borrower [~~under this subchapter~~]. The agreement must require the  
3-40 borrower to use the proceeds of the loan for the purposes of the  
3-41 program under which the payment is made. The board shall adopt  
3-42 rules to implement this subsection.

3-43 SECTION 1.09. Subchapter D, Chapter 58, Agriculture Code,  
3-44 is amended by adding Section 58.041 to read as follows:

3-45 Sec. 58.041. ISSUANCE OF DEBT BY TEXAS PUBLIC FINANCE  
3-46 AUTHORITY. (a) In this section, "debt instrument" means a note,  
3-47 debenture, bond, or other evidence of indebtedness.

3-48 (b) The Texas Public Finance Authority has the exclusive  
3-49 authority to act on behalf of the authority in issuing debt  
3-50 instruments authorized to be issued by the authority. A reference  
3-51 in law to a debt instrument issued by the authority, in the context  
3-52 of a debt instrument issued on or after September 1, 2009, means a  
3-53 debt instrument issued by the Texas Public Finance Authority on  
3-54 behalf of the authority.

3-55 (c) Notwithstanding Section 58.034(e), the authority shall  
3-56 pay all costs incurred by the Texas Public Finance Authority for  
3-57 issuing debt instruments on behalf of the authority and associated  
3-58 fees and expenses.

3-59 (d) When the board authorizes the issuance of debt  
3-60 instruments to fund a loan, the authority shall notify the Texas  
3-61 Public Finance Authority of the amount of the loan and the recipient  
3-62 of the loan and request the Texas Public Finance Authority to issue  
3-63 debt instruments in an amount necessary to fund the loan. The  
3-64 authority and the Texas Public Finance Authority shall determine  
3-65 the amount and time of a debt instrument issue to best provide funds  
3-66 for one or multiple loans.

3-67 (e) The Texas Public Finance Authority, at the request of  
3-68 the authority, may issue debt instruments to provide money to the  
3-69 Texas agricultural fund.

4-1 (f) The Texas Public Finance Authority may sell debt  
 4-2 instruments in any manner it determines to be in the best interest  
 4-3 of the authority, except that it may not sell a debt instrument that  
 4-4 has not been approved by the attorney general and registered with  
 4-5 the comptroller.

4-6 (g) The board, in consultation with the Texas Public Finance  
 4-7 Authority, shall adopt rules containing criteria for evaluating the  
 4-8 creditworthiness of loan applicants and the financial feasibility  
 4-9 of projects to be funded with debt instruments issued by the Texas  
 4-10 Public Finance Authority on behalf of the authority.

4-11 (h) The Texas Public Finance Authority may enter into a  
 4-12 credit agreement for a debt instrument issued by the Texas Public  
 4-13 Finance Authority on behalf of the authority for a period and on  
 4-14 conditions approved by the Texas Public Finance Authority.

4-15 (i) This subsection applies only in relation to general  
 4-16 obligation debt instruments. To the extent other sources of  
 4-17 revenue available for payment of the authority's debts are  
 4-18 insufficient and in accordance with the Texas Constitution, general  
 4-19 revenue is to be appropriated to the Texas Public Finance Authority  
 4-20 in an amount determined by the Texas Public Finance Authority to be  
 4-21 necessary to pay the principal, premium if any, and interest on  
 4-22 general obligation debt instruments issued by the Texas Public  
 4-23 Finance Authority on behalf of the authority, and that amount shall  
 4-24 be specified in the biennial appropriations acts.

4-25 SECTION 1.10. The heading to Subchapter E, Chapter 58,  
 4-26 Agriculture Code, is amended to read as follows:

4-27 SUBCHAPTER E. AGRICULTURAL [~~YOUNG FARMER~~] LOAN GUARANTEE PROGRAM

4-28 SECTION 1.11. Subdivision (2), Section 58.051, Agriculture  
 4-29 Code, is amended to read as follows:

4-30 (2) "Eligible applicant" means a person applying for a  
 4-31 loan guarantee under this subchapter who[+]

4-32 [~~(A) is at least 18 years of age but younger than~~  
 4-33 ~~40 years of age; and~~

4-34 [~~(B)~~] complies with the application procedures  
 4-35 prescribed by this subchapter.

4-36 SECTION 1.12. The heading to Section 58.052, Agriculture  
 4-37 Code, is amended to read as follows:

4-38 Sec. 58.052. AGRICULTURAL [~~YOUNG FARMER~~] LOAN GUARANTEE  
 4-39 PROGRAM.

4-40 SECTION 1.13. Section 58.052, Agriculture Code, is amended  
 4-41 by amending Subsections (b), (c), and (e) and adding Subsection (f)  
 4-42 to read as follows:

4-43 (b) The board, either directly or through authority  
 4-44 delegated to the commissioner, may grant to an eligible applicant a  
 4-45 guarantee of a loan made by a commercial lender for the purposes  
 4-46 prescribed by this subchapter. The board by rule shall establish  
 4-47 tiered loan guarantee limits. To be eligible to be guaranteed under  
 4-48 this subchapter, a loan with a term of more than one year must have a  
 4-49 fixed interest rate [~~guarantee amount may not exceed the lesser of~~  
 4-50 ~~\$250,000 or 90 percent of the loan amount~~].

4-51 (c) The aggregate amount guaranteed under this subchapter  
 4-52 may not exceed the lesser of three-fourths of [~~twice~~] the amount  
 4-53 contained in the [~~young farmer loan guarantee account within the~~  
 4-54 Texas agricultural fund or \$12 million.

4-55 (e) The board shall adopt an agreement, to be used between a  
 4-56 commercial lender and an approved eligible applicant, under which  
 4-57 the program provides a payment from money in the Texas agricultural  
 4-58 fund [~~young farmer loan guarantee account~~] for the purpose of  
 4-59 providing a reduced interest rate on a loan guaranteed to a borrower  
 4-60 under this subchapter. The board shall adopt rules to implement  
 4-61 this subsection. The maximum rate reduction under this subsection  
 4-62 per year for each borrower may [~~shall~~] not exceed three percentage  
 4-63 points or an amount that results in \$10,000 in interest savings for  
 4-64 the borrower for the year.

4-65 (f) The board by rule shall establish a certified lender  
 4-66 program under which the board may certify commercial lenders to  
 4-67 participate in the agricultural loan guarantee program in order to  
 4-68 expedite the processing of loan guarantee applications by the  
 4-69 board.

5-1 SECTION 1.14. Section 58.056, Agriculture Code, is amended  
 5-2 to read as follows:

5-3 Sec. 58.056. MONEY FOR LOAN GUARANTEE PROGRAM. The  
 5-4 authority may accept gifts and grants of money from the federal  
 5-5 government, local governments, private corporations, or other  
 5-6 persons for use in the agricultural ~~[young farmer]~~ loan guarantee  
 5-7 program. The legislature may appropriate money for the program.

5-8 SECTION 1.15. Subsections (b) and (d), Section 58.057,  
 5-9 Agriculture Code, are transferred to Section 58.032, Agriculture  
 5-10 Code, relettered as Subsections (g) and (h) of that section, and  
 5-11 amended to read as follows:

5-12 (g) ~~[(b)]~~ The fund includes ~~[account consists of funds and~~  
 5-13 ~~transfers made to the account,]~~ grants and donations made for the  
 5-14 purposes of the programs administered by the Texas Agricultural  
 5-15 Finance Authority ~~[the young farmer loan guarantee program, income~~  
 5-16 ~~earned on money in the account,]~~ and any other money received under  
 5-17 this chapter ~~[subchapter]~~. Notwithstanding Section 404.071,  
 5-18 Government Code, income and interest earned on money in the fund  
 5-19 ~~[account]~~ shall be deposited to the credit of the fund ~~[account]~~.  
 5-20 ~~[At the end of each state fiscal year the authority shall transfer~~  
 5-21 ~~to the general credit of the Texas agricultural fund any interest~~  
 5-22 ~~earned on the account that remains after payment of any~~  
 5-23 ~~administrative expenses of the program.]~~ The fund ~~[account]~~ is  
 5-24 exempt from the application of Section 403.095, Government Code.

5-25 (h) ~~[(d)]~~ The board shall attempt to administer the fund in  
 5-26 a manner that makes private donations to the fund an eligible  
 5-27 itemized deduction for federal income taxation purposes.

5-28 SECTION 1.16. Chapter 58, Agriculture Code, is amended by  
 5-29 adding Subchapter F to read as follows:

5-30 SUBCHAPTER F. YOUNG FARMER INTEREST RATE REDUCTION PROGRAM

5-31 Sec. 58.071. DEFINITIONS. In this subchapter:

5-32 (1) "Eligible lending institution" means a financial  
 5-33 institution that makes commercial loans, is either a depository of  
 5-34 state funds or an institution of the Farm Credit System  
 5-35 headquartered in this state, and agrees to participate in the young  
 5-36 farmer interest rate reduction program and to provide collateral  
 5-37 equal to the amount of linked deposits placed with it.

5-38 (2) "Linked deposit" means a time deposit governed by  
 5-39 a written deposit agreement between the state and an eligible  
 5-40 lending institution that provides:

5-41 (A) that the eligible lending institution pay  
 5-42 interest on the deposit at a rate that is not less than the greater  
 5-43 of:

5-44 (i) the current market rate of a United  
 5-45 States treasury bill or note of comparable maturity minus three  
 5-46 percent; or

5-47 (ii) 0.5 percent;

5-48 (B) that the state not withdraw any part of the  
 5-49 deposit before the expiration of a period set by a written advance  
 5-50 notice of the intention to withdraw; and

5-51 (C) that the eligible lending institution agree  
 5-52 to lend the value of the deposit to an eligible borrower at a  
 5-53 maximum rate that is the linked deposit rate plus a maximum of four  
 5-54 percent.

5-55 Sec. 58.072. YOUNG FARMER INTEREST RATE REDUCTION PROGRAM.

5-56 (a) The board shall establish a young farmer interest rate  
 5-57 reduction program to promote the creation and expansion of  
 5-58 agricultural businesses by young people in this state.

5-59 (b) To be eligible to participate in the young farmer  
 5-60 interest rate reduction program, an applicant must be at least 18  
 5-61 years of age but younger than 46 years of age.

5-62 (c) The board shall approve or disapprove any and all  
 5-63 applications under this subchapter, provided that the board may  
 5-64 delegate this authority to the commissioner.

5-65 (d) The board shall adopt rules for the loan portion of the  
 5-66 young farmer interest rate reduction program.

5-67 (e) In order to participate in the young farmer interest  
 5-68 rate reduction program, an eligible lending institution may solicit  
 5-69 loan applications from eligible applicants.

6-1 (f) After reviewing an application and determining that the  
 6-2 applicant is eligible and creditworthy, the eligible lending  
 6-3 institution shall send the application for a linked deposit loan to  
 6-4 the administrator of the authority.

6-5 (g) The eligible lending institution shall certify the  
 6-6 interest rate applicable to the specific eligible applicant and  
 6-7 attach it to the application sent to the administrator of the  
 6-8 authority.

6-9 (h) After reviewing each loan application under this  
 6-10 subchapter, the board or the commissioner shall recommend to the  
 6-11 comptroller the acceptance or rejection of the application.

6-12 (i) After acceptance of the application, the comptroller  
 6-13 shall place a linked deposit with the applicable eligible lending  
 6-14 institution for the period the comptroller considers appropriate.  
 6-15 The comptroller may not place a deposit for a period extending  
 6-16 beyond the state fiscal biennium in which it is placed. Subject to  
 6-17 the limitation described by Section 58.075, the comptroller may  
 6-18 place time deposits at an interest rate described by Section  
 6-19 58.071(2).

6-20 (j) Before the placing of a linked deposit, the eligible  
 6-21 lending institution and the state, represented by the comptroller,  
 6-22 shall enter into a written deposit agreement containing the  
 6-23 conditions on which the linked deposit is made.

6-24 (k) If a lending institution holding linked deposits ceases  
 6-25 to be either a state depository or a Farm Credit System institution  
 6-26 headquartered in this state, the comptroller may withdraw the  
 6-27 linked deposits.

6-28 (l) The board may adopt rules that create a procedure for  
 6-29 determining priorities for loans granted under this subchapter.  
 6-30 Each rule adopted must state the policy objective of the rule.

6-31 (m) A lending institution is not ineligible to participate  
 6-32 in the young farmer interest rate reduction program solely because  
 6-33 a member of the board is also an officer, director, or employee of  
 6-34 the lending institution, provided that a board member shall recuse  
 6-35 himself or herself from any action taken by the board on an  
 6-36 application involving a lending institution by which the board  
 6-37 member is employed or for which the board member serves as an  
 6-38 officer or director.

6-39 (n) Linked deposits under the young farmer interest rate  
 6-40 reduction program shall be funded from the Texas agricultural fund.

6-41 Sec. 58.073. COMPLIANCE. (a) On accepting a linked  
 6-42 deposit, an eligible lending institution must loan money to  
 6-43 eligible applicants in accordance with the deposit agreement and  
 6-44 this subchapter. The eligible lending institution shall forward a  
 6-45 compliance report to the board.

6-46 (b) The board shall monitor compliance with this subchapter  
 6-47 and inform the comptroller of noncompliance on the part of an  
 6-48 eligible lending institution.

6-49 Sec. 58.074. STATE LIABILITY PROHIBITED. The state is not  
 6-50 liable to an eligible lending institution for payment of the  
 6-51 principal, interest, or any late charges on a loan made under this  
 6-52 subchapter. A delay in payment or default on a loan by a borrower  
 6-53 does not affect the validity of the deposit agreement. Linked  
 6-54 deposits are not an extension of the state's credit within the  
 6-55 meaning of any state constitutional prohibition.

6-56 Sec. 58.075. LIMITATIONS IN PROGRAM. (a) The maximum  
 6-57 amount of a loan under this subchapter is \$500,000.

6-58 (b) A loan granted under this subchapter may be used for any  
 6-59 agriculture-related operating expense, including the purchase or  
 6-60 lease of land or fixed assets acquisition or improvement, as  
 6-61 identified in the application.

6-62 SECTION 1.17. Chapter 58, Agriculture Code, is amended by  
 6-63 adding Subchapter G to read as follows:

6-64 SUBCHAPTER G. YOUNG FARMER GRANT PROGRAM

6-65 Sec. 58.091. GRANT PROGRAM. (a) The authority shall  
 6-66 administer a young farmer grant program. A grant must be for the  
 6-67 purpose of fostering the creation and expansion of agricultural  
 6-68 businesses by young people in this state.

