

SUBJECT: Creating the Texas Certified Retirement Community Program

COMMITTEE: Economic Development — committee substitute recommended

VOTE: 7 ayes — Ritter, B. Cook, Anchia, Deshotel, Kolkhorst, McCall, Seaman
0 nays

WITNESSES: For — Gene Nethery, Pineywoods Economic Partnership; (*Registered, but did not testify*: Todd Morgan, Temple-Inland, Inc.)
Against — None
On — Robert Wood, Texas Department of Agriculture; (*Registered, but did not testify*: Karl Urban, Texas Department of Aging and Disability Services; Eric Beverly, Office of Rural Community Affairs)

DIGEST: CSHB 1982 would require the Texas Department of Agriculture (TDA) to establish and maintain a “Texas Certified Retirement Community Program” to encourage retirees and potential retirees to make their homes in Texas communities that have met TDA criteria to qualify as a Texas certified retirement community.

The program’s mission would be to:

- promote Texas as a retirement destination for retirees and potential retirees both within and outside Texas;
- assist communities in their efforts to market themselves as desirable retirement locations and develop communities that retirees would find attractive;
- assist in the development of retirement and life-care communities for economic development purposes; and
- encourage tourism to Texas in reference to an evaluation of the state as a desirable retirement location and for the visitation of those who have chosen to retire in Texas.

To be eligible for TDA certification, a community would have to work to gain community support from churches, clubs, business, media, and other entities; complete a retiree desirability assessment, which would include

crime statistics, tax information, recreational opportunities, and other appropriate factors; and identify emergency medical services and a hospital within a 75-mile radius.

The community would have to submit to TDA an application fee of \$5,000 or 25 cents multiplied by the population of the community, as determined by the most recent census, as well as a marketing plan and a long-term plan. The marketing plan would have to detail the mission as applied to the community, the target market, the competition, an analysis of the community's strengths, weaknesses, opportunities, and dangers, and the strategies the community would employ to attain the goals of the program. The long-term plan would have to outline the steps the community would undertake to maintain its desirability as a destination for retirees, including plans to correct any facility and service deficiencies identified in the retiree desirability assessment.

TDA, in consultation with the Office of Rural and Community Affairs (ORCA), would develop and use a scoring system to determine whether an applicant qualified as a Texas certified retirement community. In addition to materials submitted by the applicant, TDA would have to consider Texas' state and local tax structure; housing opportunities and cost; climate; personal safety; working opportunities; health care services, particularly services for the elderly; transportation; continuing education; leisure living; recreation; the performing arts; festivals and events; sports at all levels; and other services and facilities necessary to enable people to age in the community in the least restrictive environment.

If it determined that a community met the certification requirements, TDA would have to provide within 90 days various forms of assistance, including:

- training local staff and volunteers;
- ongoing oversight and guidance in marketing, with updates on retirement trends;
- inclusion in the state's national advertising and public relations campaigns and travel show promotions, including a prominent feature on TDA's website;
- eligibility for state financial assistance for brochures, support materials and advertising; and
- an evaluation and progress assessment on maintaining and improving the community's desirability as a home for retirees.

Certification would expire after five years. To be recertified, a community would have to complete a new application and fee and submit data demonstrating the success or failure of the community's efforts to promote itself as a desirable location for retirees and potential retirees.

The program would be funded by fees deposited in a general revenue-dedicated fund. TDA could contract with a local or regional nonprofit organization to provide assistance to certified communities. TDA could adopt rules to administer the program.

The bill would take effect September 1, 2005, and TDA would have to implement the program by September 1, 2006.

**SUPPORTERS
SAY:**

CSHB 1982 would help support economic development in Texas' rural communities by providing state support for communities committed to marketing themselves as desirable retirement destinations. While the Texas Certified Retirement Community Program would not be limited to rural communities, it would be designed for communities interested in leveraging local efforts to get access to state resources such as marketing support and state and national advertising programs. Because the bill would require communities to invest substantial effort in order to become certified, it would not place excessive demands on TDA to devote significant resources to assisting every community that expressed an interest in attracting retirees.

The aging of baby boomers and the growing number of retirees and potential retirees presents opportunities for rural communities seeking to diversify their local economies. Retirees bring in substantial resources and can help create new jobs for current residents. The state should illustrate its commitment to the future of rural Texas by supporting this program.

TDA is the appropriate agency to be charged with this program because it sponsors other economic development efforts for rural communities. The program would be self-funded, and would provide only the support that could be paid for with program fees or existing TDA resources. If additional funding is necessary to support the program, fees can be increased in the future.

**OPPONENTS
SAY:**

CSHB 1982 should provide a more reliable funding stream to support the program, possibly by requiring a higher application fee. The bill would impose substantial responsibilities on TDA without the certainty of

sufficient funding to meet these obligations. Communities that devote the effort to becoming certified should have certainty that TDA would be able to provide the support services outlined in the bill.

**OTHER
OPPONENTS
SAY:**

Economic development programs like the Texas Certified Retirement Community Program should be operated under one agency charged with supporting economic development instead of being sprinkled within larger agencies devoted to other purposes.

NOTES:

The committee substitute added provisions that would set up a general revenue- dedicated fund and allowing TDA to contract with local or regional nonprofit organizations to provide services.

A similar bill, SB 1321 by Staples, is pending in the Senate Business and Commerce Subcommittee on Emerging Technologies and Economic Development.