TEXAS FARM BUREAU

87th Session of the Texas Legislature

Wrap-up Bill Summary

Agricultural Facility Vandalism

HB 1480 by Rep. John Cyrier (R) and Sen. Lois Kolkhorst (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill will create a criminal offense for the intentional act of releasing, stealing, vandalizing, destroying, or otherwise causing the loss of animals or crops from an agricultural facility without the consent of the owner or operator. It will also be a criminal offense for breaking into a facility with the intent to destroy or alter records, data, or materials and for entering or remaining on a facility with the intent to commit one of these prohibited acts.

- "Animals" includes livestock, poultry, domestic, and wild animals. It does not include animals used for illegal gaming.
- "Crops" includes plants capable of producing food, fiber, medicine, nursery stock, floral products, or aesthetic beauty.
- "Facility" includes tractors, trailers, farm husbandry equipment, buildings, greenhouses, structures, labs, fields, ponds, bee colonies, livestock markets, or other animal/crop locations.

The offense is a Class B Misdemeanor if the damage is between \$500-\$2,500. It is a Class A Misdemeanor if the damage is more than \$2,500. The offense may be separately prosecuted as felony criminal mischief or felony theft.

The bill would require courts to order financial restitution for the victim. No minimum damage amount is specified. Finally, an owner may seek injunctive relief against anyone who commits or threatens to commit a prohibited act specified in the bill.

Banking and Credit

HB 2621 by Rep. Andrew Murr (R) - FAILED (TFB Supported)

The bill would have established a new limitation on a subcontractor's lien: the contract price minus previous payments received by the original contractor and the claimant on the subcontract. It was heard in House Committee on Business and Industry but never received a vote.

Criminal Justice

SB 576 by Sen. Chuy Hinojosa (D) and Rep. Jose Lozano (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill adds smuggling of persons across agricultural land as a criminal offense. It also elevates that offense to a felony if the person has a firearm, flees from an officer, or is smuggling the persons for money.

Commodities

HB 2089 by Rep. Dustin Burrows (R) and Sen. Charles Perry (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill will create a "cooperative agreement" between the Texas Department of Agriculture (TDA), interested farming organizations, and institutions of higher education to research and develop the detection, surveillance, and mitigation of plant pests and diseases.

The interested organizations listed in the bill are Plains Cotton Growers, South Texas Cotton and Grain Association, Texas Citrus Mutual, Texas Corn Producers, Texas Farm Bureau, Texas Grain Sorghum Association, and Texas Nursery and Landscape Association. TDA must also consult with the State Seed and Plant Board.

An institution of higher education may apply to participate in the cooperative study. TDA will decide which educational institutions are most appropriate for the region at risk.

HB 3948 by Rep. Tracy King (D) and Sen. Charles Perry (R) - FAILED (TFB Supported)

The bill would have aligned state regulations on hemp production with those recently modified by USDA. It also would have addressed continued research through institutions of higher education, licensing requirements and procedures for cultivators of industrial hemp, and authorized interstate transport of the plant. Finally, HB 3948 sought to make necessary changes to the state plan in response to feedback from industry participants since the state plan was adopted.

A floor amendment would have allowed the Texas Feed and Fertilizer Service to adopt rules allowing hemp or hemp products to be used as commercial feed in animals not intended for human consumption.

Language was added in the Senate that prohibited the manufacture, sell, or purchase of certain consumable hemp products. The House and Senate could not come to an agreement on the language and the bill ultimately failed.

HB 3387 by Rep. Glenn Rogers (R) and Sen. Drew Springer (R) – FAILED (TFB Supported)

The bill would have amended the Health and Safety Code concerning the issuing of permits, registration, and other authorizations for uses and discharges of dairy waste to include usage as a fertilizer for agricultural production. It was reported favorably out of Senate Committee on Water, Agriculture, and Rural Affairs but did not make it on the Senate Calendar for a final vote.

Education

HB 434 by Rep. Keith Bell (R) – FAILED (TFB Supported)

The bill would have allowed students to take career and technology courses to count toward elective credit requirements for graduation from high school. The bill was heard but did not make it out of the House Public Education Committee.

HB 773 by Rep. Gary VanDeaver (R) and Sen. Beverly Powell (D) – Effective May 28, 2021 (TFB Supported)

The bill will implement the accounting of career and technical education programs when measuring school districts for indicators of student achievement. The bill will give credit to school districts offering these programs and incentivize districts who do not currently offer career and technical education programs to students.

SB 801 by Sen. Lois Kolkhorst (R) and Rep. Ben Leman (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill directs the Texas Education Agency (TEA) to work with the Texas Department of Agriculture (TDA) and non-profit organizations as identified by TEA on creating an agricultural education program for all elementary students.

HB 1259 by Rep. Drew Darby (R) and Sen. Kel Seliger (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill moves the administration of the rural veterinarian incentive program to the Texas Animal Health Commission, and it expands program eligibility to all Texas veterinary medical schools. The bill also broadens eligibility criteria so more veterinary medical students intending to serve rural areas of Texas may apply. The bill will also allow for a broader financial support base for the rural Texas veterinarian incentive program.