6-69 (b) The board shall adopt rules governing the operation of

7-1 the program and selection criteria for grant recipients.  
7-2 (c) The board shall select grant recipients.  
7-3 Sec. 58.092. ELIGIBILITY. To be eligible to receive a grant  
7-4 under this subchapter, a person must:  
7-5 (1) be an agricultural producer who is at least 18  
7-6 years of age but younger than 46 years of age; and  
7-7 (2) provide matching funds in the amount of not less  
7-8 than one dollar for each dollar of grant money received.  
7-9 Sec. 58.093. AMOUNT OF GRANTS. A grant under the young  
7-10 farmer grant program may not be less than \$5,000 or more than  
7-11 \$20,000.  
7-12 Sec. 58.094. APPLICATIONS. (a) The authority shall accept  
7-13 grant applications during two application periods each year.  
7-14 (b) Applicants shall submit an application on a form  
7-15 approved by the board or the board's designee.  
7-16 Sec. 58.095. FUNDING. The source of funds for the young  
7-17 farmer grant program is the Texas agricultural fund.  
7-18 SECTION 1.18. Section 1232.101, Government Code, is amended  
7-19 to read as follows:  
7-20 Sec. 1232.101. ISSUANCE OF BONDS FOR CERTAIN STATE  
7-21 AGENCIES. With respect to all bonds authorized to be issued by or  
7-22 on behalf of the adjutant general's department, Parks and Wildlife  
7-23 Department, Texas Agricultural Finance Authority, Texas Low-Level  
7-24 Radioactive Waste Disposal Authority, Stephen F. Austin State  
7-25 University, Midwestern State University, and Texas Southern  
7-26 University, the authority has the exclusive authority to act on  
7-27 behalf of those entities in issuing bonds on their behalf. In  
7-28 connection with those issuances and with the issuance of refunding  
7-29 bonds on behalf of those entities, the authority is subject to all  
7-30 rights, duties, and conditions surrounding issuance previously  
7-31 applicable to the issuing entity under the statute authorizing the  
7-32 issuance. A reference in an authorizing statute to the entity on  
7-33 whose behalf the bonds are being issued applies equally to the  
7-34 authority in its capacity as issuer on behalf of the entity.  
7-35 SECTION 1.19. Subsection (d), Section 1372.028, Government  
7-36 Code, is amended to read as follows:  
7-37 (d) An issuer is not required to provide the statement  
7-38 required by Subsection (c)(3)(F) if the issuer:  
7-39 (1) is an issuer of a state-voted issue;  
7-40 (2) is the Texas Department of Housing and Community  
7-41 Affairs[, ~~the Texas Agricultural Finance Authority,~~] or the Texas  
7-42 State Affordable Housing Corporation; or  
7-43 (3) provides evidence that one or more binding  
7-44 contracts have been entered into, or other evidence acceptable to  
7-45 the board as described by program rule, to spend the unexpended  
7-46 proceeds by the later of:  
7-47 (A) 12 months after the date the board receives  
7-48 the application; or  
7-49 (B) December 31 of the program year for which the  
7-50 application is filed.  
7-51 SECTION 1.20. Subsection (b), Section 502.174,  
7-52 Transportation Code, is amended to read as follows:  
7-53 (b) The county assessor-collector shall send an assessment  
7-54 collected under this section to the comptroller, at the time and in  
7-55 the manner prescribed by the Texas Agricultural Finance Authority,  
7-56 for deposit in the Texas agricultural fund [~~to the credit of the~~  
7-57 ~~young farmer loan guarantee account~~].  
7-58 SECTION 1.21. The following provisions are repealed:  
7-59 (1) Subdivision (3), Section 44.001, Agriculture  
7-60 Code;  
7-61 (2) Subsection (c), Section 58.0173, Agriculture  
7-62 Code;  
7-63 (3) Subsection (b), Section 58.0211, Agriculture  
7-64 Code;  
7-65 (4) Subsections (a), (c), and (e), Section 58.057,  
7-66 Agriculture Code; and  
7-67 (5) Section 1372.0235, Government Code.  
7-68 SECTION 1.22. On the effective date of this Act:  
7-69 (1) the young farmer loan guarantee program under

8-1 Subchapter E, Chapter 58, Agriculture Code, as that subchapter  
8-2 existed before amendment by this Act, is abolished; and

8-3 (2) the agricultural loan guarantee program under  
8-4 Subchapter E, Chapter 58, Agriculture Code, as amended by this Act,  
8-5 is established.

8-6 SECTION 1.23. On the effective date of this Act, the young  
8-7 farmer loan guarantee account is abolished. All money in the  
8-8 account on that date remains in the Texas agricultural fund. All  
8-9 deposits purportedly made to the account on or after that date shall  
8-10 be deposited in the Texas agricultural fund. All references in law  
8-11 or rule to the young farmer loan guarantee account mean the Texas  
8-12 agricultural fund.

8-13 SECTION 1.24. (a) As soon as practicable on or after the  
8-14 effective date of this Act, the commissioner of agriculture shall  
8-15 appoint two members to the board of directors of the Texas  
8-16 Agricultural Finance Authority who represent young farmers and the  
8-17 interests of young farmers. In appointing those members, the  
8-18 commissioner shall appoint one person to a term expiring January 1,  
8-19 2010, and one to a term expiring January 1, 2011.

8-20 (b) The changes in law made by this Act by the amendment of  
8-21 Section 58.012, Agriculture Code, do not affect the entitlement of  
8-22 a member of the board of directors of the Texas Agricultural Finance  
8-23 Authority serving on the board immediately before the effective  
8-24 date of this Act to continue to serve on the board and carry out the  
8-25 board's functions for the remainder of the member's term. The  
8-26 changes in law apply only to a member appointed on or after the  
8-27 effective date of this Act. This Act does not prohibit a person who  
8-28 is a member of the board on the effective date of this Act from being  
8-29 reappointed to the board if the person has the qualifications  
8-30 required for a member under Section 58.012, Agriculture Code, as  
8-31 amended by this Act.

8-32 SECTION 1.25. Subsection (b), Section 58.041, Agriculture  
8-33 Code, as added by this Act, does not apply to the extension,  
8-34 renewal, or renegotiation of debt issued by the Texas Agricultural  
8-35 Finance Authority before the effective date of this Act. The  
8-36 extension, renewal, or renegotiation of debt issued by the Texas  
8-37 Agricultural Finance Authority before the effective date of this  
8-38 Act is governed by the law in effect immediately before that date,  
8-39 and the former law is continued in effect for that purpose.

8-40 ARTICLE 2. PRESCRIBED BURNING BOARD

8-41 SECTION 2.01. Section 153.001, Natural Resources Code, is  
8-42 amended to read as follows:

8-43 Sec. 153.001. DEFINITIONS [DEFINITION]. In this chapter:

8-44 (1) "Board" [,"board"] means the Prescribed Burning  
8-45 Board.

8-46 (2) "Department" means the Department of Agriculture.

8-47 SECTION 2.02. Subchapter A, Chapter 153, Natural Resources  
8-48 Code, is amended by adding Section 153.004 to read as follows:

8-49 Sec. 153.004. PRESCRIBED BURNING IN STATE OF EMERGENCY OR  
8-50 DISASTER. A certified and insured prescribed burn manager may  
8-51 conduct a burn in a county in which a state of emergency or state of  
8-52 disaster has been declared by the governor or the president of the  
8-53 United States, unless the declaration expressly prohibits all  
8-54 outdoor burning.

8-55 SECTION 2.03. Subsection (a), Section 153.041, Natural  
8-56 Resources Code, is amended to read as follows:

8-57 (a) The Prescribed Burning Board is established within the  
8-58 department [Department of Agriculture] and is composed of:

8-59 (1) an employee of the Texas Forest Service designated  
8-60 by the director of the Texas Forest Service;

8-61 (2) an employee of the Parks and Wildlife Department  
8-62 appointed by the executive director of the Parks and Wildlife  
8-63 Department;

8-64 (3) an employee of the Texas Commission on  
8-65 Environmental Quality [Natural Resource Conservation Commission]  
8-66 appointed by the executive director of the Texas Commission on  
8-67 Environmental Quality [Natural Resource Conservation Commission];

8-68 (4) an employee of the Texas AgriLife [Agricultural]  
8-69 Extension Service appointed by the executive director of the Texas



9-1 AgriLife [~~Agricultural~~] Extension Service;  
9-2 (5) an employee of [~~the~~] Texas AgriLife Research  
9-3 [~~Agricultural Experiment Station~~] appointed by the director of  
9-4 [~~the~~] Texas AgriLife Research [~~Agricultural Experiment Station~~];

9-5 (6) an employee of the Texas Tech University Range and  
9-6 Wildlife Department appointed by the dean of the Texas Tech  
9-7 University College of Agricultural Sciences and Natural Resources;

9-8 (7) an employee of the department [~~Department of~~  
9-9 ~~Agriculture~~] appointed by the commissioner of agriculture;

9-10 (8) an employee of the State Soil and Water  
9-11 Conservation Board appointed by the executive director of the State  
9-12 Soil and Water Conservation Board; and

9-13 (9) five persons who are:

9-14 (A) owners of agricultural land, as that term is  
9-15 defined by Section 153.081;

9-16 (B) self-employed or employed by a person other  
9-17 than a governmental entity; and

9-18 (C) appointed by the commissioner of  
9-19 agriculture.

9-20 SECTION 2.04. Section 153.044, Natural Resources Code, is  
9-21 amended to read as follows:

9-22 Sec. 153.044. SUNSET PROVISION. The Prescribed Burning  
9-23 Board is subject to Chapter 325, Government Code (Texas Sunset  
9-24 Act). The board shall be reviewed during the period in which the  
9-25 Department of Agriculture is reviewed [~~Unless continued in~~  
9-26 ~~existence as provided by that chapter, the board is abolished and~~  
9-27 ~~this chapter expires September 1, 2009~~].

9-28 SECTION 2.05. Section 153.046, Natural Resources Code, is  
9-29 amended to read as follows:

9-30 Sec. 153.046. DUTIES. The board shall:

9-31 (1) establish standards for prescribed burning;

9-32 (2) develop a comprehensive training curriculum for  
9-33 certified and insured prescribed burn managers;

9-34 (3) establish standards for certification,  
9-35 recertification, and training for certified and insured prescribed  
9-36 burn managers;

9-37 (4) establish minimum education and professional  
9-38 requirements for instructors for the approved curriculum; and

9-39 (5) establish minimum insurance requirements for  
9-40 certified and insured prescribed burn managers.

9-41 SECTION 2.06. Section 153.047, Natural Resources Code, is  
9-42 amended to read as follows:

9-43 Sec. 153.047. PRESCRIBED BURNING STANDARDS. Minimum  
9-44 standards established by the board for prescribed burning must:

9-45 (1) ensure that prescribed burning is the controlled  
9-46 application of fire to naturally occurring or naturalized  
9-47 vegetative fuels under specified environmental conditions in  
9-48 accordance with a written prescription plan:

9-49 (A) designed to confine the fire to a  
9-50 predetermined area and to accomplish planned land management  
9-51 objectives; and

9-52 (B) that conforms to the standards established  
9-53 under this section;

9-54 (2) require that at least one certified and insured  
9-55 prescribed burn manager is present on site during the conduct of the  
9-56 prescribed burn;

9-57 (3) establish appropriate guidelines for size of  
9-58 burning crews sufficient to:

9-59 (A) conduct the burn in accordance with the  
9-60 prescription plan; and

9-61 (B) provide adequate protection for the safety of  
9-62 persons and of adjacent property;

9-63 (4) include standards for notification to adjacent  
9-64 land owners, the Texas Commission on Environmental Quality [~~Natural~~  
9-65 ~~Resource Conservation Commission~~], and local fire authorities; and

9-66 (5) include minimum insurance requirements for  
9-67 certified and insured prescribed burn managers.

9-68 SECTION 2.07. Subsections (c) and (e), Section 153.048,  
9-69 Natural Resources Code, are amended to read as follows:

10-1 (c) The certification is for two [~~five~~] years.  
10-2 (e) The board shall maintain a register of certified and  
10-3 insured prescribed burn managers and dates of completion of initial  
10-4 and continuing training.

10-5 SECTION 2.08. Subsections (a) and (b), Section 153.081,  
10-6 Natural Resources Code, are amended to read as follows:

10-7 (a) Subject to Section 153.082, an owner, lessee, or  
10-8 occupant of agricultural land is not liable for property damage or  
10-9 for injury or death to persons caused by or resulting from  
10-10 prescribed burning conducted on the land owned by, leased by, or  
10-11 occupied by the person if the prescribed burning is conducted under  
10-12 the supervision of a certified and insured prescribed burn manager.

10-13 (b) This section does not apply to an owner, lessee, or  
10-14 occupant of agricultural land who is a certified and insured  
10-15 prescribed burn manager and conducts a burn on that land.

10-16 SECTION 2.09. Section 153.082, Natural Resources Code, is  
10-17 amended to read as follows:

10-18 Sec. 153.082. INSURANCE. The limitation on liability under  
10-19 Section 153.081 does not apply to an owner, lessee, or occupant of  
10-20 agricultural land unless the certified and insured prescribed burn  
10-21 manager conducting a burn on the land has liability insurance  
10-22 coverage:

10-23 (1) of at least \$1 million for each single occurrence  
10-24 of bodily injury or death, or injury to or destruction of property;  
10-25 and

10-26 (2) with a policy period minimum aggregate limit of at  
10-27 least \$2 million.

10-28 SECTION 2.10. Chapter 153, Natural Resources Code, is  
10-29 amended by adding Subchapter D to read as follows:

10-30 SUBCHAPTER D. COMPLAINTS, ENFORCEMENT, AND PENALTIES

10-31 Sec. 153.101. COMPLAINTS. The department shall receive and  
10-32 process complaints concerning certified and insured prescribed  
10-33 burn managers in the manner described by Section 12.026,  
10-34 Agriculture Code, and rules adopted under that section.

10-35 Sec. 153.102. DISCIPLINARY ACTION; SCHEDULE OF SANCTIONS.

10-36 (a) The department may impose an administrative sanction,  
10-37 including an administrative penalty, as provided by Sections  
10-38 12.020, 12.0201, 12.0202, and 12.0261, Agriculture Code, for a  
10-39 violation of this chapter.

10-40 (b) The department by rule shall adopt a schedule of the  
10-41 disciplinary sanctions that the department may impose under this  
10-42 chapter. In adopting the schedule of sanctions, the department  
10-43 shall ensure that the severity of the sanction imposed is  
10-44 appropriate to the type of violation or conduct that is the basis  
10-45 for disciplinary action.

10-46 (c) In determining the appropriate disciplinary action,  
10-47 including the amount of any administrative penalty to assess, the  
10-48 department shall consider:

10-49 (1) whether the person:

10-50 (A) is being disciplined for multiple violations  
10-51 of either this chapter or a rule or order adopted under this  
10-52 chapter; or

10-53 (B) has previously been the subject of  
10-54 disciplinary action by the department under this chapter and has  
10-55 previously complied with department rules and this chapter;

10-56 (2) the seriousness of the violation;

10-57 (3) the threat to public safety; and

10-58 (4) any mitigating factors.

