

## **BILL ANALYSIS**

Senate Research Center

H.B. 2499  
By: Patterson (Haywood)  
Subcommittee on Agriculture  
4-29-97  
Engrossed

### **DIGEST**

In 1993, legislation was passed that moved the Farm and Ranch Finance program from the Veteran's Land Board to the Texas Department of Agriculture. The purpose of the program is to provide affordable financing to eligible farmers and ranchers in order to purchase land for a base of operation. Since its inception, the program has issued only one loan and there are concerns that the lack of inactivity within the program is due to the low net worth and loan caps. This bill raises the Farm and Ranch Finance program net worth and loan caps and transfers funds to this program.

### **PURPOSE**

As proposed, H.B. 2499 set forth certain provisions regarding the family farm and ranch program.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 59.024, Agriculture Code, to require a person, to be eligible to borrow money from the fund, at the time of application to have a net worth of less than \$400,000 rather than \$300,000.

SECTION 2. Amends Section 59.025, Agriculture Code, to prohibit a loan under this chapter from exceeding the lesser of \$250,000, rather than \$150,000, or an amount equal to 95 percent of the lesser of certain prices regarding the land.

SECTION 3. Amends Section 252.082, Agriculture Code, to provide that the balance and income of the farm and ranch loan security fund is transferred to the farm and ranch finance program fund, established by Section 49-f, Article III, Texas Constitution, to be used to administer the farm and ranch finance program. Deletes existing text of Section 252.082 regarding the use of the income from the farm and ranch loan security fund.

SECTION 4. Emergency clause.  
Effective date: 90 days after adjournment.