Eminent Domain

HB 2730 by Rep. Joe Deshotel (D), Rep. DeWayne Burns (R), and Sen. Lois Kolkhorst (R) – Effective Jan. 1, 2022 (TFB Supported)

The language in HB 2730 that was passed out of committee was the language negotiated between Rep. Burns and the Coalition for Critical Infrastructure (CCI). Rep. Burns used HB 901 as the base language. CCI would not support the compromise unless Chairman Deshotel authored the bill to protect it from amendments in the Senate. Therefore, to finally pass important reforms to the eminent domain process, Rep. Burns graciously agreed to support passing his negotiated language in HB 2730 and agreed to joint author the bill.

HB 2730 gives landowners a fairer eminent domain process without placing unreasonable requirements on entities who possess the power to take private property. The bill:

- requires the Texas attorney general to update the Landowner Bill of Rights (LOBR) every two years and solicit public comment prior to approval.
- requires LOBR to provide notice of the required easement terms and terms that can be negotiated by the landowner.
- adds a notice to the LOBR that a property owner may file a complaint with the Real Estate Commission against a land agent that acts unethically in negotiations.
- requires land agents to go through additional education and creates a penalty if they lowball a landowner.
- provides additional initial offer requirements that apply to BOTH public and private entities.
- requires a statement "bold print and larger font" in the initial offer that informs the landowner whether the offer includes damages to the remainder.
- requires LOBR with or before the initial offer.
- requires PRIVATE entities to provide the landowner with an instrument of conveyance WITH OR BEFORE initial offer that includes the minimum easement terms and notice of the other terms that may be negotiated.
- allows landowners who want to use a different easement document to refuse the required document voluntarily.
- distribution pipelines and electric lines servicing end users don't have to use the required easement document because these are usually voluntarily given without compensation to receive service.
- provides new notice provisions to ensure landowners get good notice of the condemnation petition being filed, the appointment of special commissioners, and the condemnation hearing.

• creates reasonable timelines on the appointment of special commissioners.

HB 4107 by Rep. Dustin Burrows (R) and Sen. Lois Kolkhorst (R) - Effective Sept. 1, 2021 (TFB Supported)

The bill strengthens the requirements that a common carrier pipeline must meet before entering private property for the purpose of conducting a survey used in the exercise of the power of eminent domain. Additionally, the landowner will be provided with safeguards and notices when their property is subject to these surveys.

The written notice of the carrier's intent to enter the property, as well as an indemnification in favor of the landowner with respect to damages, if any, must be provided to the landowner at least 2 days before entry is made. It must include a contact number, so the landowner can inquire further about the project. It may be provided by first class mail, email, personal delivery to an adult living on the property or by any other method of service authorized by the Texas Rules of Civil Procedure.

The bill limits entry for the surveys only to the portion of the land meant for the proposed pipeline unless otherwise authorized by the landowner. If the property is altered in any way, the surveying company must restore the property to as close to its original condition as is reasonable. Finally, the landowner, upon written request, can obtain a copy of the survey at no cost. This bill does not, however, prevent an entity from seeking survey rights in a civil action.

HB 3385 by Rep. Glenn Rogers (R) and Sen. Bryan Hughes (R) – FAILED (TFB Supported)

The bill would have amended the Landowner's Bill of Rights (LBOR) by requiring that it include information notifying property owners of a little-known right—the opportunity to indicate belief that the appraised value of the owner's property has decreased due to any cause other than normal depreciation.

The bill would have required additional information in the LBOR making property owners aware of a readily-available form they can submit to their county appraisal district (CAD) office reporting a decreased value for the owner's remaining property after an eminent domain taking.

This bill passed the House and the Senate Ag Committee but was pulled from the Senate's last Local and Uncontested Calendar.

HB 1506 by Rep. Erin Zwiener (D) – FAILED (TFB Supported)

The bill would have required condemnors, prior to taking possession, to pay the following Special Commissioners' awards within a week of the decision while the award is being appealed:

damages and costs paid directly to the property owner,

- deposit the total award with the court, and
- file a surety bond promising to pay additional costs if they arise.

If the award is appealed, the bill would have required private condemnors to wait six months to take possession of the property after the Special Commissioners' decision.

Public entities would have been allowed to take possession of the property if they paid the damages and costs awarded to the property owner while the award is being appealed. The bill also allows the condemnor and property owner to enter a voluntary agreement to take possession of the property. This bill never received a hearing.

SB 721 by Sen. Charles Schwertner (R) and Rep. Ben Leman (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill requires condemnors to provide any and all appraisal reports they will use at special commissioner's hearings to determine an opinion of value at least three business days before the hearing. Landowners are already required to provide this same information, so disclosure by both parties will help even the playing field in eminent domain proceedings.

SB 723 by Sen. Charles Schwertner (R) and Rep. Ben Leman (R) - FAILED (TFB Supported)

The bill would have proposed safeguards for landowners during the initial examination and survey of potential properties. The bill proposed that condemning authorities should make property owners aware of their rights during the early phases of condemnation.

Condemnors would have been required to disclose the following with the initial offer:

- The condemning entity's obligation to pay property owners for damages arising from the surveying of a property,
- The property owner's right to refuse entry onto their land for a survey,
- The property owner's right to negotiate the terms of the survey, and
- The condemning entity's right to file suit for a court order to enter and survey the property.

In addition to providing the disclosures with the initial offer, entities would have been required to obviously display this information on their survey permission forms.

SB 723 aimed to rewrite the sections of code that allow condemnors to withhold the Landowner Bill of Rights until the final offer. It would instead be required with the initial offer.