10-59 Sec. 153.103. INJUNCTION. (a) The department may apply to  
10-60 a district court in any county for an injunction to restrain a  
10-61 person who is not a certified and insured prescribed burn manager  
10-62 from representing that the person is a certified and insured  
10-63 prescribed burn manager.

10-64 (b) At the request of the department, the attorney general  
10-65 shall initiate and conduct an action in a district court in the  
10-66 state's name to obtain an injunction under this section.

10-67 Sec. 153.104. EMERGENCY SUSPENSION. (a) On determining  
10-68 that a certification holder is engaged in or about to engage in a  
10-69 violation of this chapter and that the certification holder's

11-1 continued practice constitutes an immediate threat to the public  
 11-2 welfare, the department may issue an order suspending the  
 11-3 certification holder's certification without notice or a hearing.  
 11-4 The department shall immediately serve notice of the suspension on  
 11-5 the certification holder.

11-6 (b) The notice required by Subsection (a) must:

11-7 (1) be personally served on the certification holder  
 11-8 or be sent by registered or certified mail, return receipt  
 11-9 requested, to the certification holder's last known address  
 11-10 according to the department's records;

11-11 (2) state the grounds for the suspension; and

11-12 (3) inform the certification holder of the right to a  
 11-13 hearing on the suspension order.

11-14 (c) A certification holder whose certification is suspended  
 11-15 under this section is entitled to request a hearing on the  
 11-16 suspension not later than the 30th day after the date of receipt of  
 11-17 notice of the suspension. Not later than the fifth day after the  
 11-18 date a hearing is requested, the department shall issue a notice of  
 11-19 hearing.

11-20 (d) A hearing on a suspension order under this section is  
 11-21 subject to Chapter 2001, Government Code. If the hearing is before  
 11-22 an administrative law judge, after the hearing, the administrative  
 11-23 law judge shall recommend to the department whether to uphold,  
 11-24 vacate, or modify the suspension order.

11-25 (e) A suspension order issued under this section remains in  
 11-26 effect until further action is taken by the department. If the  
 11-27 administrative law judge's recommendation under Subsection (d) is  
 11-28 to vacate the order, the department shall determine whether to  
 11-29 vacate the order not later than the second day after the date of the  
 11-30 recommendation.

11-31 SECTION 2.11. (a) Subsection (c), Section 153.048,  
 11-32 Natural Resources Code, as amended by this Act, applies to a  
 11-33 certification issued or renewed after the effective date of this  
 11-34 Act. A certification issued or renewed before the effective date of  
 11-35 this Act is governed by the law in effect on the date the  
 11-36 certification was issued or renewed, and the former law is  
 11-37 continued in effect for that purpose.

11-38 (b) Sections 153.102, 153.103, and 153.104, Natural  
 11-39 Resources Code, as added by this Act, apply only to conduct that  
 11-40 occurs on or after the effective date of this Act. Conduct that  
 11-41 occurs before the effective date of this Act is governed by the law  
 11-42 in effect when the conduct occurred, and the former law is continued  
 11-43 in effect for that purpose.

11-44 ARTICLE 3. TEXAS-ISRAEL EXCHANGE FUND BOARD

11-45 SECTION 3.01. The heading to Chapter 45, Agriculture Code,  
 11-46 is amended to read as follows:

11-47 CHAPTER 45. TEXAS-ISRAEL EXCHANGE RESEARCH PROGRAM [FUND]

11-48 SECTION 3.02. Section 45.001, Agriculture Code, is amended  
 11-49 to read as follows:

11-50 Sec. 45.001. LEGISLATIVE FINDINGS; PURPOSE. (a) The  
 11-51 legislature finds that Texas and Israel have many interests in  
 11-52 common. They face many of the same difficulties in agriculture; the  
 11-53 geography of both areas produces semiarid climatic conditions;  
 11-54 there is present in both areas a rising demand for a limited supply  
 11-55 of water coupled with increasing pressures to minimize the use of  
 11-56 energy in all aspects of agriculture. Scientific and technological  
 11-57 cooperatives already produce close ties between the two areas while  
 11-58 engaging in binational projects for scientific and industrial  
 11-59 research and development.

11-60 A program [fund] to support joint agricultural research and  
 11-61 development by, and the development of trade and business relations  
 11-62 between, Texas and Israel will address common problems and make  
 11-63 substantial contributions to the development of agriculture,  
 11-64 trade, and business in both areas. Since Texas has long emphasized  
 11-65 broad-based agricultural research and Israel has originated and  
 11-66 developed agricultural technologies designed to maximize  
 11-67 production with minimal use of resources such as water and labor,  
 11-68 each of the two areas will benefit by sharing information and  
 11-69 expertise.

12-1 (b) The purpose of this chapter is to:

12-2 (1) establish a program [~~fund~~] to promote and support  
12-3 practical and applied agricultural research and development that  
12-4 will result in mutual benefit to Texas and Israel and will help to  
12-5 provide solutions to food and fiber production problems wherever  
12-6 they exist, particularly those relating to water conservation; and

12-7 (2) establish a program of mutual cooperation that  
12-8 will foster the development of trade, mutual assistance, and  
12-9 business relations between Texas and Israel.

12-10 SECTION 3.03. Section 45.002, Agriculture Code, is amended  
12-11 to read as follows:

12-12 Sec. 45.002. DEFINITION [~~DEFINITIONS~~]. In this chapter, [~~+  
12-13~~]  
12-14 [~~(1)~~] "applied [~~Applied~~] research" means the process  
12-15 of assembling knowledge gained by careful and diligent search and  
12-16 studious inquiry and examination and using that knowledge to solve  
12-17 practical, real-world problems.

12-18 [~~(2) "Board" means the Texas-Israel Exchange Fund  
12-19 Board.~~

12-19 [~~(3) "Fund" means the Texas-Israel Exchange Fund.]~~

12-20 SECTION 3.04. Section 45.005, Agriculture Code, is amended  
12-21 to read as follows:

12-22 Sec. 45.005. GENERAL FUNCTIONS, POWERS, AND DUTIES.

12-23 (a) The department may establish a binational program to support  
12-24 joint agricultural research and development with Israel. The scope  
12-25 of agricultural research and development which the program [~~fund~~]  
12-26 may promote and support encompasses all scientific activities  
12-27 related to agriculture, including production, processing,  
12-28 marketing, and agricultural services, with emphasis on the support  
12-29 of applied research to improve water, labor, and energy utilization  
12-30 in agriculture.

12-31 (b) The program [~~fund~~] shall support applied research in  
12-32 areas of potential mutual interest, including:

- 12-33 (1) water conservation;  
12-34 (2) water management and use;  
12-35 (3) soil management and conservation;  
12-36 (4) innovative sources of energy for agricultural  
12-37 production;  
12-38 (5) environmental aspects of agricultural technology;  
12-39 (6) intensive crop production; and  
12-40 (7) agricultural engineering and processing.

12-41 (c) The program [~~fund~~] may undertake agricultural research  
12-42 and development projects of mutual benefit that are located in  
12-43 Texas, Israel, or any other location considered advisable by the  
12-44 department or suggested by the advisory committee [~~boards~~].

12-45 (d) The department [~~fund~~] may make research or development  
12-46 grants or loans to public or private entities who intend to carry  
12-47 out the stated objectives of the program [~~fund~~].

12-48 (e) The program [~~fund~~] shall encourage or support the  
12-49 exchange of agricultural producers, scientists, teachers,  
12-50 students, or other types of agricultural experts between the two  
12-51 cooperating areas of Texas and Israel.

12-52 (f) The program [~~fund~~] shall encourage and support [~~a  
12-53 program of~~] mutual cooperation that will foster the development of  
12-54 trade, mutual assistance, and business relations between Texas and  
12-55 Israel.

12-56 SECTION 3.05. Subsections (b) and (d), Section 45.007,  
12-57 Agriculture Code, are amended to read as follows:

12-58 (b) The department [~~board~~] may accept gifts and grants from  
12-59 the federal government, state government, and private sources, as  
12-60 well as legislative appropriations to carry out the purposes of  
12-61 this chapter. The use of gifts and grants other than legislative  
12-62 appropriation is subject only to limitations contained in the gift  
12-63 or grant.

12-64 (d) The department [~~board~~] shall make an annual accounting  
12-65 of all money received, awarded, and expended during the year under  
12-66 this chapter to the legislative committees responsible for  
12-67 agricultural issues.

12-68 SECTION 3.06. Chapter 45, Agriculture Code, is amended by  
12-69 adding Section 45.009 to read as follows:

13-1 Sec. 45.009. TEXAS-ISREAL EXCHANGE ADVISORY COMMITTEE. The  
13-2 department may establish a binational agricultural research  
13-3 advisory committee to provide guidance and direction on activities  
13-4 conducted under this chapter and the expenditure of money  
13-5 appropriated for the purposes of this chapter.

13-6 SECTION 3.07. (a) The Texas-Israel Exchange Fund Board and  
13-7 the Texas-Israel Exchange Fund are abolished.

13-8 (b) The following provisions of the Agriculture Code are  
13-9 repealed:

- 13-10 (1) Section 45.003;
- 13-11 (2) Section 45.004;
- 13-12 (3) Section 45.006;
- 13-13 (4) Subsections (a) and (c), Section 45.007; and
- 13-14 (5) Section 45.008.

13-15 ARTICLE 4. STRUCTURE OF CERTAIN BOARDS AND ADVISORY COMMITTEES

13-16 SECTION 4.01. Chapter 50B, Agriculture Code, is amended by  
13-17 adding Section 50B.0015 to read as follows:

13-18 Sec. 50B.0015. DEFINITION. In this chapter, "committee"  
13-19 means the wine industry development and marketing advisory  
13-20 committee.

13-21 SECTION 4.02. Section 50B.002, Agriculture Code, is amended  
13-22 to read as follows:

13-23 Sec. 50B.002. WINE INDUSTRY DEVELOPMENT AND MARKETING[+] ~~AND~~  
13-24 ADVISORY COMMITTEE. (a) The commissioner shall [may] appoint a  
13-25 wine industry development and marketing advisory committee to:

13-26 (1) develop a long-term vision and marketable identity  
13-27 for the wine industry in the state that take into consideration  
13-28 future industry development, funding, research, educational  
13-29 programming, risk management, and marketing; and

13-30 (2) assist the commissioner in establishing and  
13-31 implementing the Texas Wine Marketing Assistance Program under  
13-32 Chapter 110, Alcoholic Beverage Code.

13-33 (b) The committee consists of members appointed by the  
13-34 commissioner who represent a diverse cross-section of the wine  
13-35 industry, including representatives of:

- 13-36 (1) grape growers;
- 13-37 (2) wineries;
- 13-38 (3) wholesalers;
- 13-39 (4) package stores;
- 13-40 (5) retailers;
- 13-41 (6) researchers;
- 13-42 (7) consumers;
- 13-43 (8) the department; and
- 13-44 (9) the Texas Alcoholic Beverage Commission.

13-45 (c) The members of the committee serve without  
13-46 compensation.

13-47 (d) A member of the committee serves at the pleasure of the  
13-48 commissioner for a term of two years. The commissioner may  
13-49 reappoint a member to the committee.

13-50 (e) The commissioner shall select a presiding officer from  
13-51 among the members and adopt rules governing the operation of the  
13-52 committee.

13-53 (f) The committee shall meet as necessary to provide  
13-54 guidance to the commissioner.

13-55 SECTION 4.03. Subsections (a) and (d), Section 62.002,  
13-56 Agriculture Code, are amended to read as follows:

13-57 (a) The State Seed and Plant Board is an agency of the state.  
13-58 The board is composed of [~~six members appointed by the governor with~~  
13-59 ~~the advice and consent of the senate. Membership must include~~]:

13-60 (1) one individual, appointed by the president of  
13-61 Texas A&M University, from the Soils and Crop Sciences Department,  
13-62 Texas Agricultural Experiment Station, Texas A&M [A & M]  
13-63 University;

13-64 (2) one individual, appointed by the president of  
13-65 Texas Tech University, from the Department of Plant and Soil  
13-66 Sciences, Texas Tech University;

13-67 (3) one individual, appointed by the commissioner,  
13-68 licensed as a Texas Foundation, Registered, or Certified seed or  
13-69 plant producer who is not employed by a public institution;

14-1 (4) one individual, appointed by the commissioner, who  
 14-2 sells Texas Foundation, Registered, or Certified seed or plants;

14-3 (5) one individual, appointed by the commissioner,  
 14-4 actively engaged in farming but not a producer or seller of Texas  
 14-5 Foundation, Registered, or Certified seed or plants; and

14-6 (6) the head of the seed division of the department.

14-7 (d) The commissioner [~~governor~~] shall designate a member of  
 14-8 the board as the chairman to serve in that capacity at the pleasure  
 14-9 of the commissioner [~~governor~~]. The board annually shall elect a  
 14-10 vice-chairman and secretary. The board shall meet at times and  
 14-11 places determined by the chairman.

14-12 SECTION 4.04. Subsection (a), Section 62.0027, Agriculture  
 14-13 Code, is amended to read as follows:

14-14 (a) Before a member of the board may assume the member's  
 14-15 duties [~~and before the member may be confirmed by the senate~~], the  
 14-16 member must complete at least one course of the training program  
 14-17 established under this section.

14-18 SECTION 4.05. Subsections (a) and (f), Section 103.003,  
 14-19 Agriculture Code, are amended to read as follows:

14-20 (a) The Produce Recovery Fund Board is composed of five  
 14-21 members appointed by the commissioner [~~governor with the advice and~~  
 14-22 ~~consent of the senate~~]. Two members must be producers, one must be  
 14-23 a license holder licensed under Chapter 101, and two must be members  
 14-24 of the general public.

14-25 (f) The commissioner [~~governor~~] shall designate a member of  
 14-26 the board as the chairman of the board to serve in that capacity at  
 14-27 the pleasure of the commissioner [~~governor~~].

14-28 SECTION 4.06. Subsection (a), Section 103.019, Agriculture  
 14-29 Code, is amended to read as follows:

14-30 (a) Before a member of the board may assume the member's  
 14-31 duties [~~and before the member may be confirmed by the senate~~], the  
 14-32 member must complete at least one course of the training program  
 14-33 established under this section.

14-34 SECTION 4.07. Subsection (b), Section 110.002, Alcoholic  
 14-35 Beverage Code, is amended to read as follows:

14-36 (b) The commissioner, in consultation with the advisory  
 14-37 committee established under Section 50B.002, Agriculture Code  
 14-38 [~~110.003~~], shall adopt rules as necessary to implement the program.

