

## **BILL ANALYSIS**

S.B. 1408  
By: Lucio  
Agriculture & Livestock  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that the Department of Agriculture administers certain federal nonentitlement funds for community development but, as the parties emphasize, such funds have decreased, leaving many nonentitlement local governments without adequate resources to meet community needs. S.B. 1408 seeks to address this concern by providing for a certain matching grant program.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Department of Agriculture in SECTION 1 of this bill.

### **ANALYSIS**

S.B. 1408 amends the Agriculture Code to require the Department of Agriculture (TDA), subject to the availability of federal and state funds, to create a community development matching grant program to foster community and economic development in certain municipalities and counties. The bill requires the TDA to award matching grants under the program to assist in the financing of certain trade-related initiatives and programs and certain community development, capacity- building, renewable energy, restoration, economic development, environmental projects, and other community development projects as determined by the TDA with assistance of the Texas Rural Health and Economic Development Advisory Council.

S.B. 1408 makes a municipality or county eligible for a matching grant under the program if the municipality or county is a nonentitlement area, as defined by certain federal law, under the federal community development block grant nonentitlement program and is in good standing with the TDA and with the U.S. Department of Housing and Urban Development. The bill authorizes eligible municipalities or counties to submit a single-jurisdiction application or a multi-jurisdiction application for a matching grant under the program for a community development project and requires an application to include a description of the project proposal.

S.B. 1408 requires the TDA, in awarding a matching grant under the program, to give preference to an application submitted by two or more eligible municipalities or counties if the application shows that the proposed community development project will mutually benefit the residents of the communities applying for the funds. The bill prohibits a multi-jurisdiction application solely for administrative convenience from being accepted by the TDA and prohibits a municipality or county that has submitted a multi-jurisdiction

application from submitting a single-jurisdiction application for a matching grant for the same project for which the multi-jurisdiction application was submitted. The bill requires one of the municipalities or counties participating under a multi-jurisdiction application to be primarily accountable to the TDA for financial compliance and performance requirements under the program if a matching grant is awarded. The bill requires all municipalities and counties applying under a multi-jurisdiction application to meet application threshold requirements.

S.B. 1408 requires the TDA by rule to set criteria for matching grant requirements and participation under the program and requires the TDA to adopt rules necessary to implement the bill's provisions. The bill's provisions expire September 1, 2021.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.