Also proposed were requirements for those same entities that seek to acquire portions of a property *without using condemnation*. If the entity would like to acquire some portion of the property separately from the condemnation proceeding, it must be pointed out to

the property owner and a separate offer must be made. This is likely to prevent confusion on whether the entire property is being condemned. The only exception to this provision would be state highways.

SB 723 passed the Senate but never received a hearing in the House.

SB 726 by Sen. Charles Schwertner (R) and Rep. Ben Leman (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill updates the definition of "actual progress" in eminent domain acquisitions. Current law allows property owners to repurchase land acquired through eminent domain if the property is not used for the stated purpose within 10 years. The exception to that rule is when the entity has made "actual progress" toward the public use.

Whereas current statute requires just two actions to be taken, SB 726 now requires the condemnor to complete *three* of the actions listed below:

- Performing significant labor to develop the properties acquired for the project,
- Provision of a significant amount of materials to develop the properties acquired for the project,
- Hiring or contracting with a professional who completes a significant amount of work in preparing a plan, plat, or easement in furtherance of acquiring property for the same project,
- Applying for state or federal funds to develop the properties acquired for the project, or
- Applying for state or federal permits or certificates to develop the properties acquired for the project.

Because of the nature of their projects, navigation districts and port authorities are required to meet only one of the above requirements to display actual progress.

HB 448 by Rep. Ernest Bailes (R) and Sen. Robert Nichols (R) – FAILED (TFB Supported)

The bill would have added information to the Landowner's Bill of Rights informing landowners of their ability to file a complaint with the Texas Real Estate Commission regarding alleged misconduct by a right-of-way agent acting on behalf of an entity exercising eminent domain authority.

HB 448 passed the House and the Senate State Affairs Committee but was removed from the Senate's last Local and Uncontested calendar.

Feral Hog Control

SB 1, Dept. Of Agriculture Budget Rider: - Effective Sept. 1, 2021 (TFB Supported)

The rider allows the Texas Department of Agriculture (TDA) and Texas A&M AgriLife to evaluate the efficacy of the warfarin-based Kaput feral hog toxicant. Should the program Page | 7

prove successful after two years, TDA will be allowed to register the product for use by licensed pesticide applicators.

Healthcare

HB 3924 by <u>Dr. Tom Oliverson (R)</u> and <u>Sen. Drew Springer (R)</u> – Effective Sept. 1, 2021 (TFB Supported)

HB 3924 allows Texas Farm Bureau to use its statewide infrastructure and resources to provide health plans to members without the burdensome insurance regulations that drive up the cost of health insurance. These health plans are not insurance, which makes them more flexible and affordable.

These non-insurance health plans are a proven reliable approach to health coverage. Other state Farm Bureaus—such as Tennessee, South Dakota, Indiana, and Kansas—offer these plans to members. Tennessee Farm Bureau Federation first started offering these plans in 1993, and it has been very successful for the organization and its members.

HB 548 by Rep. James Frank (R) and Sen. Cesar Blanco (D) - FAILED (TFB Supported)

The bill would have allowed retired or former military doctors and nurses to receive a license to practice in medically underserved areas of Texas. The bill was voted out of the House but did not come up for a vote in the Senate.

High-Speed Rail

HB 3312 by Rep. Cody Harris (R) – FAILED (TFB Supported)

HB 3312 would have required that any land acquired for a high-speed rail (HSR) project could only be used for that purpose. The bill would have also required that acquired land be offered back to the seller, or their successor, if the HSR project is canceled. The bill was heard but left pending in committee.

HB 3633 by Rep. Ben Leman (R) - FAILED (TFB Supported)

The bill would have established a thorough vetting process by which the Legislature would have reviewed each high-speed rail (HSR) project separately and determine whether the project would be granted the power of eminent domain.

To begin the process, an HSR project entity would have had to submit an application that would be reviewed by an HSR Review Committee of six legislators. If the review committee found the application to be of merit, then the committee would then make a recommendation to the Legislature for the re-establishment of the Texas HSR Authority, which was abolished in 1995, to decide on granting of a "franchise" to a HSR entity,

allowing them the power of eminent domain. The bill was heard but left pending in committee.

Invasive Species

SB 634 by Sen. Lois Kolkhorst (R) – Effective Sept. 1, 2021 (TFB Supported)

This bill will require full confidentiality for landowners who decide to participate in invasive species eradication programs like those for Carrizo cane. The bill specifies that information written, produced, collected, assembled, or maintained by the state board that would identify a landowner who participates in a state board program to manage or eradicate an invasive species is confidential.

The bill has an exception for information that would identify a person who receives state money under a contract with the state board to manage or eradicate an invasive species. Individuals who accept public money are typically subject to open records to ensure transparency and accountability.

HB 1266 by Rep. Kyle Kacal (R) and Sen. Drew Springer (R) – FAILED (TFB Supported)

This bill—filed last session as HB 2166—would have replaced the State Seed and Plant Board administered by the Texas Department of Agriculture with the Texas Crop Improvement Association as the state's official seed certification agency. The bill would have required the Texas Crop Improvement Association to comply with standards and procedures established by the State Seed and Plant Certification Council in accordance with the Federal Seed Act to assure the genetic purity and identity of the seed and plants certified.

This new association would have carried out this work on a financially self-supporting basis. Seed certification is a voluntary marketing program to add value to certain seed sold domestically and required by some countries where seed is shipped. All state programs are overseen and audited by the Association of Official Seed Certifying Agencies on behalf of USDA. This bill never received a hearing.