14-39 SECTION 4.08. The following statutes are repealed:

14-40 (1) Subsection (c), Section 62.0023, Agriculture  
 14-41 Code;

14-42 (2) Subsection (b), Section 103.003 and Subsection  
 14-43 (c), Section 103.017, Agriculture Code; and

14-44 (3) Section 110.003, Alcoholic Beverage Code.

14-45 SECTION 4.09. On the effective date of this Act, the Texas  
 14-46 Wine Marketing Assistance Program advisory committee and the wine  
 14-47 industry development advisory committee are abolished. The  
 14-48 commissioner of agriculture may appoint a person who previously  
 14-49 served on either of those committees to the wine industry  
 14-50 development and marketing advisory committee established under  
 14-51 Section 50B.002, Agriculture Code, as amended by this Act.

14-52 SECTION 4.10. The changes in law made by this Act by the  
 14-53 amendment of Sections 62.002 and 103.003, Agriculture Code, do not  
 14-54 affect the entitlement of a member serving on the State Seed and  
 14-55 Plant Board or Produce Recovery Fund Board immediately before the  
 14-56 effective date of this Act to continue to serve as a board member  
 14-57 for the remainder of the member's term. The changes in law apply  
 14-58 only to a member appointed on or after the effective date of this  
 14-59 Act.

14-60 ARTICLE 5. CERTAIN AGRICULTURAL REGULATORY PROGRAMS

14-61 SECTION 5.01. Section 13.251, Agriculture Code, is amended  
 14-62 to read as follows:

14-63 Sec. 13.251. DEFINITION. In this subchapter, "public  
 14-64 weigher" means a business certified under this subchapter [~~person~~  
 14-65 ~~who is elected or appointed~~] to issue an official certificate  
 14-66 declaring the accurate weight or measure of a commodity that the  
 14-67 business [~~person~~] is requested to weigh.

14-68 SECTION 5.02. Section 13.255, Agriculture Code, is amended  
 14-69 to read as follows:

15-1           Sec. 13.255. CERTIFICATE. (a) A public weigher~~[, whether~~  
 15-2 ~~elected or appointed, or deputy public weigher]~~ may not officially  
 15-3 weigh a commodity unless the weigher has obtained from the  
 15-4 department a certificate of authority.

15-5           (b) A ~~[state public weigher must submit a nonrefundable fee,~~  
 15-6 ~~as provided by department rule, with the application for a~~  
 15-7 ~~certificate of authority. A county public weigher or a deputy]~~  
 15-8 public weigher must submit a fee, as provided by department rule,  
 15-9 with the application for a certificate of authority.

15-10          SECTION 5.03. Section 13.2555, Agriculture Code, is amended  
 15-11 to read as follows:

15-12          Sec. 13.2555. REVOCATION, MODIFICATION, OR SUSPENSION OF  
 15-13 CERTIFICATE. (a) The department shall revoke, modify, or suspend  
 15-14 the certificate of authority of a ~~[an appointed public weigher or a~~  
 15-15 ~~deputy of an appointed county]~~ public weigher, assess an  
 15-16 administrative penalty, place on probation the public weigher  
 15-17 ~~[person]~~ whose certificate has been suspended, or reprimand a ~~[an~~  
 15-18 ~~appointed public weigher or a deputy of an appointed county]~~ public  
 15-19 weigher for a violation of this subchapter or a rule adopted by the  
 15-20 department under this subchapter.

15-21          (b) If a certificate suspension is probated, the department  
 15-22 may require the public weigher ~~[person]~~ to:

15-23           (1) report regularly to the department on matters that  
 15-24 are the basis of the probation;

15-25           (2) limit practice to the areas prescribed by the  
 15-26 department; or

15-27           (3) continue or renew professional education until the  
 15-28 public weigher ~~[person]~~ attains a degree of skill satisfactory to  
 15-29 the department in those areas that are the basis of the probation.

15-30          (c) If the department proposes to revoke, modify, or suspend  
 15-31 a public weigher's ~~[person's]~~ certificate, the public weigher  
 15-32 ~~[person]~~ is entitled to a hearing conducted under Section 12.032.  
 15-33 The decision of the department is appealable in the same manner as  
 15-34 provided for contested cases under Chapter 2001, Government Code.

15-35          SECTION 5.04. Section 13.256, Agriculture Code, is amended  
 15-36 to read as follows:

15-37          Sec. 13.256. BOND. ~~[(a)]~~ Each ~~[county public weigher,~~  
 15-38 ~~whether elected or appointed, and each deputy]~~ public weigher shall  
 15-39 execute ~~[for the full term of office]~~ a bond in accordance with  
 15-40 rules adopted ~~[that is in the amount of \$2,500, approved]~~ by the  
 15-41 department~~[, and made payable to the county judge of the county for~~  
 15-42 ~~which the weigher is elected or appointed]~~. The bond must be  
 15-43 conditioned on the accurate weight or measure of a commodity being  
 15-44 reflected on the certificate issued by the public weigher ~~[or~~  
 15-45 ~~deputy]~~, on the protection of a commodity that the public weigher  
 15-46 ~~[or deputy]~~ is requested to weigh or measure, and on compliance with  
 15-47 all laws and rules governing public weighers. ~~[The bond shall be~~  
 15-48 ~~filed with the county clerk's office in the county for which the~~  
 15-49 ~~public weigher or deputy is appointed or elected.]~~ The bond is not  
 15-50 void on first recovery. A person injured by the public weigher may  
 15-51 sue on the bond.

15-52          ~~[(b) Each state public weigher shall execute a bond similar~~  
 15-53 ~~to the bond required under Subsection (a) of this section, except~~  
 15-54 ~~that the bond is for \$10,000, made payable to the State of Texas,~~  
 15-55 ~~and filed with the department.]~~

15-56          SECTION 5.05. Subsection (a), Section 13.257, Agriculture  
 15-57 Code, is amended to read as follows:

15-58          (a) On each certificate of weight or measure that a public  
 15-59 weigher ~~[or deputy public weigher]~~ issues, the public weigher ~~[or~~  
 15-60 ~~deputy public weigher]~~ shall include the:

15-61           (1) time and date that the weight or measurement was  
 15-62 taken;

15-63           (2) signature and license number of the public weigher  
 15-64 ~~[or deputy public weigher]~~; and

15-65           (3) seal of the department.

15-66          SECTION 5.06. Subsection (a), Section 13.259, Agriculture  
 15-67 Code, is amended to read as follows:

15-68          (a) A public weigher ~~[or deputy public weigher]~~ who  
 15-69 intentionally or knowingly issues a certificate of weight or

16-1 measure giving a false weight or measure for a commodity weighed or  
16-2 measured commits an offense.

16-3 SECTION 5.07. Section 13.261, Agriculture Code, is amended  
16-4 to read as follows:

16-5 Sec. 13.261. [~~POWER OF DEPARTMENT;~~] RULES. The department  
16-6 shall ~~[may]~~ adopt rules governing the bond requirements and  
16-7 ~~[procedures to be followed in administering the]~~ fees imposed under  
16-8 this subchapter.

16-9 SECTION 5.08. Section 52.038, Agriculture Code, is amended  
16-10 to read as follows:

16-11 Sec. 52.038. EXISTING CORPORATIONS AND ASSOCIATIONS.  
16-12 [~~(a)~~] Any corporation or association organized under prior law  
16-13 before March 1, 1921, may elect, by a majority vote of its members  
16-14 or stockholders, to adopt this chapter and become subject to it by:

16-15 (1) adopting the restrictions provided by this  
16-16 chapter; and

16-17 (2) executing, in duplicate on forms supplied by the  
16-18 secretary of state, an instrument, signed and acknowledged by its  
16-19 directors, stating that the entity, by a majority vote of its  
16-20 members or stockholders, has decided to accept the benefits of and  
16-21 be bound by this chapter [~~, and~~

16-22 ~~[(3) filing articles of incorporation in accordance~~  
16-23 ~~with the requirements of Section 52.035 of this code except that the~~  
16-24 ~~entity's directors shall sign the articles].~~

16-25 ~~[(b) The filing fee for the articles filed under Subsection~~  
16-26 ~~(a) of this section is equal to the filing fee for an amendment to~~  
16-27 ~~the articles of incorporation as provided by Section 52.151 of this~~  
16-28 ~~code.]~~

16-29 SECTION 5.09. Section 52.151, Agriculture Code, is amended  
16-30 to read as follows:

16-31 Sec. 52.151. TAX EXEMPTIONS [FEES]. [~~(a) The fee for~~  
16-32 ~~filing articles of incorporation under this chapter is \$10.~~

16-33 [~~(b) The fee for filing an amendment to the articles of~~  
16-34 ~~incorporation under this chapter is \$2.50.~~

16-35 [~~(c) Each marketing association shall pay to the department~~  
16-36 ~~an annual license fee, as provided by department rule.] A marketing~~  
16-37 ~~association is exempt from all [other] franchise or license taxes,~~  
16-38 ~~except that a marketing association is exempt from the franchise~~  
16-39 ~~tax imposed by Chapter 171, Tax Code, only if exempted by that~~  
16-40 ~~chapter.~~

16-41 SECTION 5.10. Section 101.003, Agriculture Code, is amended  
16-42 by amending Subsection (b) and adding Subsection (c) to read as  
16-43 follows:

16-44 (b) This section does not apply to:

16-45 (1) a retailer, unless the retailer:

16-46 (A) has annual sales of perishable commodities  
16-47 that comprise 50 percent or more of the retailer's total sales; or

16-48 (B) employs a buying agent who buys directly from  
16-49 a producer;

16-50 (2) a producer who handles or deals exclusively in the  
16-51 producer's own products;

16-52 (3) a person shipping less than six standard boxes of  
16-53 citrus fruit in any one separate shipment; [~~or~~]

16-54 (4) a person who ships a noncommercial shipment of  
16-55 perishable commodities; or

16-56 (5) a person who purchases perishable commodities and  
16-57 pays for the perishable commodities in United States currency  
16-58 before or at the time of delivery or taking possession.

16-59 (c) A person who purchases perishable commodities without a  
16-60 license, as owner, agent, or otherwise, does not violate this  
16-61 section if the person obtains a license not later than the 30th day  
16-62 after the date the person first purchases perishable commodities.

16-63 SECTION 5.11. Section 101.004, Agriculture Code, is amended  
16-64 to read as follows:

16-65 Sec. 101.004. LICENSE OR REGISTRATION CATEGORIES. [~~(a)~~] A  
16-66 person shall apply for a license if the person:

16-67 (1) purchases perishable commodities on credit;

16-68 (2) takes possession of perishable commodities for  
16-69 consignment or handling on behalf of the producer or owner of the



17-1 perishable commodities; or

17-2 (3) takes possession of perishable commodities for  
17-3 consignment or handling in a manner or under a contract that does  
17-4 not require or result in payment to the producer, seller, or  
17-5 consignor of the full amount of the purchase price in United States  
17-6 currency at the time of delivery or at the time that the perishable  
17-7 commodities pass from the producer, seller, or consignor to the  
17-8 person.

17-9 ~~[(b) A person shall register as a cash dealer if the person  
17-10 purchases perishable commodities and pays for the perishable  
17-11 commodities in United States currency before or at the time of  
17-12 delivery or taking possession.]~~

17-13 SECTION 5.12. Subsections (b) and (c), Section 101.007,  
17-14 Agriculture Code, are amended to read as follows:

17-15 (b) If ~~[an applicant for a license indicates on the  
17-16 application that]~~ a previous license of the applicant has been or is  
17-17 suspended or has been revoked, the department may not issue or renew  
17-18 a license to the applicant until the department is furnished with  
17-19 satisfactory proof that the applicant is, on the date of  
17-20 application, qualified to receive the license for which the  
17-21 applicant applied as provided by department rule.

17-22 (c) The department may refuse to issue or renew a license  
17-23 under this section if the department determines that a license  
17-24 previously issued to the applicant was revoked or suspended or that  
17-25 the applicant has engaged in conduct for which a license could have  
17-26 been revoked or suspended. In determining whether to refuse to  
17-27 issue or renew a license under this section, the department may  
17-28 consider:

17-29 (1) the facts and circumstances pertaining to a prior  
17-30 suspension or revocation;

17-31 (2) the financial condition of the applicant as of the  
17-32 date of the application;

17-33 (3) any judgment by a court of this state that is  
17-34 outstanding against the applicant and is due and owing to a  
17-35 licensee, grower, or producer of perishable commodities; and

17-36 (4) any certified claim against the applicant by a  
17-37 licensee, grower, or producer of perishable commodities that is  
17-38 under consideration by the department.

17-39 SECTION 5.13. Section 101.009, Agriculture Code, is amended  
17-40 to read as follows:

17-41 Sec. 101.009. LICENSEE LIST. The department may publish as  
17-42 often as it considers necessary a list in pamphlet form or on the  
17-43 department's Internet website of all persons licensed under this  
17-44 chapter.

17-45 SECTION 5.14. Subsections (a) and (b), Section 101.013,  
17-46 Agriculture Code, are amended to read as follows:

17-47 (a) If a licensee or a person required to be licensed causes  
17-48 a producer, seller, or owner, or an agent of a producer, seller, or  
17-49 owner, to part with control or possession of all or any part of the  
17-50 person's perishable commodities and agrees by contract of purchase  
17-51 to pay the purchase price on demand following delivery, the  
17-52 licensee or person required to be licensed shall make payment  
17-53 immediately on demand.

17-54 (b) If a person makes demand for the purchase price in  
17-55 writing, the mailing of a registered letter that makes the demand  
17-56 and is addressed to the licensee or person required to be licensed  
17-57 at their [the licensee's] business address is prima facie evidence  
17-58 that demand was made at the time the letter was mailed.

17-59 SECTION 5.15. Section 101.014, Agriculture Code, is amended  
17-60 to read as follows:

17-61 Sec. 101.014. COMMISSION OR SERVICE CHARGE IN CONTRACT. If  
17-62 a licensee or a person required to be licensed handles perishable  
17-63 commodities by guaranteeing a producer or owner a minimum price and  
17-64 handles the perishable commodities on the account of the producer  
17-65 or owner, the licensee or person required to be licensed shall  
17-66 include in the contract with the producer or owner the maximum  
17-67 amount that the licensee or person required to be licensed will  
17-68 charge for commission, service, or both, in connection with the  
17-69 perishable commodities handled.

18-1 SECTION 5.16. Subsections (a) and (b), Section 101.015,  
18-2 Agriculture Code, are amended to read as follows:

18-3 (a) Except as otherwise provided by this section, a licensee  
18-4 or a person required to be licensed shall settle with the producer  
18-5 or seller of perishable commodities on the basis of the grade and  
18-6 quality that is referred to in the contract under which the licensee  
18-7 or person required to be licensed obtained possession or control of  
18-8 the perishable commodities.

