

BILL ANALYSIS

Senate Research Center
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H.B. 2994
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Although Texas leads almost every other state in terms of agriculture production, it lags behind in terms of technological advancements in urban agriculture. According to some sources, the lack of access to affordable fruits, vegetables, whole grains, low-fat milk, and other healthy foods in urban areas has led to the creation of "food deserts" in some parts of the state. With the advancement of technology and an increase of interest in healthier foods, urban farming is gaining traction in Texas as a solution to this problem.

H.B. 2994 seeks to support efforts to expand urban farming by creating an urban farm microenterprise support program that provides financial assistance to small, owner-operated enterprises that are engaged in research and production of agriculture technology and tools that are intended for use in urban areas.

H.B. 2994 amends current law relating to the creation, operation, and funding of the urban farm microenterprise support program.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 3, Agriculture Code, by adding Chapter 44A, as follows:

CHAPTER 44A. URBAN FARM MICROENTERPRISE SUPPORT PROGRAM

Sec. 44A.001. DEFINITIONS. Defines, in this chapter, "board," "microenterprise," and "urban area."

Sec. 44A.002. CREATION OF URBAN FARM MICROENTERPRISE SUPPORT PROGRAM. (a) Requires the board of directors of the Texas Agriculture Finance Authority (board) to create an urban farm microenterprise support program to provide financial assistance to microenterprises in urban areas that are primarily engaged in:

- (1) research into processes and technology related to agricultural production in an urban setting;
- (2) the production or development of tools or processes for agriculture in a manner suited for an urban setting; or
- (3) agricultural activities in a manner suited for an urban setting.

(b) Provides that no state money may be used for purposes of the program.

Sec. 44A.003. URBAN FARM MICROENTERPRISE SUPPORT PROGRAM LOANS. (a) Requires the board, on the receipt of gifts and grants of money under Section 44A.004, to establish and implement a loan program supporting established and proposed

urban farm microenterprises in urban areas by providing loans to expand, modernize, or otherwise improve the established microenterprises and to begin operation of proposed microenterprises.

(b) Authorizes an applicant applying on behalf of a proposed microenterprise to receive a loan of up to \$25,000 to begin operation of the microenterprise.

(c) Authorizes an applicant applying on behalf of an established microenterprise to receive a loan of up to \$50,000 to expand, modernize, or otherwise improve an established microenterprise.

(d) Authorizes the board to reserve a portion of the total fund for use in cooperative loan programs established with the participation of other public or private lenders.

(e) Authorizes the board by rule to provide for the administration by a private or public entity of the loans awarded under the loan program.

Sec. 44A.004. MONEY FOR LOANS. Authorize the board to accept gifts and grants of money from the federal government, local governments, or private corporations or other persons for use in making loans under the urban farm microenterprise support program.

Sec. 44A.005. URBAN FARM MICROENTERPRISE DEVELOPMENT FUND. Provides that the urban farm microenterprise development fund is a fund in the comptroller of public accounts' (comptroller) office. Requires the following to be deposited to the credit of the fund:

(1) amounts received by the state for loans made under the urban farm microenterprise support program;

(2) money received in repayment of loans made under the program; and

(3) other money received by the board for the program and required by the board to be deposited in the fund.

SECTION 2. Effective date: September 1, 2011.