Land Use

HB 1034 by Rep. Vikki Goodwin (D) - FAILED (TFB Opposed)

The bill would have authorized a county to adopt a fire code which would have applied to all structures on private property in unincorporated areas of a county. TFB is opposed to county fire codes applying to a building or structure used for an agricultural operation. The bill was heard in House Committee on Land and Resource Management but never received a vote.

HB 1512 by Rep. Erin Zwiener (D) – FAILED (TFB Opposed)

The bill would have required a person to obtain county approval for the construction or reconstruction of a commercial sign located:

- (1) in a county that contains more than one area that is certified as a Dark Sky Community by the International Dark-Sky Association as part of the International Dark Sky Places Program; and
- (2) adjacent to and visible from a farm-to-market or ranch-to-market road.

It was heard in the House Committee on Transportation and was brought up for a vote and failed.

HB 1885 by Rep. Cody Harris (R) and Sen. Eddie Lucio Jr. (D) – FAILED (TFB Initially Supported)

The bill would have prohibited a city from regulating certain uses of land by landowners in the extraterritorial jurisdiction (ETJ) of a city in which the landowners are not eligible to vote in that city's elections. The intent of the legislation was to prohibit regulation of billboards. However, House floor amendments were added to specifically authorize a city to regulate billboards and annex areas near military bases in its ETJ. It passed the House but did not receive a hearing in the Senate.

HB 2238 by Rep. Matt Krause (R) and Sen. Charles Perry (R) – FAILED (TFB Supported)

The bill would have added purple paint markings as an option to posted requirements for trespass over submerged lands statute. It was reported favorably out of the Senate Committee on Water, Agriculture, and Rural Affairs but did not make it on the Senate Calendar for a final vote.

HB 3519 by Rep. Joe Deshotel (D) and Sen. Paul Bettencourt (R) – FAILED (TFB Supported)

The bill would have allowed landowners in an extraterritorial jurisdiction (ETJ) to use petition and election procedures to remove themselves from the ETJ after one year if they have not been annexed. It was heard in the House Committee on Land and Resource Management but never received a vote.

SB 1338 by Sen. Judith Zaffirini (D) and Rep. Scott Sanford (R) – Effective Sept. 1, 2021 (TFB Supported)

Concerns had been raised regarding notification procedures relating to municipal annexation and development. Current procedures provided an insufficient amount of transparency regarding a property owner's options after receiving an offer, leading some property owners to believe that they have limited options in these scenarios.

SB 1338 will require a municipality, at the time it makes an offer to a landowner to enter into a development agreement, to provide the landowner with a written disclosure that includes:

- (1) a statement that the landowner is not required to enter into the agreement;
- (2) the legal authority under which the municipality is authorized to annex the land;
- (3) a plain-language description of the annexation procedures applicable to the land; and
- (4) whether the procedures require the landowner's consent.

In addition, any annexation agreement for which such a disclosure is not provided would be considered void.

SB 1922 by Sen. Eddie Lucio (D) and Rep. Cody Harris (R) – FAILED (TFB Supported)

The bill would have prohibited a city from regulating the use of land for billboards in the extraterritorial jurisdiction (ETJ) of a city in which the landowners are not eligible to vote in that city's elections. Currently, landowners in some city ETJs are prohibited from putting up billboards on their property. It was reported favorably from the Senate Committee on State Affairs but did not receive a vote in the Senate.

Livestock

HB 1958 by Rep. Mary Gonzalez (D) and Sen. Drew Springer (R) – Effective June 7, 2021 (TFB Supported)

The bill regulates livestock import-export facilities in Texas. When an animal's export application is denied, the owner or person in charge of the facility must notify the Texas Animal Health Commission (TAHC) of the denial. TAHC may then require the detained animal to be tested and treated for the disease or pest that caused the denied export application at the cost of the animal's owner. The criminal offense—a Class C Misdemeanor—arises from a person knowingly transporting an afflicted animal. It moves to a Class B Misdemeanor if the person is a repeat offender.

Migrant Labor

HB 195 by Rep. Diego Bernal (D) – Failed (TFB Opposed)

The bill would have increased the penalties for violating the standards for a migrant labor housing facility from \$200 per day to \$50 per person per day of the violation. It would also have required the Texas Department of Housing and Community Affairs to adopt a penalty schedule that increases for repeat violators. HB 195 would have expanded who could bring an action against a migrant labor housing facility. It also would have prohibited retaliation by the facility against anyone providing information relating to a possible violation. Finally, the bill would have allowed the court to award attorney's fees to the prevailing party. HB 195 was voted down on the House floor.

HB 862 by Rep. Ramon Romero (D) - Failed (TFB Opposed)

The bill would have revised and added requirements for licensed temporary housing facilities for migrant labor. It would also have reduced the amount of time to remedy any deficiencies that caused a failed pre-inspection from 60 days to 10 days. HB 862 would have also granted third parties the right to appeal the issuance or denial of a license.

HB 862 would have increased the number of inspections for a facility to multiple times a year. This would not have considered if the facility was regulated by federal H2A standards, which many expressed would be duplicative in efforts. This bill would also establish an annual quota of proactive inspections of suspected unlicensed facilities.

This bill would have established a method for complaints and adopted the same changes to penalties as included in HB 195 in its entirety. It also would have specified what violations would result in immediate revocation of a license. If that were to occur, the farmer would be required to secure approved housing for laborers and pay any difference in the cost. Finally, the Texas Department of Housing and Community Affairs would have to provide an outreach program to migrant workers, so they are aware of their rights. HB 862 was placed on the House calendar but failed to be brought up before the deadline to hear House bills on Second Reading.