18-9 (b) If the perishable commodities have been inspected by a  
18-10 state or federal inspector in this state and found to be of a  
18-11 different grade or quality than that referred to in the contract,  
18-12 the licensee or person required to be licensed shall settle with the  
18-13 producer or seller of the perishable commodities on the basis of the  
18-14 grade and quality determined by the inspector.

18-15 SECTION 5.17. Section 101.0151, Agriculture Code, is  
18-16 amended to read as follows:

18-17 Sec. 101.0151. BUYING OR SELLING BY WEIGHT. A licensee or a  
18-18 person required to be licensed who buys or sells perishable  
18-19 commodities by weight shall weigh or have the perishable  
18-20 commodities weighed on scales that meet state requirements.

18-21 SECTION 5.18. Section 101.016, Agriculture Code, is amended  
18-22 to read as follows:

18-23 Sec. 101.016. RECORDS OF PURCHASE. (a) A licensee or a  
18-24 person required to be licensed or a packer, processor, or  
18-25 warehouseman may not receive or handle perishable commodities  
18-26 without requiring the person from whom the perishable commodities  
18-27 are purchased or received to furnish a statement in writing  
18-28 showing:

- 18-29 (1) the owner of the perishable commodities;  
18-30 (2) the grower of the perishable commodities;  
18-31 (3) the approximate location of the land on which the  
18-32 perishable commodities were grown;  
18-33 (4) the date the perishable commodities were gathered;  
18-34 and  
18-35 (5) by whose authority the perishable commodities were  
18-36 gathered.

18-37 (b) The licensee or person required to be licensed, packer,  
18-38 processor, or warehouseman shall keep records of statements  
18-39 furnished under Subsection (a) in a permanent book or folder for a  
18-40 minimum of three years from the date of the transaction and shall  
18-41 make the records available for inspection by any interested party.

18-42 (c) The licensee or person required to be licensed, packer,  
18-43 handler, or warehouseman shall:

- 18-44 (1) prepare a receipt detailing the quantity of  
18-45 perishable commodities received from the producer or owner at the  
18-46 time of receipt of the commodities; and  
18-47 (2) on request, provide the receipt to the producer or  
18-48 owner.

18-49 (d) The department periodically may investigate licensees,  
18-50 persons required to be licensed, or persons alleged to be selling or  
18-51 purchasing perishable commodities in violation of this chapter and,  
18-52 without notice, may require evidence of purchase of any perishable  
18-53 commodities in a person's possession or past possession.

18-54 SECTION 5.19. Section 101.017, Agriculture Code, is amended  
18-55 to read as follows:

18-56 Sec. 101.017. RECORD OF SALE. (a) Except for a retailer, a  
18-57 licensee or a person required to be licensed shall maintain for each  
18-58 sale a complete and accurate record showing:

- 18-59 (1) the date of sale of the perishable commodities;  
18-60 (2) the person to whom the perishable commodities were  
18-61 sold;  
18-62 (3) the grade and selling price of the perishable  
18-63 commodities; and  
18-64 (4) an itemized statement of expenses of any kind or  
18-65 character incurred in the sale or handling of the perishable  
18-66 commodities, including the amount of the commission to the licensee  
18-67 or person required to be licensed.

18-68 (b) On demand of the department or of an owner, seller, or  
18-69 agent of the owner or seller, the licensee or person required to be

19-1 licensed shall furnish the information demanded before the 11th day  
 19-2 following the date of demand.

19-3 (c) A licensee or a person required to be licensed shall  
 19-4 maintain the information required to be kept by this section for at  
 19-5 least three years after the date of sale.

19-6 SECTION 5.20. Subsection (a), Section 101.020, Agriculture  
 19-7 Code, is amended to read as follows:

19-8 (a) A person commits an offense if the person:

19-9 (1) acts in violation of Section 101.003 by not  
 19-10 obtaining a license or registration or after receiving notice of  
 19-11 cancellation of a license or registration;

19-12 (2) acts or assumes to act as a transporting agent or  
 19-13 buying agent:

19-14 (A) without first obtaining an identification  
 19-15 card; or

19-16 (B) after receiving notice of cancellation of an  
 19-17 identification card;

19-18 (3) as a transporting agent or buying agent, fails and  
 19-19 refuses to turn over to the department an identification card in  
 19-20 accordance with Section 101.010(e);

19-21 (4) as a license holder or a person required to be  
 19-22 licensed, fails to furnish information under Section 101.017 before  
 19-23 the 11th day following the date of demand;

19-24 (5) as a license holder or a person required to be  
 19-25 licensed, fails to settle with a producer or seller on the grade and  
 19-26 quality of perishable commodities in the manner provided by Section  
 19-27 101.015;

19-28 (6) ~~[as a cash dealer, pays for perishable commodities~~  
 19-29 ~~by a means other than United States currency,~~

19-30 ~~[(7)]~~ as a license holder or a person required to be  
 19-31 licensed, transporting agent, or buying agent, violates a provision  
 19-32 of this chapter;

19-33 (7) ~~[(8)]~~ ~~acts or assumes to act as a cash dealer~~  
 19-34 ~~without first registering as a cash dealer,~~

19-35 ~~[(9)]~~ as a license holder or a person required to be  
 19-36 licensed, buys or sells perishable commodities by weight and does  
 19-37 not have the perishable commodities weighed on scales that meet  
 19-38 state requirements;

19-39 (8) ~~[(10)]~~ fails to prepare and maintain records  
 19-40 required by Sections 101.016, 101.017, and 101.018; or

19-41 (9) ~~[(11)]~~ fails to provide records as required by  
 19-42 Sections 101.016 and 101.018.

19-43 SECTION 5.21. Subsection (a), Section 103.002, Agriculture  
 19-44 Code, is amended to read as follows:

19-45 (a) The produce recovery fund is a special trust fund with  
 19-46 the comptroller administered by the department, without  
 19-47 appropriation, for the payment of claims against license holders,  
 19-48 ~~[and]~~ retailers, and persons required to be licensed under Chapter  
 19-49 101.

19-50 SECTION 5.22. Section 103.005, Agriculture Code, is amended  
 19-51 to read as follows:

19-52 Sec. 103.005. INITIATION OF CLAIM. (a) A person who deals  
 19-53 with a license holder or a person required to be licensed under  
 19-54 Chapter 101 in the purchasing, handling, selling, and accounting  
 19-55 for sales of perishable commodities and who is aggrieved by an  
 19-56 action of the license holder or person required to be licensed as a  
 19-57 result of a violation of terms or conditions of a contract made by  
 19-58 the license holder or person required to be licensed for the sale of  
 19-59 Texas-grown produce may initiate a claim against the fund by filing  
 19-60 with the department:

19-61 (1) a sworn complaint against the license holder or  
 19-62 person required to be licensed; and

19-63 (2) a filing fee, as provided by department rule.

19-64 (b) A complaint and the fee under Subsection (a) ~~[of this~~  
 19-65 ~~section]~~ must be filed on or before the second ~~[first]~~ anniversary  
 19-66 of the date that payment was due ~~[of the violation]~~, or recovery  
 19-67 from the fund is barred.

19-68 SECTION 5.23. Section 103.0055, Agriculture Code, is  
 19-69 amended to read as follows:

20-1 Sec. 103.0055. BANKRUPTCY OF MERCHANT OR RETAILER. For  
20-2 purposes of this chapter, the amount due an aggrieved party by a  
20-3 license holder or a person required to be licensed is not affected  
20-4 by a final judgment of a bankruptcy court that releases the license  
20-5 holder or person required to be licensed from the legal duty to  
20-6 satisfy the claim.

20-7 SECTION 5.24. Subsection (a), Section 103.006, Agriculture  
20-8 Code, is amended to read as follows:

20-9 (a) After a claim is initiated, the department shall  
20-10 investigate the complaint and determine the amount due the  
20-11 aggrieved party. If the amount determined by the department is  
20-12 disputed by the license holder, a person required to be licensed, or  
20-13 the aggrieved party, the board shall conduct a hearing on the claim  
20-14 and determine the amount due the aggrieved party.

20-15 SECTION 5.25. Subsection (a), Section 103.007, Agriculture  
20-16 Code, is amended to read as follows:

20-17 (a) If the amount determined by the department's  
20-18 investigation to be due the aggrieved party is not disputed by the  
20-19 license holder, a person required to be licensed, or the aggrieved  
20-20 party, the department shall pay the claim within the limits  
20-21 prescribed by this chapter.

20-22 SECTION 5.26. Subsections (a), (b), (d), and (f), Section  
20-23 103.008, Agriculture Code, are amended to read as follows:

20-24 (a) In making payments from the fund the department may  
20-25 ~~can~~ pay the aggrieved party the full value of their validated  
20-26 claim, subject to Subsections (b) and (d) [all of the first \$2,000  
20-27 of any claim and no more than 70 percent of the claim above \$2,000].

20-28 (b) The total payment of all claims arising from the same  
20-29 contract with a license holder or a person required to be licensed  
20-30 may not exceed \$50,000 ~~[\$35,000]~~.

20-31 (d) Payment of a claim filed against a person who is not  
20-32 licensed in violation of Chapter 101 shall be limited to 80 percent  
20-33 of the recovery prescribed under this section ~~[The department may~~  
20-34 ~~not pay a claim against:~~

20-35 ~~[(1) a person who was not licensed on the date the~~  
20-36 ~~contract on which the claim is based was entered into; or~~

20-37 ~~[(2) a cash dealer registered under Chapter 101].~~

20-38 (f) If a license holder or a person required to be licensed  
20-39 owes money to the produce recovery fund at the time the license  
20-40 holder or person required to be licensed makes a claim against the  
20-41 fund, the department shall offset the amount owed to the fund from  
20-42 the amount dispensed.

20-43 SECTION 5.27. Section 103.009, Agriculture Code, is amended  
20-44 by amending Subsections (a), (c), and (d) and adding Subsection (e)  
20-45 to read as follows:

20-46 (a) If the department pays a claim against a license holder  
20-47 or a person required to be licensed, the license holder or person  
20-48 required to be licensed shall:

20-49 (1) reimburse the fund immediately or agree in writing  
20-50 to reimburse the fund on a schedule to be determined by rule of the  
20-51 department; and

20-52 (2) immediately pay the aggrieved party any amount due  
20-53 that party or agree in writing to pay the aggrieved party on a  
20-54 schedule to be determined by rule of the department.

20-55 (c) If the license holder or person required to be licensed  
20-56 does not reimburse the fund or pay the aggrieved party, or does not  
20-57 agree to do so, in accordance with this section, the department  
20-58 shall issue an order canceling the license and may not issue a new  
20-59 license to or renew the license of that person for four years from  
20-60 the date of cancellation. If the license holder or person required  
20-61 to be licensed is a corporation, an officer or director of the  
20-62 corporation or a person owning more than 25 percent of the stock in  
20-63 the corporation may not be licensed under Chapter 101 during the  
20-64 four-year period in which the corporation is ineligible for  
20-65 licensing.

20-66 (d) Subsections (a) and (b) do ~~[This section does]~~ not apply  
20-67 to a license holder or a person required to be licensed who is  
20-68 released by a final judgment of a bankruptcy court from the legal  
20-69 duty to satisfy the claim paid by the department.

21-1 (e) The amount to be reimbursed under this section shall be  
21-2 one and one-half times the amount of the claim paid if the person  
21-3 required to reimburse the department was not licensed on the date on  
21-4 which the transaction forming the base of the claim occurred.

21-5 SECTION 5.28. Section 103.010, Agriculture Code, is amended  
21-6 to read as follows:

21-7 Sec. 103.010. SUBROGATION OF RIGHTS. If the department  
21-8 pays a claim against a license holder or a person required to be  
21-9 licensed, the department is subrogated to all rights of the  
21-10 aggrieved party against the license holder or person required to be  
21-11 licensed to the extent of the amount paid to the aggrieved party.

21-12 SECTION 5.29. Subsection (b), Section 103.011, Agriculture  
21-13 Code, is amended to read as follows:

21-14 (b) A person registered as a [~~cash dealer or a~~] marketing  
21-15 association organized under Chapter 52 that handles citrus fruit  
21-16 only for its members is exempt from payment of the fee under this  
21-17 section.

21-18 SECTION 5.30. Subsections (a) and (b), Section 103.013,  
21-19 Agriculture Code, are amended to read as follows:

21-20 (a) A person commits an offense if the person acts or  
21-21 assumes to act as a license holder under Chapter 101 without first  
21-22 paying the annual fee required by Section 103.11 [~~this chapter~~].

21-23 (b) An offense under this section is a Class B misdemeanor  
21-24 [~~punishable by a fine of not more than \$500~~].

21-25 SECTION 5.31. Subsection (a), Section 121.005, Agriculture  
21-26 Code, is amended to read as follows:

21-27 (a) Each rose plant or shipment of rose plants shall be  
21-28 labeled with~~+~~

21-29 [~~(1)~~] the proper grade~~+, and~~  
21-30 [~~(2)~~] ~~the number of the certificate of authority of the~~  
21-31 ~~person selling or offering for sale the plant or shipment~~].

21-32 SECTION 5.32. Subsection (f), Section 52.092, Election  
21-33 Code, is amended to read as follows:

21-34 (f) Precinct offices shall be listed in the following order:

- 21-35 (1) county commissioner;
- 21-36 (2) justice of the peace;
- 21-37 (3) constable~~+~~
- 21-38 [~~(4)~~ ~~public weigher~~].

21-39 SECTION 5.33. Subsection (a), Section 172.024, Election  
21-40 Code, is amended to read as follows:

21-41 (a) The filing fee for a candidate for nomination in the  
21-42 general primary election is as follows:

21-43	(1) United States senator	\$5,000
21-44	(2) office elected statewide, except United States	
21-45	senator	3,750
21-46	(3) United States representative	3,125
21-47	(4) state senator	1,250
21-48	(5) state representative	750
21-49	(6) member, State Board of Education	300
21-50	(7) chief justice or justice, court of appeals, other	
21-51	than a justice specified by Subdivision (8)	1,875
21-52	(8) chief justice or justice of a court of appeals that	
21-53	serves a court of appeals district in which a county with a	
21-54	population of more than 750,000 is wholly or partly	
21-55	situated	2,500
21-56	(9) district judge or judge specified by Section	
21-57	52.092(d) for which this schedule does not otherwise prescribe a	
21-58	fee	1,500
21-59	(10) district or criminal district judge of a court in	
21-60	a judicial district wholly contained in a county with a population	
21-61	of more than 850,000	2,500
21-62	(11) judge, statutory county court, other than a judge	
21-63	specified by Subdivision (12)	1,500
21-64	(12) judge of a statutory county court in a county with	
21-65	a population of more than 850,000	2,500
21-66	(13) district attorney, criminal district attorney,	
21-67	or county attorney performing the duties of a district	
21-68	attorney	1,250
21-69	(14) county commissioner, district clerk, county	

22-1 clerk, sheriff, county tax assessor-collector, county treasurer,  
 22-2 or judge, constitutional county court:  
 22-3 (A) county with a population of 200,000  
 22-4 or more 1,250  
 22-5 (B) county with a population of under  
 22-6 200,000 750  
 22-7 (15) justice of the peace or constable:  
 22-8 (A) county with a population of 200,000  
 22-9 or more 1,000  
 22-10 (B) county with a population of under  
 22-11 200,000 375  
 22-12 (16) county surveyor or ~~[r]~~ inspector of hides and  
 22-13 animals ~~[, or public weigher]~~ 75  
 22-14 (17) office of the county government for which this  
 22-15 schedule does not otherwise prescribe a fee 750

22-16 SECTION 5.34. Subsection (b), Section 62.160, Labor Code,  
 22-17 is amended to read as follows:

22-18 (b) Sections 62.051-62.054 ~~[and Subchapter C]~~ do not apply  
 22-19 to an agricultural employer with respect to an employee engaged in  
 22-20 the production of livestock.

