

BILL ANALYSIS

Senate Research Center

H.B. 1880
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Natural Resources
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Engrossed

DIGEST AND PURPOSE

Currently, there is no statute that allows for a district to be created for the purpose of processing an agricultural commodity. Such districts may aid the prosperity of Texas agricultural producers by enabling them to process their own products. This may allow producers to compete with corporations by providing a mechanism for producers to acquire capital to process agricultural products locally and exempting these districts from property taxes. H.B. 1880, titled the Agricultural Development Act, authorizes agricultural producers to petition the commissioners court of a county to create the Texas Agricultural Development District.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the board of directors of a district in SECTION 1 (Sections 60.084 and 60.101, Agriculture Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. H.B. 1880 amends the Agriculture Code to authorize the commissioners court of a county, on petition of at least 10 residents of a county included within a proposed Texas Agricultural Development District (district), to commence the creation of a district to provide incentives for the development of agricultural operations and facilities (Secs. 60.002 and 60.021). The bill sets forth provisions regarding the petition to establish a district, a hearing to consider the petition, as well as notice of the hearing (Secs. 60.021-60.025). The bill requires the commissioners court to enter an order granting the petition and creating the district if the petition conforms to the requirements and the creation of the district and the proposed development is feasible and necessary and would serve the public purpose of economic development (Sec. 60.026).

H.B. 1880 provides that a district is governed by a board of directors and sets forth provisions regarding the composition, powers, duties, and operation of the board, and the appointment, election, and qualification of directors (Secs. 60.027-60.033 and 60.081-60.088). H.B. 1880 sets forth provisions regarding the powers and duties of the district and authorizes the district to exercise the power of eminent domain within the boundaries of the district for the purpose of acquiring an agricultural facility (Secs. 60.051-- 60.065). H.B. 1880 sets forth provisions regarding the financial powers and duties of a district and authorizes a district to impose charges, borrow money, loan money, invest money, select a depositor, establish a system of accounts, and set a fiscal year (Secs. 60.101-- 60.106 and 60.121--60.134). The bill authorizes a district to issue bonds and sets forth provisions regarding the bonds (Secs.60.103--60.105).

The bill authorizes a district to use tax increment financing (Sec. 60.106). The bill authorizes a district to impose assessments and sets forth provisions regarding the assessments (Secs. 60.121--60.134). H.B. 1880 provides that a petition to create a district must include a pledge that the district will make payments in lieu of taxes based on the value of the property in the year of the district's creation to any school district and county in which any real property to be owned by the district is located, and if the

district employs more than 50 persons, the district will make payments in lieu of taxes to any school district in an amount negotiated between the district and the school district (Sec. 60.022). The bill sets forth provisions regarding the dissolution of a district (Secs. 60.151 and 60.152).

SECTION 2. Effective date: upon passage or September 1, 2001.