Pesticide Application

HB 1070 by Rep. Cody Harris (R) and Sen. Charles Perry (R) – Effective May 15, 2021 (TFB Supported)

The bill amends the exemptions to the Texas Structural Pest Control Act, which regulates pesticide applicators that apply pesticide in and around structures. The act has many exemptions for agriculture, but a clause about *licensed pesticide applicators* has a flaw that this bill remedies.

The current act states that commercial and noncommercial applicators who work on growing plants, trees, shrubs, grass, and other horticultural plants are exempt from being licensed under the act. However, application of pesticides is rarely done just by the licensed applicator. Often, employees of the licensed applicator assist in applying pesticides. The bill expands the exemption for licensed applicators to include those individuals "under the direct supervision of a person who holds a commercial or noncommercial applicator license from the department (TDA)..."

Property Taxes

SB 725 by Sen. Charles Schwertner (R) and Rep. Ben Leman (R) – Effective Sept.1, 2021 (TFB Supported)

The bill changes the tax code to provide additional protections for landowner's remaining property after a condemnation. Land remains qualified for agricultural use tax valuation if the landowner was forced to stop using the property for agricultural use because of a condemnation. The qualification would only apply if the property owner continued to use

the unaffected portions of land for agricultural use and the condemned right-of-way is less than 200 feet wide.

If the land cannot remain qualified under the provision, the condemning entity would be required to pay the owner's additional taxes and interest.

Note: This applies to 1-d appraised land, not 1-d-1 open-space qualified land.

HB 2014 (Amended onto **HB 988**) by Rep. Eddie Lucio, III (D) – Portions Effective Immediately, Remaining Effective Jan. 1, 2022 (TFB Supported)

The bill addresses ongoing issues and problems with the state's property tax system, such as inefficiencies, a lack of accountability, and inaccessible information. The bill makes changes to procedures in current law regarding goods-in-transit, open-space land appraisals, the form and content of appraisal records, the notice of appraised value, refunds of overpayment as a result of a lawsuit settlement, procedures for taxpayer protests, and judicial review of a protest.

This bill was attached to HB 988 as an amendment on the House Floor. HB 988 has been signed by the governor.

HB 4004 by Rep. Glenn Rogers (R) - FAILED (TFB Supported)

The bill would have required the president of Texas A&M University to designate a department or entity at the university to conduct a study of the methods and procedures for appraising agricultural land for property tax purposes.

Multiple counties across Texas have seen an increase in appraised values on agricultural land over the past few years. Because of this, concerns have been raised that the current methods employed by the Comptroller of Public Accounts in appraising agricultural land for property tax purposes do not account for all expenses that are incurred in the production of agricultural commodities. This bill would have looked at impact of including those expenses. Additionally, HB 4004 would have looked at including 10 years of data, not just the five currently used. This bill passed the House but was never heard in the Senate.

HB 4099 by Rep. Andrew Murr (R) – FAILED (TFB Supported)

The bill would have created a joint interim committee to study, review, and report to the Legislature on the methods and procedures for appraising agricultural land for ad valorem tax purposes. This bill was left pending in the House Administration Committee.

SB 1245 by Sen. Charles Perry (R) and Rep. Andrew Murr (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill will ensure that landowners have all the necessary tools to property fill out the Farm and Ranch survey. This data is important to Comptroller calculations, but the

survey isn't always accurately completed before submission which could affect the local tax base.

According to the bill, the Comptroller must create and offer in-person sessions and online instructional guides to assist individuals who are completing the survey, as well as members of the agricultural advisory board for each appraisal district. This bill also requires the Comptroller to solicit for public comment on the survey design and content.

Rural Connectivity

HB 5 by Rep. Trent Ashby (R) and Sen. Robert Nichols (R) – Effective June 15, 2021 (TFB Supported)

HB 5 was identified by leadership as the priority broadband bill for the session. The bill addresses rural connectivity needs by creating a State Broadband Development Office within the Comptroller's office charged with promoting, researching, and developing the expansion of access to broadband service for rural and unserved Texans.

The Broadband Development Office's duties are to:

- Serve as a resource for information regarding broadband service in this state,
- Engage in outreach to communities regarding the expansion and adoption of broadband service and related programs, and
- Serve as a liaison between federal, state, and local programs.

The bill does not grant the Comptroller's office the authority to regulate all broadband service—only those broadband providers who apply for the Broadband Development Program are subject to the office's requirements.

The Broadband Development Program will award grants, low-interest loans, and other financial incentives to applicants for broadband projects in underserved areas designated on the Broadband Development Map. The map will identify eligible areas where less than 80% of the addresses have access to broadband service. The map will be published and regularly updated by the Comptroller's office to integrate with the Federal Communications Commission's current mapping methodology.

Program funding placed into the Broadband Development Account will come from a variety of sources: legislative appropriations, gifts, donations, federal grants, and interest earned on the investment of the account.

The bill also makes changes to the Governor's Broadband Development Council, bringing in representatives from all sectors of Texas, including representatives for rural and agricultural sectors. This will allow the state to set a statewide plan and bring down federal allocation funding when available.