22-21 SECTION 5.35. The following statutes are repealed:

- 22-22 (1) Section 13.252, Agriculture Code;
- 22-23 (2) Section 13.253, Agriculture Code;
- 22-24 (3) Section 13.2535, Agriculture Code;
- 22-25 (4) Section 13.254, Agriculture Code;
- 22-26 (5) Subsection (b), Section 52.035, Agriculture Code;
- 22-27 (6) Section 52.152, Agriculture Code;
- 22-28 (7) Subsection (b), Section 101.006, Agriculture  
 22-29 Code;
- 22-30 (8) Subsection (c), Section 103.008, Agriculture  
 22-31 Code;
- 22-32 (9) Section 121.004, Agriculture Code;
- 22-33 (10) Subdivision (1), Section 62.002, Labor Code; and
- 22-34 (11) Subchapter C, Chapter 62, Labor Code.

22-35 SECTION 5.36. (a) The changes in law made by this Act to  
 22-36 Subchapter E, Chapter 13, Agriculture Code, do not affect the  
 22-37 entitlement of a public weigher or deputy public weigher elected or  
 22-38 appointed before the effective date of this Act to serve as a public  
 22-39 weigher or deputy public weigher for the remainder of the public  
 22-40 weigher's or deputy public weigher's term. A public weigher or  
 22-41 deputy public weigher elected or appointed before the effective  
 22-42 date of this Act is governed by the law in effect immediately before  
 22-43 the effective date of this Act, and the former law is continued in  
 22-44 effect for that purpose.

22-45 (b) The changes in law made by this Act to Section 103.008,  
 22-46 Agriculture Code, apply only to a claim for payment filed on or  
 22-47 after the effective date of this Act. A claim filed before that  
 22-48 date is governed by the law in effect on the date the claim was  
 22-49 filed, and the former law is continued in effect for that purpose.

22-50 ARTICLE 6. GENERAL LICENSING PROVISIONS

22-51 SECTION 6.01. Subsections (a) and (c), Section 12.020,  
 22-52 Agriculture Code, are amended to read as follows:

22-53 (a) If a person violates a provision of law ~~[this code]~~  
 22-54 described by Subsection (c) ~~[of this section]~~ or a rule or order  
 22-55 adopted by the department under a provision of law ~~[this code]~~  
 22-56 described by Subsection (c) ~~[of this section]~~, the department may  
 22-57 assess an administrative penalty against the person as provided by  
 22-58 this section.

22-59 (c) The provisions of law ~~[this code]~~ subject to this  
 22-60 section and the applicable penalty amounts are as follows:

Provision	Amount of Penalty
22-61 Chapter 41	<u>not more than \$5,000</u> <del>[\$1,000]</del>
22-62 Chapters 13, 14A, 18, 46, 61, 94,	
22-63 95, 101, 102, 103, 121, 125, 132,	
22-64 and 134	not more than <u>\$5,000</u> <del>[\$500]</del>
22-65 Subchapter B, Chapter 71	
22-66 Chapter 19	
22-67 Chapter 76	not more than <u>\$5,000</u> <del>[\$2,000]</del>
22-68 Subchapters A and C, Chapter 71	

23-1 Chapters 72, 73, and 74 not more than \$5,000  
 23-2 Chapter 14 not more than \$10,000  
 23-3 Chapter 1951, Occupations Code not more than \$5,000  
 23-4 Chapter 153, Natural Resources  
 23-5 Code not more than \$5,000.

23-6 SECTION 6.02. Section 12.023, Agriculture Code, is amended  
 23-7 to read as follows:

23-8 Sec. 12.023. EXPIRATION OF REGISTRATION OR LICENSES. The  
 23-9 department by rule shall ~~may~~ adopt a system under which  
 23-10 registrations or licenses required by the department, including  
 23-11 licenses issued under Chapter 1951, Occupations Code, expire on  
 23-12 various dates during the year. The department may increase or  
 23-13 decrease the term of an initial or renewal license or registration  
 23-14 so that all licenses held by a person or a group of license holders  
 23-15 expire on the same date. For the period ~~[year]~~  
 23-16 registration or license expiration date is changed, registration or  
 23-17 license fees shall be prorated on a monthly basis so that each  
 23-18 registrant or licensee pays only that portion of the fee that is  
 23-19 allocable to the number of months during which the registration or  
 23-20 license is valid. On the next renewal of the registration or  
 23-21 license ~~[on the new expiration date]~~, the total renewal fee is  
 23-22 payable.

23-23 SECTION 6.03. Title 2, Agriculture Code, is amended by  
 23-24 adding Chapter 12A to read as follows:

23-25 CHAPTER 12A. GENERAL LICENSING PROVISIONS

23-26 SUBCHAPTER A. POWERS AND DUTIES OF DEPARTMENT RELATED TO LICENSING

23-27 Sec. 12A.001. APPLICABILITY OF PROVISIONS. The general  
 23-28 licensing, regulatory, and enforcement provisions of Chapter 12 and  
 23-29 this chapter apply to licensing and regulatory programs  
 23-30 administered by the department under any law.

23-31 Sec. 12A.002. CEASE AND DESIST ORDER. (a) If it appears to  
 23-32 the commissioner that a person who is not licensed by the department  
 23-33 is violating a statute or rule that requires the person to hold a  
 23-34 license issued by the department or a statute or rule relating to an  
 23-35 activity regulated by the department, the commissioner after notice  
 23-36 and opportunity for a hearing may issue a cease and desist order  
 23-37 prohibiting the person from engaging in the activity.

23-38 (b) A violation of an order under this section constitutes  
 23-39 grounds for imposing an administrative penalty.

23-40 Sec. 12A.003. RISK-BASED INSPECTIONS. For each person  
 23-41 licensed or regulated by the department that the department may  
 23-42 inspect:

23-43 (1) the department may conduct additional inspections  
 23-44 based on a schedule of risk-based inspections using the following  
 23-45 criteria:

23-46 (A) the type and nature of the person;  
 23-47 (B) whether there has been a prior violation by

23-48 the person;

23-49 (C) the inspection history of the person;  
 23-50 (D) any history of complaints involving the

23-51 person; and

23-52 (E) any other risk-based factor identified by the  
 23-53 department; and

23-54 (2) the department may waive any inspection  
 23-55 requirement under law if an emergency arises or to accommodate  
 23-56 complaint investigation or risk-based inspection schedules.

23-57 [Sections 12A.004-12A.050 reserved for expansion]

23-58 SUBCHAPTER B. PUBLIC INTEREST INFORMATION AND COMPLAINT PROCEDURES

23-59 Sec. 12A.051. INFORMATION REGARDING COMPLAINTS AND  
 23-60 ENFORCEMENT PROCESS. (a) The department shall:

23-61 (1) inform applicants, license holders, and the public  
 23-62 on the department's Internet website, in department brochures, and  
 23-63 on any other available information resource about the department's  
 23-64 enforcement process, including each step in the complaint  
 23-65 investigation and resolution process, from initial filing through  
 23-66 final appeal, and the opportunity to request an informal settlement  
 23-67 conference; and

23-68 (2) inform license holders that a license holder may  
 23-69 obtain information about a complaint made against the license

24-1 holder and may obtain on request a copy of the complaint file.

24-2 (b) Except as provided by Subsection (d), the department  
 24-3 shall provide to a license holder against whom a complaint has been  
 24-4 filed:

24-5 (1) the allegations made against the license holder in  
 24-6 the complaint; and

24-7 (2) on the license holder's request, any information  
 24-8 obtained by the department in its investigation of the complaint.

24-9 (c) The department shall provide the information required  
 24-10 under Subsection (b) in a timely manner to allow the license holder  
 24-11 time to respond to the complaint.

24-12 (d) The department is not required to provide the following  
 24-13 information to a license holder:

24-14 (1) the name of a confidential informant whose  
 24-15 testimony will not be used in any hearing as evidence against the  
 24-16 license holder;

24-17 (2) attorney-client communications;

24-18 (3) attorney work product; or

24-19 (4) any other information that is confidential or not  
 24-20 subject to disclosure under law, rule of evidence, or rule of civil  
 24-21 procedure.

24-22 Sec. 12A.052. COMPLAINT AND VIOLATION ANALYSIS. The  
 24-23 department shall analyze complaints filed with and violations  
 24-24 discovered by the department to identify any trends or issues  
 24-25 related to certain violations, including:

24-26 (1) the reason for each complaint or violation;

24-27 (2) how each complaint or violation was resolved; and

24-28 (3) the subject matter of each complaint or violation  
 24-29 that was not within the jurisdiction of the department and how the  
 24-30 department responded to the complaint or violation.

24-31 [Sections 12A.053-12A.100 reserved for expansion]

24-32 SUBCHAPTER C. ISSUANCE AND RENEWAL OF LICENSES

24-33 Sec. 12A.101. REPLACEMENT LICENSE; FEE. The department  
 24-34 shall issue to a license holder whose license has been lost or  
 24-35 destroyed or whose name has been changed a replacement license if  
 24-36 the license holder submits to the department:

24-37 (1) an appropriate application; and

24-38 (2) a fee in an amount established by department rule.

24-39 [Sections 12A.102-12A.150 reserved for expansion]

24-40 SUBCHAPTER D. EXAMINATIONS

24-41 Sec. 12A.151. EXAMINATION PROCEDURES. For each licensing  
 24-42 examination administered by the department, the department shall:

24-43 (1) adopt policies and guidelines detailing the  
 24-44 procedures for the testing process, including test admission and  
 24-45 internal test administration procedures; and

24-46 (2) post on the department's Internet website the  
 24-47 policies that reference the testing procedures.

24-48 Sec. 12A.152. EVALUATION OF EXAMINATION QUESTIONS. For  
 24-49 each licensing examination administered by the department, the  
 24-50 department shall periodically evaluate the effectiveness of  
 24-51 examination questions in objectively assessing an applicant's  
 24-52 knowledge.

24-53 [Sections 12A.153-12A.200 reserved for expansion]

24-54 SUBCHAPTER E. PENALTIES AND ENFORCEMENT PROCEDURES

24-55 Sec. 12A.201. INFORMAL PROCEEDINGS. (a) The department by  
 24-56 rule shall adopt procedures governing:

24-57 (1) informal disposition of a contested case under  
 24-58 Section 2001.056, Government Code; and

24-59 (2) an informal proceeding held in compliance with  
 24-60 Section 2001.054, Government Code.

24-61 (b) The department shall offer the opportunity to conduct an  
 24-62 informal settlement conference by telephone.

24-63 (c) The department shall:

24-64 (1) provide a license holder sufficient opportunity to  
 24-65 indicate whether the terms of a proposed order are acceptable to the  
 24-66 license holder;

24-67 (2) indicate in the notice of violation that the  
 24-68 license holder has the opportunity described by Subdivision (1);  
 24-69 and



25-1 (3) allow a license holder who does not agree with a  
 25-2 proposed order to request an informal settlement conference.

25-3 SECTION 6.04. The heading to Section 76.113, Agriculture  
 25-4 Code, is amended to read as follows:

25-5 Sec. 76.113. TERM [EXPIRATION] AND RENEWAL OF LICENSES.

25-6 SECTION 6.05. Subsection (a), Section 76.113, Agriculture  
 25-7 Code, is amended to read as follows:

25-8 (a) Each pesticide [commercial applicator or noncommercial]  
 25-9 applicator license issued under this chapter, other than a private  
 25-10 applicator license, expires at the end of the license period  
 25-11 established by department rule [on the first anniversary of the  
 25-12 date on which it was issued or renewed].

25-13 SECTION 6.06. Section 76.151, Agriculture Code, is amended  
 25-14 by amending Subsection (a) and adding Subsection (a-1) to read as  
 25-15 follows:

25-16 (a) The [For the purpose of inspection, examination, or  
 25-17 sampling, the] department, at any time and without notice during  
 25-18 regular business hours, may:

25-19 (1) [is entitled to] enter and inspect a [at  
 25-20 reasonable hours any] building or place owned, controlled, or  
 25-21 operated by a person engaged in any activity regulated under this  
 25-22 chapter or Chapter 1951, Occupations Code; and

25-23 (2) inspect and review any record maintained by a  
 25-24 person engaged in any activity regulated under this chapter or  
 25-25 Chapter 1951, Occupations Code [registrant or dealer if from  
 25-26 probable cause it appears that the building or place contains a  
 25-27 pesticide].

25-28 (a-1) The department may enter and inspect a building or  
 25-29 place or inspect and review any record under Subsection (a) as  
 25-30 necessary to:

25-31 (1) ensure compliance with this chapter or Chapter  
 25-32 1951, Occupations Code; or

25-33 (2) investigate a complaint made to the department.

25-34 SECTION 6.07. Subsection (a), Section 76.1555, Agriculture  
 25-35 Code, is amended to read as follows:

25-36 (a) If a person violates a provision of this chapter or  
 25-37 Chapter 1951, Occupations Code, or a rule or order adopted by the  
 25-38 department under this chapter or Chapter 1951, Occupations Code,  
 25-39 the department may assess an administrative penalty against the  
 25-40 person as provided by Section 12.020, except that the penalty for  
 25-41 each violation may [shall] not exceed \$5,000 [\$4,000 for all  
 25-42 violations related to a single incident]. Each day a violation  
 25-43 continues or occurs may be considered a separate violation for  
 25-44 purposes of penalty assessment.

25-45 SECTION 6.08. Section 132.024, Agriculture Code, is amended  
 25-46 to read as follows:

25-47 Sec. 132.024. LICENSE TERM [EXPIRATION]. A license issued  
 25-48 or renewed under this chapter is valid for one year [expires on the  
 25-49 first anniversary of the date of issuance or renewal].

