

## **BILL ANALYSIS**

Senate Research Center  
80R7603 BEF-D

H.B. 1932  
By: Swinford (Hegar)  
S/C on Ag., Rural Affairs & Coastal Resources  
5/13/2007  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Existing provisions regarding geographical restrictions on agricultural cooperatives are obsolete for today's agricultural cooperative practices. Agricultural cooperatives have moved from serving small geographical regions to one agricultural cooperative serving multiple towns or municipalities. Maintaining the same restrictions that were imposed at a time when agricultural cooperatives served small geographical regions does not allow for effective use of the new technology and new processing and distribution methods that are now available.

H.B. 1932 repeals provisions relating to geographical restrictions on agricultural cooperatives in order to better reflect current practices.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Repealer: Sections 51.006 (requiring a farmers' cooperative society to confine its activities and business operation to the community in which it is located and not extend beyond the territory surrounding the town, village, or city designated as the society's place of business) and 51.012(a) (limiting membership in a society to persons in the community in which the society is located who are engaged in agricultural pursuits), Agriculture Code.

SECTION 2. Effective date: upon passage or September 1, 2007.