HB 1505 by Rep. Chris Paddie (R) and Sen. Kelly Hancock (R) – Effective Sept. 1, 2021 (TFB Neutral)

The bill will allow broadband providers to utilize an electric co-op's infrastructure to install broadband throughout rural Texas. This bill was pushed by Charter Communications, which recently received significant federal grant funding for the expansion of broadband in rural Texas.

Electric co-ops believed that the first versions of the bill shifted too much cost to co-ops and allowed broadband providers too much control over co-op infrastructure. After several rounds of negotiations, the bill was changed to a more equitable control and cost share split. As a result, the Texas Electric Cooperatives Association switched their position from opposed to neutral.

HB 3853 by Rep. Doc Anderson (R) and Sen. Charles Perry (R) – Effective June 15, 2021 (TFB Supported)

The bill allows electric utilities to choose to lease excess fiber capacity to internet service providers on existing electric utility infrastructure. This will create a "middle-mile" of service, delivering broadband support and access to more rural and underserved areas of the state.

HB 425 by Rep. Ken King (R) – FAILED (TFB Supported)

The bill would have expanded the authorized uses of the Texas Universal Service Fund (TSUF) to fund a rural broadband service program. Under current law, TSUF cannot fund broadband service. The bill did not increase the fee rate to fund the project but expanded the qualification for participation in the program.

Broadband service providers would have been able to decide to participate in the program and those providers would have paid the standard fee. The bill was voted out of the House State Affairs Committee but died in House Calendars.

SB 632 by Sen. Dawn Buckingham (R) and Rep. Brad Buckley (R) – Effective April 30, 2021 (TFB Supported)

The bill will allow the Lower Colorado River Authority (LCRA) to build and install infrastructure for providing broadband service. LCRA would be prohibited from providing broadband service directly to customers but would be allowed lease access to broadband service providers.

SB 507 by Sen. Robert Nichols (R) and Rep. Doc Anderson (R) – Effective June 14, 2021 (TFB Supported)

The bill will allow broadband service providers access to the state rights-of-way for the expansion of broadband service. Currently, only other utilities are allowed access to the state's rights-of way.

Rural Development

HB 209 by Rep. Shawn Thierry (D) – FAILED (TFB Supported)

The bill would have created franchise tax credits for small grocery stores that serve areas of the state deemed to be "food deserts," including rural areas. The bill defined a food desert as an area that has limited access to healthy food retailers that also is in a low-income area.

The bill also would have required these stores to offer perishable foods such as dairy products, fresh produce, fresh meats, poultry, and fish. The bill was heard but left pending in House Ways and Means Committee.

HB 570 by Rep. Chris Paddie (R) and Sen. Drew Springer (R) – FAILED (TFB Supported)

The bill would have created an economic development program which would have provide tax credits to entities that fund small businesses and businesses that invest in rural areas.

The bill would have incentivized the investment of capital in a market driven approach, primarily focused on creating jobs in rural Texas. The program would have been under the control of the Texas Economic Development and Tourism Office, which would have set target job creation figures at the time of investment.

The bill safeguarded investment in rural areas by having tax credits apply only after the third year of initial investment, so entities would be investing in small and rural businesses in the current year for a tax benefit several years down the line. Tax credits would have been revoked if the target job creation goals were not met. The bill was voted out of the House but did not receive a hearing in the Senate.

Sunset Review

SB 700 by Sen. Dawn Buckingham (R) and Rep. John Cyrier (R) – Effective Sept. 1, 2021 (TFB Supported)

Texas Parks and Wildlife Department

The sunset bill extended operations of the Texas Parks and Wildlife Department (TPWD) until August 31, 2033.

The Sunset Advisory Commission adopted recommendations aimed to improve consistency and fairness for individuals and small business owners licensed by TPWD in occupations such as deer breeding and commercial fishing, as well as retail and wholesale fish dealing. These provisions require the agency to implement a risk-based approach to inspections.

The commission also found the agency's multiple strategic planning processes has become muddled over time, which has impeded the agency's ability to best plan its operations, and to identify and address its future needs. Accordingly, the sunset

commission recommended requiring the agency to refine the scope and measure the effectiveness of its Land and Water Resources Conservation and Recreation Plan. Additional recommendations included in the bill aim to ensure the agency is up to date with best practices for open and effective government.

SB 703 by Sen. Dawn Buckingham (R) and Rep. Terry Canales (D) – Effective Sept. 1, 2021 (TFB Supported)

Texas Department of Agriculture, Prescribed Burning Board, and Texas Boll Weevil Eradication Foundation

The sunset bill continued the operations of the Texas Department of Agriculture, the Prescribed Burning Board, and the Texas Boll Weevil Eradication Foundation until Sept. 1, 2033.

The bill enacts the Sunset Advisory Commission's recommendations to implement practices that prioritize its regulatory inspections and enforcement, implement a complaint system, and make use of stakeholder input through advisory committees for further effectiveness. The commission also recommended the cessation of TDA's regulation of aquaculture businesses and the abolishment of the Early Childhood Health and Nutrition Interagency Council, which was voluntarily disbanded in 2018.

During debate on the House floor, Rep. Goldman added an amendment that would put the "Go Texan" program through sunset review. The Senate concurred with the amendment and the report is due Dec. 31, 2022.

SB 705 by Sen. Eddie Lucio Jr. (D) and Rep. John Cyrier (R) – Effective Sept. 1, 2021 (TFB Supported)

Texas Animal Health Commission

The sunset bill proposes several revisions and additions to the continuing functions of the Texas Animal Health Commission (TAHC).