25-50 SECTION 6.09. The changes in law made by this article to  
 25-51 Subsection (c), Section 12.020 and Subsection (a), Section 76.1555,  
 25-52 Agriculture Code, apply only to a violation committed on or after  
 25-53 the effective date of this Act. A violation committed before the  
 25-54 effective date of this Act is governed by the law in effect on the  
 25-55 date the violation occurred, and the former law is continued in  
 25-56 effect for that purpose.

#### 25-57 ARTICLE 7. STRUCTURAL PEST CONTROL

25-58 SECTION 7.01. Section 12.0201, Agriculture Code, is amended  
 25-59 to read as follows:

25-60 Sec. 12.0201. LICENSE SANCTIONS. (a) In addition to other  
 25-61 sanctions provided by law, the department may revoke, modify,  
 25-62 suspend, or refuse to issue or renew a license, assess an  
 25-63 administrative penalty, place on probation a person whose license  
 25-64 has been suspended, or reprimand a license holder if the department  
 25-65 finds that the practitioner:

25-66 (1) violated a provision of this code or Chapter 1951,  
 25-67 Occupations Code;

25-68 (2) violated a rule adopted by the department under  
 25-69 this code or Chapter 1951, Occupations Code; or

26-1 (3) after appropriate notice, failed to comply with an  
26-2 order of the department.

26-3 (b) In addition to any other actions permitted under this  
26-4 code or Chapter 1951, Occupations Code, if a license suspension is  
26-5 probated, the department may require the practitioner:

26-6 (1) to maintain additional information in the  
26-7 practitioner's records;

26-8 (2) to report regularly to the department on matters  
26-9 that are the basis of the probation;

26-10 (3) to limit practice to the areas prescribed by the  
26-11 department; or

26-12 (4) to continue or review professional education until  
26-13 the practitioner attains a degree of skill satisfactory to the  
26-14 department in those areas that are the basis of the probation.

26-15 SECTION 7.02. Subchapter A, Chapter 1951, Occupations Code,  
26-16 is amended by adding Section 1951.007 to read as follows:

26-17 Sec. 1951.007. APPLICABILITY OF AGRICULTURE CODE LICENSING  
26-18 PROVISIONS. A provision of the Agriculture Code that applies  
26-19 generally to licensing or regulatory programs administered by the  
26-20 department, including a provision that refers generally to  
26-21 licensing or regulatory programs under the Agriculture Code,  
26-22 applies to this chapter.

26-23 SECTION 7.03. Subsection (a), Section 1951.053,  
26-24 Occupations Code, is amended to read as follows:

26-25 (a) Except as provided by Sections 1951.212 and  
26-26 1951.457(c), this chapter does not apply to:

26-27 (1) a person who performs pest control work on growing  
26-28 plants, trees, shrubs, grass, or other horticultural plants if the  
26-29 person[+]

26-30 [~~(A)~~] holds a florist or nursery registration  
26-31 certificate from the department under Section 71.043, Agriculture  
26-32 Code, other than a registration certificate that permits the sale,  
26-33 lease, or distribution of nursery products or floral items only at a  
26-34 temporary market; and

26-35 [~~(B)~~] holds a commercial or noncommercial  
26-36 applicator license from the department and issued under Chapter 76,  
26-37 Agriculture Code, that covers the pest control work; or

26-38 (2) a person who performs pest control work on growing  
26-39 plants, trees, shrubs, grass, or other horticultural plants or  
26-40 rights-of-way if the person:

26-41 (A) is employed by a political subdivision or a  
26-42 cemetery;

26-43 (B) is engaged in pest control work or vegetation  
26-44 management for the political subdivision or cemetery;

26-45 (C) holds a commercial or noncommercial  
26-46 applicator license from the department and issued under Chapter 76,  
26-47 Agriculture Code, that covers pest control work or is under the  
26-48 direct supervision of a person who holds a commercial or  
26-49 noncommercial applicator license from the department and issued  
26-50 under Chapter 76, Agriculture Code, that covers pest control work;  
26-51 and

26-52 (D) complies with annual continuing education  
26-53 required by the department.

26-54 SECTION 7.04. Subsection (a), Section 1951.207,  
26-55 Occupations Code, is amended to read as follows:

26-56 (a) The department by rule shall adopt a policy that[+  
26-57 [~~(1)~~] requires a business holding a structural pest  
26-58 control business license to be inspected by a field inspector at  
26-59 least once:

26-60 (1) [~~(A)~~] in the business's first year of operation;  
26-61 and

26-62 (2) [~~(B)~~] every four years after the first year of  
26-63 operation[+]

26-64 [~~(2)~~] provides for additional inspections based on a  
26-65 schedule of risk-based inspections using the following criteria:

26-66 (A) the type and nature of the business;

26-67 (B) whether there has been a prior violation by  
26-68 the business;

26-69 (C) the inspection history of the business;

27-1 ~~[(D) any history of complaints involving the~~  
 27-2 ~~business; and~~  
 27-3 ~~[(E) any other factor determined by the~~  
 27-4 ~~department by rule; and~~  
 27-5 ~~[(3) provides that the department may waive the~~  
 27-6 ~~inspection requirement on a case-by-case basis if an emergency~~  
 27-7 ~~arises or to accommodate complaint investigation schedules].~~

27-8 SECTION 7.05. Subsection (f), Section 1951.254,  
 27-9 Occupations Code, as amended by Chapters 885 (H.B. 2278) and 890  
 27-10 (H.B. 2458), Acts of the 80th Legislature, Regular Session, 2007,  
 27-11 is reenacted to read as follows:

- 27-12 (f) The information sheet must include:  
 27-13 (1) the names and telephone numbers of the department  
 27-14 and the Department of State Health Services;  
 27-15 (2) the telephone number of any pesticide hotline  
 27-16 established by a state or federal agency or by a state university;  
 27-17 (3) a statement of a consumer's rights under Chapter  
 27-18 601, Business & Commerce Code, to cancel a home solicitation  
 27-19 transaction; and  
 27-20 (4) information concerning the availability of any  
 27-21 pretreatment inspection service that may be provided by the  
 27-22 department under Section 1951.210.

27-23 SECTION 7.06. Subsection (a), Section 1951.306,  
 27-24 Occupations Code, is amended to read as follows:

27-25 (a) The department may waive any license requirement under  
 27-26 this chapter for an applicant who holds a license issued by another  
 27-27 state that has license requirements substantially equivalent to  
 27-28 those of this state. The department may enter into reciprocal  
 27-29 licensing agreements with other states that have license  
 27-30 requirements substantially equivalent to those of this state.

27-31 SECTION 7.07. The following provisions of the Occupations  
 27-32 Code are repealed:

- 27-33 (1) Section 1951.202;  
 27-34 (2) Section 1951.310;  
 27-35 (3) Section 1951.311;  
 27-36 (4) Subsections (c) and (d), Section 1951.501;  
 27-37 (5) Subchapter L, Chapter 1951;  
 27-38 (6) Section 1951.604; and  
 27-39 (7) Section 1951.605.

27-40 SECTION 7.08. The changes in law made by this Act by the  
 27-41 repeal of Subsections (c) and (d), Section 1951.501, Occupations  
 27-42 Code, apply only to a violation of Chapter 1951, Occupations Code,  
 27-43 committed on or after the effective date of this Act. A violation  
 27-44 committed before the effective date of this Act is governed by the  
 27-45 law in effect on the date the violation occurred, and the former law  
 27-46 is continued in effect for that purpose. A violation committed on  
 27-47 or after the effective date of this Act is governed by Section  
 27-48 12.0201, Agriculture Code, as amended by this Act, and other  
 27-49 applicable law.

27-50 SECTION 7.09. The change in law made by this Act by the  
 27-51 repeal of Section 1951.310, Occupations Code, applies only to the  
 27-52 renewal of a license under Chapter 1951, Occupations Code, that  
 27-53 expires on or after the effective date of this Act. The renewal of a  
 27-54 license that expires before the effective date of this Act is  
 27-55 governed by the law in effect on the date the license expired, and  
 27-56 the former law is continued in effect for that purpose. An  
 27-57 application submitted on or after the effective date of this Act is  
 27-58 governed by Section 12.024, Agriculture Code, and other applicable  
 27-59 law.

27-60 SECTION 7.10. The change in law made by this Act by the  
 27-61 repeal of Section 1951.311, Occupations Code, applies only to an  
 27-62 application for a replacement license issued under Chapter 1951,  
 27-63 Occupations Code, submitted on or after the effective date of this  
 27-64 Act. An application submitted before the effective date of this Act  
 27-65 is governed by the law in effect on the date the application was  
 27-66 submitted, and the former law is continued in effect for that  
 27-67 purpose. An application submitted on or after the effective date of  
 27-68 this Act is governed by Section 12A.101, Agriculture Code, as added  
 27-69 by this Act, and other applicable law.

28-1 SECTION 7.11. The change in law made by this Act by the  
28-2 repeal of Subchapter L, Chapter 1951, Occupations Code, applies  
28-3 only to a violation committed on or after the effective date of this  
28-4 Act. A violation committed before that date is governed by the law  
28-5 in effect on the date the violation occurred, and the former law is  
28-6 continued in effect for that purpose. A violation committed on or  
28-7 after the effective date of this Act is governed by Section 12.020,  
28-8 Agriculture Code, as amended by this Act, and other applicable law.

28-9 ARTICLE 8. SUNSET DATE AND ACROSS-THE-BOARD RECOMMENDATIONS

28-10 SECTION 8.01. Section 11.003, Agriculture Code, is amended  
28-11 to read as follows:

28-12 Sec. 11.003. SUNSET PROVISION. The Department of  
28-13 Agriculture is subject to Chapter 325, Government Code (Texas  
28-14 Sunset Act). Unless continued in existence as provided by that  
28-15 chapter, the department is abolished September 1, 2021 [2009].

28-16 SECTION 8.02. Section 12.0135, Agriculture Code, is amended  
28-17 to read as follows:

28-18 Sec. 12.0135. CONFLICT PROVISIONS. (a) A person may not be  
28-19 a department employee employed in a "bona fide executive,  
28-20 administrative, or professional capacity," as that phrase is used  
28-21 for purposes of establishing an exemption to the overtime  
28-22 provisions of the federal Fair Labor Standards Act of 1938 (29  
28-23 U.S.C. Section 201 et seq.), if:

28-24 (1) the person is an officer, employee, or paid  
28-25 consultant of a Texas trade association in the field of  
28-26 agriculture; or

28-27 (2) the person's spouse is an officer, manager, or paid  
28-28 consultant of a Texas trade association in the field of  
28-29 agriculture.

28-30 (b) A person may not act as the general counsel to the  
28-31 commissioner or the department if the person is required to  
28-32 register as a lobbyist under Chapter 305, Government Code, because  
28-33 of the person's activities for compensation on behalf of a  
28-34 profession related to the operation of the department.

28-35 ~~(c) In [(b) An officer, employee, or paid consultant of a~~  
28-36 ~~statewide Texas trade association or an affiliate of a national~~  
28-37 ~~trade association in the field of agriculture may not be an employee~~  
28-38 ~~of the department who is exempt from the state's position~~  
28-39 ~~classification plan or is compensated at or above the amount~~  
28-40 ~~prescribed by the General Appropriations Act for step 1, salary~~  
28-41 ~~group 17, of the position classification salary schedule.~~

28-42 ~~[(c) A person who is the spouse of an officer, manager, or~~  
28-43 ~~paid consultant of a statewide Texas trade association or an~~  
28-44 ~~affiliate of a national trade association in the field of~~  
28-45 ~~agriculture may not be an employee of the department who is exempt~~  
28-46 ~~from the state's position classification plan or is compensated at~~  
28-47 ~~or above the amount prescribed by the General Appropriations Act~~  
28-48 ~~for step 1, salary group 17, of the position classification salary~~  
28-49 ~~schedule.~~

28-50 ~~[(d) For the purposes of] this section, "Texas [a] trade~~  
28-51 ~~association" means [is] a [nonprofit,] cooperative [7] and~~  
28-52 ~~voluntarily joined statewide association of business or~~  
28-53 ~~professional competitors in this state designed to assist its~~  
28-54 ~~members and its industry or profession in dealing with mutual~~  
28-55 ~~business or professional problems and in promoting their common~~  
28-56 ~~interest.~~

28-57 SECTION 8.03. Chapter 12, Agriculture Code, is amended by  
28-58 adding Section 12.0203 to read as follows:

28-59 Sec. 12.0203. NEGOTIATED RULEMAKING AND ALTERNATIVE  
28-60 DISPUTE RESOLUTION. (a) The commissioner shall develop and  
28-61 implement a policy to encourage the use of:

28-62 (1) negotiated rulemaking procedures under Chapter  
28-63 2008, Government Code, for the adoption of department rules; and

28-64 (2) appropriate alternative dispute resolution  
28-65 procedures under Chapter 2009, Government Code, to assist in the  
28-66 resolution of internal and external disputes under the department's  
28-67 jurisdiction.

28-68 (b) The department's procedures relating to alternative  
28-69 dispute resolution must conform, to the extent possible, to any

29-1 model guidelines issued by the State Office of Administrative  
29-2 Hearings for the use of alternative dispute resolution by state  
29-3 agencies.

29-4 (c) The commissioner shall designate a trained person to:  
29-5 (1) coordinate the implementation of the policy  
29-6 adopted under Subsection (a);

29-7 (2) serve as a resource for any training needed to  
29-8 implement the procedures for negotiated rulemaking or alternative  
29-9 dispute resolution; and

29-10 (3) collect data concerning the effectiveness of those  
29-11 procedures, as implemented by the department.

29-12 SECTION 8.04. Chapter 12, Agriculture Code, is amended by  
29-13 adding Section 12.047 to read as follows:

29-14 Sec. 12.047. USE OF TECHNOLOGY. The commissioner shall  
29-15 implement a policy requiring the department to use appropriate  
29-16 technological solutions to improve the department's ability to  
29-17 perform its functions. The policy must ensure that the public is  
29-18 able to interact with the department on the Internet.

29-19 ARTICLE 9. ADDITIONAL PROVISIONS

29-20 SECTION 9.01. Section 12.022, Agriculture Code, is amended  
29-21 to read as follows:

29-22 Sec. 12.022. AUTHORITY TO SOLICIT AND ACCEPT GIFTS, GRANTS,  
29-23 AND DONATIONS. The department may solicit and ~~[is authorized to]~~  
29-24 accept gifts, grants, and donations of money, services, or property  
29-25 from any person. Money received by the department under this  
29-26 section may be expended or distributed for any public purpose  
29-27 related to the department's duties ~~[and shall file annually with~~  
29-28 ~~the governor and the presiding officer of each house of the~~  
29-29 ~~legislature a complete and detailed written report accounting for~~  
29-30 ~~all gifts, grants, and donations received and disbursed, used, or~~  
29-31 ~~maintained by the department during the preceding fiscal year.~~  
29-32 ~~This report shall be included in the annual report required by~~  
29-33 ~~Section 12.014 of this chapter].~~

29-34 SECTION 9.02. Chapter 12, Agriculture Code, is amended by  
29-35 adding Section 12.046 to read as follows:

29-36 Sec. 12.046. TEXAS RURAL INVESTMENT FUND. (a) In this  
29-37 section:

29-38 (1) "Fund" means the Texas Rural Investment Fund.

