

(The House considered SB 948 by Estes, the Senate companion bill, in lieu of HB 1444, the House version of the bill, which had been set on the daily calendar and was analyzed by the House Research Organization. The bill subsequently was enacted as SB 948.)

HOUSE
RESEARCH

ORGANIZATION bill analysis

4/20/2009

HB 1444

Aycock

SUBJECT: Eligibility of deer breeders for Texas Agricultural Finance Authority loans

COMMITTEE: Agriculture and Livestock — favorable, without amendment

VOTE: 9 ayes — Gonzalez Toureilles, Anderson, B. Brown, Crabb, Hardcastle, Heflin, Kleinschmidt, Rios Ybarra, Swinford

0 nays

WITNESSES: For — J Richard Cain, Texas Deer Association; Robert Zaiglin; (*Registered, but did not testify:* Marida Favia delCore Borromeo, Exotic Wildlife Association; Karl Kinsel, Texas Deer Association; Joey Park, Texas Wildlife Association; Bob Turner, Pecos County Rural Rail Transportation District)

Against — None

BACKGROUND: The Legislature created the Texas Agricultural Finance Authority (TAFa) in 1987 to provide financial assistance, such as loan guarantees or below-market loan interest rates, to borrowers in the agriculture industry for the expansion, development, and diversification of production, processing, marketing, and export of Texas agricultural products. TAFa is designed to provide financial assistance to individuals and businesses that have not had access to agricultural financial lending.

According to the Sunset Advisory Commission, most TAFa programs have been under a moratorium since November 2002 due to a high volume of defaulted loans.

Ch. 58 of the Agriculture Code defines the agricultural businesses that qualify to receive financial assistance from TAFa.

DIGEST: HB 1444 would expand the definition of an “agricultural business” that can receive financial assistance from the Texas Agricultural Finance Authority to include a business that held a valid white-tailed deer or mule deer breeder's permit.

The bill would take effect September 1, 2009.

**SUPPORTERS
SAY:**

HB 1444 would clarify the law so that breeders of white-tailed deer or mule deer would qualify for financial assistance from the Texas Agricultural Finance Authority. New deer breeding farms require significant capital investment with start-up costs of about \$300,000 for fencing, buildings, breeding stock, and feeding and watering equipment. Deer breeding farms also incur costs of about \$100,000 a year in maintenance. New deer farmers can anticipate at least five years before having any real opportunity to get a return on their investment because there is not a demand for the deer until they reach three-to-four years of age.

The deer industry has a \$625 million-per-year economic impact on the state and is growing rapidly. Interest in the deer breeding segment of the industry has increased significantly. As the deer industry continues to grow, breeders certainly would have the capability to pay back the loans. The inclusion of deer breeding farmers in the loan assistance program would help enable farmers to remain on family farms as well as enable new breeders to contribute to the rural economy of Texas.

**OPPONENTS
SAY:**

HB 1444 is unnecessary because deer breeders already qualify for financial assistance from TAFA under the provisions of the Texas Agricultural Finance Act.

NOTES:

The companion bill, SB 948 by Estes, passed the Senate by 31-0 on the Local and Uncontested Calendar on April 2 and was reported favorably, without amendment, by the House Agriculture and Livestock Committee on April 16, making it eligible to be considered in lieu of HB 1444.