TAHC will analyze serious and repeat violations on a statewide and regional basis to understand the most effective enforcement and training practices. The bill replaces codified lists of diseases that TAHC monitors with language that allows TAHC to determine diseases they deem currently at risk and diseases required to be reported to TAHC within 24 hours after diagnosis.

The bill makes the Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) the state's regulatory animal health lab. It does not, however, restrict TAHC from testing outside of TVMDL or collecting specimens and conducting field tests.

The bill replaces the 48-hour deadline for certifications of animal testing or vaccination with: "within the time prescribed by the commission by rule." Finally, the bill updates several outdated veterinary terms.

Taxes

HB 1195 by Rep. Charlie Geren (R) and Sen. Kelly Hancock (R) – Effective Immediately (TFB Neutral)

The bill amends the tax code to allow for the exemption of qualifying loan or grant proceeds from the state's franchise tax. The qualifying proceeds include Paycheck Protection Program (PPP) loans, Coronavirus Aid, Relief, and Economic Security (CARES) Act funds, a shuttered venue operator grant or microloan under the Consolidated Appropriations Act of 2021, or money from the Restaurant Revitalization Fund established by the American Rescue Plan of 2021. The federal government has already exempted these proceeds from federal income tax, so this aligns state law with federal law in making sure those who received funds while struggling do not experience an unexpected franchise tax bill. TFB does not have direct policy on this issue, as it was a "once-in-a-lifetime" relief program. However, TFB staff feels it is a broad enough issue that could affect many of our members that we should report on the bill's passage.

HB 3833 by Rep. Phil King (R) and Sen. Kelly Hancock (R) – Effective Immediately (TFB Supported)

This bill was not initially on TFB's radar until an amendment was added on the House floor. The amendment, by Rep. Hugh Shine, removed the interest penalty from all rollback taxes resulting in a change of use, as long as the tax does not become delinquent.

Tort Reform

HB 365 by Rep. Andrew Murr (R) – Effective Sept. 1, 2021 (TFB Supported)

The Farm Animal Liability Act currently clearly recognizes the inherent risk that livestock pose to those attending or participating in an event, like a livestock show or rodeo. The activities that current law describes for certain events also occur on a farm or ranch.

Livestock are unpredictable regardless of the location or who is involved. The bill extends liability protection for routine management of livestock. The bill still holds negligent employers liable for the injuries they cause their employees.

HB 222 by Rep. Andrew Murr (R) and Sen. Drew Springer (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill adds amendments to the law of liability for "burn bosses" in relation to prescribed burns. The burn boss's liability is limited to the amount of insurance required under current law. The burn boss must meet minimum experience and accreditation standards as well as maintain liability insurance coverage.

HB 2004 by Rep. Trent Ashby (R) and Sen. Robert Nichols (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill adds additional liability protection for a prescribed burn. If a burn boss is a certified and insured prescribed burn manager, the burn boss is not liable for property damage, personal injury, or death caused by or resulting from the smoke that occurs more than 300 feet from the burn.

HB 1794 by Rep. Johnson, Julie (D) - FAILED (TFB Opposed)

The bill would have amended the Texas Recreational Use Statute, which applies to landowners who use their property for recreational purposes if they met one of the three monetary criteria:

- 1. a fee is not charged;
- 2. the fee charged by the landowner is less than 20 times the amount of ad valorem taxes paid by the landowner last year; or
- 3. the landowner maintains insurance coverage as defined by the statute.

The bill addressed the third monetary criterion: insurance coverage. Agricultural landowners who elect to meet this option are usually afforded an additional statutory benefit—a limit on the damage amount that may be awarded in cases where an agricultural landowner, lessee, or occupant carried this level of insurance. The bill would have removed the third monetary criterion, meaning the insurance coverage criterion would no longer be an option for those who do not qualify under criteria 1 or 2. As a result, the statutory benefit of award limits would have been eliminated. The bill was voted out of the House Judiciary and Civil Jurisprudence Committee but died in House Calendars.

Transportation

HB 19 by Rep. Jeff Leach (R) and Sen. Larry Taylor (R) – Effective Sept. 1, 2021 (TFB Supported)

The bill protects the rights of Texans injured in commercial vehicle accidents while also reducing the opportunities for trial lawyers to mislead juries into seeking millions of dollars in damages in cases where the commercial vehicle operator or the other party were not injured.

The bill addresses bifurcated trials, evidence of violations of rules and standards, employer liability for employee negligence when present, and the admissibility of photos and videos to assist in trial proceedings and jury deliberation.

HB 19 was the marquee legislation for the Keep Texas Trucking coalition, of which Texas Farm Bureau was a member.

HB 4548 by Rep. DeWayne Burns (R) - FAILED (TFB Supported)

The bill would have amended the Transportation Code and granted the Texas Department of Motor Vehicles the authority to issue special temporary permits and waive weight requirements for vehicles that were being used to deliver agricultural commodities, as defined by the bill, in Texas during or preceding a disaster declared by the Governor of Texas, the President of the United States or the Texas Division of Emergency Management.

The continuity of agricultural transportation is essential during times of disaster preparation and response to ensure that Texas farmers and ranchers can transport their products in a timely manner.

HB 4548 passed the House but was never heard in the Senate.

Truth in Labeling

HB 316 by Rep. Brad Buckley (R) and Sen. Drew Springer (R) – FAILED (TFB Supported)

The bill stated food that is falsely or misleadingly advertised or labeled as containing or purporting to be meat would have been considered misbranded.

