

SUBJECT: Community development matching grant program for rural communities

COMMITTEE: Agriculture and Livestock — favorable, without amendment

VOTE: 7 ayes — T. King, Anderson, M. González, Kacal, Kleinschmidt,  
Springer, White

0 nays

SENATE VOTE: On final passage, May 15 — 20-10 (Birdwell, Campbell, Fraser, Hancock,  
Huffman, Nelson, Nichols, Patrick, Paxton, Taylor)

WITNESSES: No public hearing.

DIGEST: SB 1554 would require the Texas Department of Agriculture (TDA) to create a community development matching grant program to foster community and economic development in rural and small communities. The program would be subject to the availability of federal and state funds.

TDA, by rule, would set criteria for matching grant requirements and participation under the program.

TDA would award matching grants under the program to assist in the financing of:

- community development projects, including basic infrastructure projects such as water or wastewater facilities and planning, street improvements, and drainage;
- capacity-building projects relating to local public facility and housing planning activities;
- renewable energy projects to help participating rural communities reduce energy costs for water and wastewater treatment facilities;
- restoration projects for water or wastewater infrastructure based on urgent need, if the infrastructure posed an imminent threat to life or health;
- economic development projects to create or retain permanent employment opportunities;

- economic development projects to support economic and management development activities at the county level;
- environmental projects that provided assistance to small communities for solving water or wastewater problems using self-help methods; and
- other community development projects as determined by TDA with the assistance of the Texas Rural Health and Economic Development Advisory Council.

A small or rural municipality or county under the federal community development block grant non-entitlement program that was in good standing with TDA and with the U.S. Department of Housing and Urban Development would be eligible for a matching grant.

Eligible municipalities or counties could submit a single-jurisdiction application or a multi-jurisdiction application for a matching grant for a community development project. An application would have to include a description of the project proposal.

In awarding a matching grant under the program, TDA would give preference to multi-jurisdiction applications if the application showed that the proposed community development project would mutually benefit the residents of the communities applying for the funds. A multi-jurisdiction application solely for administrative convenience could not be accepted.

A municipality or county that submitted a multi-jurisdiction application could not submit a single-jurisdiction application for a matching grant for the same project for which the multi-jurisdiction application was submitted.

If a matching grant was awarded, one of the municipalities or counties participating under a multi-jurisdiction application would be primarily accountable for financial compliance and performance requirements. All municipalities and counties applying under a multi-jurisdiction application would have to meet application threshold requirements.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

NOTES:

According to the Legislative Budget Board, TDA would administer a

matching grant program of \$2.6 million per fiscal year from the general revenue fund. The average grant awarded through the program would be \$250,000 and the program would fund no more than 10 grants per fiscal year.

TDA would require administrative costs, including one full-time-equivalent employee, of \$73,696 in fiscal year 2014 and \$69,331 each subsequent year. Administrative costs would consist of annual salary and benefits costs of \$68,841 per year and other operating expenses of \$490 per year. Additional first year start-up costs are estimated at \$4,365.