29-39 (2) "Rural community" means a municipality with a  
29-40 population of less than 50,000 or a county with a population of less  
29-41 than 200,000.

29-42 (b) The fund is a dedicated account in the general revenue  
29-43 fund and consists of:

29-44 (1) appropriations of money to the fund by the  
29-45 legislature;

29-46 (2) gifts, grants, including federal grants, and other  
29-47 donations received for the fund; and

29-48 (3) interest earned on the investment of money in the  
29-49 fund.

29-50 (c) The fund may be used by the department only to:

29-51 (1) pay for grants or loans to public or private  
29-52 entities for projects in rural communities that have strong local  
29-53 support, provide positive return on the state's investment, and  
29-54 stimulate one or more of the following:

29-55 (A) local entrepreneurship;

29-56 (B) job creation or retention;

29-57 (C) new capital investment;

29-58 (D) strategic economic development planning;

29-59 (E) individual economic and community  
29-60 development leadership training;

29-61 (F) housing development; or

29-62 (G) innovative workforce education; and

29-63 (2) administer the grant and loan program under this  
29-64 section.

29-65 (d) In awarding a grant or loan of money from the fund for a  
29-66 project, the department shall consider:

29-67 (1) the project's effect on job creation and wages;

29-68 (2) the financial strength of the applicant;

29-69 (3) the applicant's business history;

30-1 (4) an analysis of the relevant business sector;  
 30-2 (5) whether there is public or private sector  
 30-3 financial support for the project; and  
 30-4 (6) whether there is local support for the project.

30-5 (e) The fund is exempt from the application of Sections  
 30-6 403.095 and 404.071, Government Code.

30-7 (f) The department may accept grants, gifts, or donations  
 30-8 from any source that are made for the purposes of this section.  
 30-9 Money received under this subsection shall be deposited in the  
 30-10 fund.

30-11 (g) The department shall adopt rules to administer this  
 30-12 section.

30-13 SECTION 9.03. Subsection (a), Section 19.012, Agriculture  
 30-14 Code, is amended to read as follows:

30-15 (a) A person commits an offense if the person:

30-16 (1) sells or offers to sell citrus budwood or a citrus  
 30-17 nursery tree falsely claiming that it is certified or that it comes  
 30-18 from a designated foundation grove; [~~or~~]

30-19 (2) uses citrus budwood that is not certified, or does  
 30-20 not come from a designated foundation grove, for commercial  
 30-21 purposes that require certification under department rule; or

30-22 (3) fails to comply with an order of the department  
 30-23 issued under this chapter.

30-24 SECTION 9.04. Section 19.014, Agriculture Code, is amended  
 30-25 to read as follows:

30-26 Sec. 19.014. ADMINISTRATIVE PENALTIES. The department may  
 30-27 assess an administrative penalty under Chapter 12 for a violation  
 30-28 of this chapter if the department finds that a person:

30-29 (1) sells or offers to sell citrus budwood or a citrus  
 30-30 nursery tree falsely claiming that it is certified or that it comes  
 30-31 from a designated foundation grove under this chapter;

30-32 (2) uses citrus budwood in violation of rules adopted  
 30-33 under this chapter; [~~or~~]

30-34 (3) uses citrus budwood that is not certified, or does  
 30-35 not come from a designated foundation grove, for commercial  
 30-36 purposes that require certification under department rule; or

30-37 (4) fails to comply with an order of the department  
 30-38 issued under this chapter.

30-39 SECTION 9.05. Section 41.151, Agriculture Code, is amended  
 30-40 to read as follows:

30-41 Sec. 41.151. DEFINITIONS. In this subchapter:

30-42 (1) "Beef products" means products produced in whole  
 30-43 or in part from beef. The term does not include milk or products  
 30-44 made from milk.

30-45 (2) [~~"Board" means the board of directors of the Texas~~  
 30-46 ~~Beef Council.~~

30-47 [~~(3)~~] "Council" means the Texas Beef Council.

30-48 (3) [~~(4)~~] "Producer" means a person who owns or  
 30-49 acquires ownership of cattle, except that a person is not a producer  
 30-50 if the person's only share in the proceeds of a sale of cattle or  
 30-51 beef is a sales commission, handling fee, or other service fee.

30-52 SECTION 9.06. Subsection (b), Section 41.152, Agriculture  
 30-53 Code, is amended to read as follows:

30-54 (b) The council shall be the certified organization  
 30-55 [~~recognized as the entity~~] to plan, implement, and operate  
 30-56 research, education, promotion, and marketing programs under this  
 30-57 subchapter. The council is the state beef council qualified to  
 30-58 collect the proceeds of and administer in this state the beef check  
 30-59 off program established by federal law.

30-60 SECTION 9.07. Section 41.156, Agriculture Code, is amended  
 30-61 to read as follows:

30-62 Sec. 41.156. COUNCIL [~~BOARD~~] MEMBERS. (a) The council  
 30-63 [~~board~~] is composed of 20 [~~21~~] members appointed by the  
 30-64 commissioner as follows:

30-65 (1) three representatives of the Texas and  
 30-66 Southwestern Cattle Raisers Association;

30-67 (2) three representatives of the Texas Cattle Feeders  
 30-68 Association;

30-69 (3) three representatives of the Texas Farm Bureau;

- 31-1 (4) two representatives of the Independent Cattlemen's  
 31-2 Association of Texas;  
 31-3 (5) two representatives of the Texas purebred cattle  
 31-4 industry;  
 31-5 (6) two representatives of the Texas dairy industry;  
 31-6 (7) one representative [~~two representatives~~] of the  
 31-7 Livestock Marketing Association of Texas;  
 31-8 (8) one representative of meat packer and exporter  
 31-9 associations;  
 31-10 (9) one representative of Texas CattleWomen; and  
 31-11 (10) two at-large directors.

31-12 (b) A council [~~board~~] member serves a one-year term or until  
 31-13 his or her successor is appointed. A council member may serve not  
 31-14 more than six consecutive one-year terms. Members of the council  
 31-15 may nominate persons for appointment to vacancies created by  
 31-16 expiring or expired terms.

31-17 (c) The commissioner, on recommendation of the council,  
 31-18 shall fill a vacancy on the council [~~board~~] by appointment for the  
 31-19 unexpired term.

31-20 SECTION 9.08. Section 41.157, Agriculture Code, is amended  
 31-21 to read as follows:

31-22 Sec. 41.157. GENERAL POWERS OF COUNCIL. The council may  
 31-23 take action or exercise other authority as necessary to execute any  
 31-24 act authorized by this chapter [~~subchapter~~] or the Texas Non-Profit  
 31-25 Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil  
 31-26 Statutes).

31-27 SECTION 9.09. Subsections (b), (c), and (e), Section  
 31-28 41.160, Agriculture Code, are amended to read as follows:

31-29 (b) If an assessment referendum is approved, the council  
 31-30 shall recommend to the commissioner an assessment amount not  
 31-31 greater than the maximum amount approved in the referendum. After  
 31-32 the assessment is approved by the commissioner, the council shall  
 31-33 collect the assessment.

31-34 (c) An assessment levied on producers shall [~~may~~] be applied  
 31-35 by the council to efforts relating to the marketing, education,  
 31-36 research, and promotion of beef and beef products in Texas, the  
 31-37 United States, and international markets, including administrative  
 31-38 costs of conducting an assessment referendum.

31-39 (e) Section 41.083 applies to an assessment collected by the  
 31-40 council under this subchapter. Section 41.082 does not apply to an  
 31-41 assessment collected under this subchapter. The commissioner, on  
 31-42 the council's recommendation, may exempt from the assessment  
 31-43 certain producers who are exempt under federal law.

31-44 SECTION 9.10. Subsection (a), Section 41.161, Agriculture  
 31-45 Code, is amended to read as follows:

31-46 (a) The commissioner shall annually review and approve the  
 31-47 council's operating budget for the funds collected under this  
 31-48 subchapter.

31-49 SECTION 9.11. Subsection (g), Section 41.162, Agriculture  
 31-50 Code, is amended to read as follows:

31-51 (g) The council shall pay all expenses incurred in  
 31-52 conducting a referendum with funds collected from the beef  
 31-53 industry.

31-54 SECTION 9.12. Subsection (d), Section 71.004, Agriculture  
 31-55 Code, is amended to read as follows:

31-56 (d) An emergency quarantine shall be established in  
 31-57 accordance with the provisions related to emergency rulemaking in  
 31-58 Chapter 2001, Government Code [~~expires 30 days following the date~~  
 31-59 ~~on which it was established unless reestablished following notice~~  
 31-60 ~~and hearing as provided by this subchapter].~~

31-61 SECTION 9.13. Subsection (b), Section 72.002, Agriculture  
 31-62 Code, is amended to read as follows:

31-63 (b) The department may adopt rules [~~, to be proclaimed by the~~  
 31-64 ~~governor,~~] as necessary for the administration of this chapter.

31-65 SECTION 9.14. Subsections (a) and (b), Section 72.011,  
 31-66 Agriculture Code, are amended to read as follows:

31-67 (a) When advised of the existence of Mexican fruit fly  
 31-68 within a county or part of a county in this state, the department  
 31-69 shall certify that fact and [~~to the governor, and the governor~~

32-1 ~~shall~~] proclaim the county or part of a county quarantined under  
32-2 this chapter.

32-3 (b) If the department determines that the exigencies of the  
32-4 situation require a modified quarantine, the department may  
32-5 designate a modified quarantined area [~~to be certified to the~~  
32-6 ~~governor for proclamation~~].

32-7 SECTION 9.15. Section 72.012, Agriculture Code, is amended  
32-8 to read as follows:

32-9 Sec. 72.012. PERSONS AND PREMISES SUBJECT. The premises of  
32-10 each individual, whether an owner, lessee, renter, tenant, or  
32-11 occupant, within the area named in the quarantine [~~proclamation~~]  
32-12 are subject to the quarantine, even though not specifically named.

32-13 SECTION 9.16. Subsection (a), Section 72.015, Agriculture  
32-14 Code, is amended to read as follows:

32-15 (a) A person may not haul, truck, or otherwise move citrus  
32-16 fruit from any premises or area that is under quarantine for Mexican  
32-17 fruit fly infestation by this chapter or [~~7~~] by order of the  
32-18 department [~~, or by proclamation of the governor~~] in violation of  
32-19 the quarantine without a written permit or certificate issued by  
32-20 the department or an inspector of the Plant Protection and  
32-21 Quarantine Programs, Animal and Plant Health Inspection Service,  
32-22 United States Department of Agriculture.

32-23 SECTION 9.17. Subsection (a), Section 76.004, Agriculture  
32-24 Code, is amended to read as follows:

32-25 (a) The [~~Except as provided by Subchapter C, after notice,~~  
32-26 ~~the department shall conduct at least five regional hearings~~  
32-27 ~~throughout the state before the adoption of any rule for carrying~~  
32-28 ~~out the provisions of this chapter. Thereafter, the~~] department  
32-29 may adopt rules for carrying out the provisions of this chapter,  
32-30 including rules providing for:

32-31 (1) the collection, examination, and reporting of  
32-32 records, devices, and samples of pesticides;

32-33 (2) the safe handling, transportation, storage,  
32-34 display, distribution, or disposal of pesticides and pesticide  
32-35 containers;

32-36 (3) labeling requirements for pesticides and devices  
32-37 required to be registered under this chapter; and

32-38 (4) compliance with federal pesticide rules and  
32-39 regulations.

32-40 SECTION 9.18. The following provisions are repealed:

32-41 (1) Section 12.017, Agriculture Code;

32-42 (2) Section 72.003, Agriculture Code;

32-43 (3) Subsection (c), Section 72.011, Agriculture Code;

32-44 and

32-45 (4) Section 76.005, Agriculture Code.

32-46 SECTION 9.19. (a) The change in law made by this Act to  
32-47 Section 19.012, Agriculture Code, applies only to an offense  
32-48 committed on or after the effective date of this Act. An offense  
32-49 committed before the effective date of this Act is covered by the  
32-50 law in effect when the offense was committed, and the former law is  
32-51 continued in effect for that purpose. For purposes of this  
32-52 subsection, an offense was committed before the effective date of  
32-53 this Act if any element of the offense was committed before that  
32-54 date.

32-55 (b) The change in law made by this Act to Section 19.014,  
32-56 Agriculture Code, applies only to conduct that occurred on or after  
32-57 the effective date of this Act. Conduct that occurred before the  
32-58 effective date of this Act is governed by the law in effect when the  
32-59 conduct occurred, and the former law is continued in effect for that  
32-60 purpose.

32-61 (c) The change in law made by this Act to Section 41.156,  
32-62 Agriculture Code, does not affect the entitlement of a member of the  
32-63 board of directors of the Texas Beef Council to serve for the  
32-64 remainder of the member's term. A board member appointed before the  
32-65 effective date of this Act is governed by the law in effect  
32-66 immediately before the effective date of this Act, and the former  
32-67 law is continued in effect for that purpose.

32-68 (d) The change in law made by this Act to Section 41.160,  
32-69 Agriculture Code, applies only to an assessment approved on or



33-1 after the effective date of this Act. An assessment approved before  
33-2 the effective date of this Act is governed by the law in effect  
33-3 immediately before the effective date of this Act, and the former  
33-4 law is continued in effect for that purpose.

33-5 (e) The change in law made by this Act to Section 41.162,  
33-6 Agriculture Code, applies only to an assessment referendum  
33-7 conducted on or after the effective date of this Act. An assessment  
33-8 referendum conducted before the effective date of this Act is  
33-9 governed by the law in effect immediately before the effective date  
33-10 of this Act, and the former law is continued in effect for that  
33-11 purpose.

33-12 (f) The changes in law made by this Act by the amendment of  
33-13 Section 76.004, Agriculture Code, and the repeal of Section 76.005,  
33-14 Agriculture Code, apply only to a public hearing held on or after  
33-15 the effective date of this Act. A public hearing held before the  
33-16 effective date of this Act is governed by the law in effect  
33-17 immediately before the effective date of this Act, and the former  
33-18 law is continued in effect for that purpose.

ARTICLE 10. EFFECTIVE DATE

33-19 SECTION 10.01. This Act takes effect September 1, 2009.  
33-20

33-21

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