

SUBJECT: Entering Texas in the Interstate Pest Control Compact

COMMITTEE: Agriculture and Livestock — favorable, without amendment

VOTE: 5 ayes — Hardcastle, Anderson, B. Brown, Herrero, Olivo

0 nays

1 absent — Farrar

1 present not voting — Burnam

WITNESSES: None

BACKGROUND: The Interstate Pest Control Compact (IPCC) is a group of states that since 1968 has administered an insurance fund that can be tapped for pest eradication and control efforts to combat extraordinary pest infestations and threats of infestation. In general, states request that monies be used for eradication or control in another state if the agricultural or forest crops of the state requesting the expenditure are threatened by the infestation. In the past, Texas has both contributed and received IPCC funds, but the state has never enacted legislation to become a formal member.

DIGEST: HB 774 would enter Texas into the IPCC and would allow the state to withdraw from the compact by enacting a statute to do so. The withdrawal could take effect no sooner than two years after the governor had notified other member states of Texas' withdrawal.

The compact would be administered by the agriculture commissioner, who would coordinate pest control activities in Texas that were funded by the compact. The agriculture commissioner would be able to request money from the fund for use in any member state if Texas were threatened by a pest in another state or if pest eradication efforts in Texas would be impracticable or more difficult if another state did not combat the pest. States would be required to use monies from the fund expeditiously and efficiently. HB 774 would allow a member state to make a request for funds to be spent in a state that is not a compact member and would outline how those decisions are to be made.

HB 774 details how to apply for money from the fund. It would require states to provide information about the extent of the pest problem, information about programs to deal with the pest, and proof that fund monies would not constitute a reduction in state efforts to deal with the pest.

The governing board would be required to authorize payments from the fund if the compact's submission requirements were met and the expenditure was within the purposes of the compact. HB 774 details procedures for a state to request a review of a board decision if the state was unsatisfied with the decision. Before expending monies from the fund, other sources of federal funds would have to be requested.

The Texas agriculture commissioner would sit on the governing board of the IPCC, which would comprise the administrators of the compact in all member states. The IPCC's executive committee would comprise the chair of the governing board and one member representing each of four geographic groupings of member states. The federal government could have up to three, non-voting members on the board. The insurance fund would be administered by the governing board and the executive committee.

HB 774 outlines specific operating requirements of the governing board and executive committee, such as the election of officers, meetings, voting, management of personnel, bylaws for conducting business, the operating budget, and financial audits.

The bill specifies how member states are to be assessed payments into the compact's insurance fund, which would be based, in part, on the value of agricultural and forest crops and products.

The fund would be required to make an annual report to the governors and legislatures of member states. The governing board would be authorized to establish advisory and technical committees.

The bill would take effect September 1, 2005.

**SUPPORTERS  
SAY:**

HB 774 is necessary for Texas to formally join the IPCC. Texas twice has received funds from the compact to combat pests within our borders, but without HB 774 the state would not be able to realize the full benefits of active membership. HB 774 is a part of a general effort to get all

participating states to adopt this necessary legislation. In the past, these efforts were somewhat lax, and Texas simply has failed to enact this enabling legislation while nevertheless participating in IPCC activities.

Texas has received good value for the money it has invested through its participation in the IPCC. In 1994, Texas made a payment of \$44,000 into the fund and twice has received monies from it. In 2004, Texas received \$60,000 from the fund to combat a citrus-root weevil found in Rio Grande Valley orange crops. In 1992, Texas received about \$44,000 for an Africanized honeybee project.

Without HB 774, Texas would be unable to protect Texas crops and products by requesting that funds be spent in other states, and Texas would not have representation on the compact's governing board. New Mexico and Oklahoma are among the 35 compact member states, and the compact's guidelines would allow funds to be spent in Louisiana, even though it is not a member state.

It is important that Texas remain an active member of the IPCC. Pest outbreaks can occur quickly and must be acted upon immediately to limit the damage to agricultural and forest crops and products and to prevent infestations from spreading. One estimate puts the annual cost of pest damage in the United States at more than \$137 billion.

HB 774 would not encourage pesticide use. Any funds received by Texas would be administered by the agriculture commissioner and could be used for pesticides or for a variety of eradication and control efforts that do not involve pesticides, such as surveying the extent of pest infestations and the trapping of pests. The Agriculture Department is sensitive to concerns about pesticide use and worked with individuals during the citrus-root weevil eradication efforts to alleviate their concerns.

The bill would not limit how Texas used any funds it received. HB 774 would require only that Texas spend any funds expeditiously and efficiently, something the state would strive to do anyway.

HB 774 would not carry a hidden financial obligation for the state. Texas made a one-time payment into the fund in 1994 and has not been asked for a contribution since then. If the governing board assessed Texas another payment, the Legislature would have to appropriate the funds and could refuse to do so if it felt it was not in the state's best interest.

Texas is a member of several interstate compacts. The state could withdraw from the IPCC compact any time the Legislature chose to do so and simply could stop paying any assessment if it decided to pull out of the agreement.

**OPPONENTS  
SAY:**

This bill could create an ongoing financial obligation for Texas by requiring the state to keep paying into the IPCC insurance fund with no assurance that Texas would receive an adequate return on its investment.

The withdrawal provisions of the IPCC would require the governor to notify member states two years before Texas' withdrawal became official, which might prevent the state from acting promptly in its best interests.

**NOTES:**

The companion bill, SB 774 by Jackson, has been referred to the Agriculture and Coastal Resources Subcommittee of the Senate Natural Resources Committee.