HB 316 passed the House floor but was never heard in the Senate due to the belief that SB 1145 would pass the House.

SB 1145 by Sen. Charles Perry (R) and Rep. Brad Buckley (R) - FAILED (TFB Supported)

The bill proposed marketing and labeling requirements for imitation meat food products. The manufacturer would have been in violation if the food's labels, brands, images, depictions, or graphics misrepresented the food in the package.

The manufacturer would not have violated this section if the food product's label contained, in prominent and sizeable typeface:

- · the word "imitation" immediately followed by the name of the product imitated,
- the phrase "This product does not contain animal protein", or
- the words "meatless, meat free, plant based, synthetic, lab-grown" or another substantially similar qualifying term or disclaimer.

Enforcement of these standards would have been the responsibility of the Texas Department of State Health Services (DSHS).

SB 1145 passed the Senate and was set on the House Calendar. However, it was too far down the calendar and did not pass before the deadline in the House rules for the passage of Senate bills.

Utility Regulation

HB 2667 by Rep. Smithee, John (R) and Sen. Perry, Charles (R) – Vetoed by the governor (TFB Supported)

The Texas Universal Service Fund (TUSF), operated by the Public Utility Commission (PUC), supports costs associated with providing telecommunication services to rural Texas. TUSF is currently underfunded.

Despite funding shortages, PUC has resisted calls to subject providers of newer telecommunications technologies (VOIP-voice over internet protocol service) to the fee that funds the TUSF. The bill would have ensured that the fee, which funds TUSF, is fairly applied to all providers.

The bill was vetoed by the governor due to his belief that it would have imposed a new fee.

Water

HB 271 by Rep. Andrew Murr (R) – FAILED (TFB Supported)

HB 271 proposed to create requirements for a state agency's classification of a waterway as *navigable*.

Before issuing an opinion, the agency must follow procedures that ensure the affected property owners are aware of the change and can participate in a public meeting. First, the agency must perform a gradient boundary survey of the watercourse or obtain an exception from the General Land Office. Second, the agency must provide to the waterway's abutting property owners a written notice of the upcoming opinion and public meeting. Third, the agency must hold a public meeting in which any person may present evidence, object to, or support the classification as a navigable waterway.

SB 152 by Sen. Charles Perry (R) and Rep. Tracy King (D)/Rep. Cody Harris (R) – FAILED (TFB Supported)

SB 152 would have empowered landowners to protect their constitutional rights from illegal groundwater regulations. Current law does not require enough transparency or provide landowners with reasonable options to change or challenge bad regulations.

SB 152 would have provided: 1) Better notice of permit applications that affect adjacent landowners; 2) Right to petition a district to conduct rulemaking; and 3) Improve the fairness for landowners of the awarding of attorney fees to a district that prevails in court.

SB 152 passed the Senate and House. The House removed the attorney fees provision from the bill. Sen. Perry refused to concur on the House amendment and requested a

conference committee to negotiate reinstating the attorney fees language. The House refused to go to conference committee. Therefore, the bill failed due to the impasse on the attorney fees language.

HB 2851 by Rep. Eddie Lucio III (D) – FAILED (TFB Opposed)

This bill proposed adding a new factor for Groundwater Conservation Districts to consider when adopting a Desired Future Condition (DFC) for a Groundwater Management Area. The DFC sets the goal that each district must achieve with their regulations. The bill would add modeled sustainable groundwater pumping as an additional consideration.

"Modeled sustainable groundwater pumping" was defined in the bill as the maximum amount of groundwater that may be produced IN PERPITUITY from an aquifer on an annual basis using the best available science. The bill exempted the Ogallala aquifer.

Allowing a DFC to be based on this standard would be very restrictive. It would limit the amount of groundwater that may be produced to the amount of aquifer recharge. This would prohibit production that would reduce the amount of aquifer storage. Therefore, making aquifer storage unavailable to landowners, agricultural irrigators, and other large groundwater users.

HB 3619 by Rep. Rhetta Bowers (D) and Sen. Sarah Eckhardt (D) – FAILED (TFB Opposed)

These companion bills required groundwater conservation districts to consider whether the proposed use of water under a permit application would unreasonably affect wells exempt from permitting.

Basing the denial of a permit on the effect on domestic and livestock wells creates a serious takings issue. Each landowner has a constitutional right to produce their fair share of groundwater from a common aquifer. Restricting a landowner's right to produce their fair share based upon the effect on shallow wells in the area is overly restrictive and a possible taking of private property rights.

HB 3972 by Rep. Tracy King (D) - FAILED (TFB Opposed)

HB 3972 would require a person filing a suit against a groundwater conservation district to purchase a surety bond to cover any potential attorney fees and court costs that may be awarded to a prevailing district. This would have created another obstacle to a landowner that is forced to go to court to defend their property rights.

SB 601 by Sen. Charles Perry (R) and Rep. Dustin Burrows (R) – Effective Immediately (TFB Support)

Sen. Perry's SB 601 creates the Texas Produced Water Consortium, which would unite state and private resources to study the economics and technology of produced water- which is water that emerges from the well during oil and gas production.

An initial report from the consortium must include recommendations to the :Legislature to enable use of produced water, a pilot project for a state produced water facility, and an economic model for using produced water in Texas.

SB 1118 by Sen. Nathan Johnson (D) and Rep. Terry Wilson (R) – Effective Sept. 1, 2021 (TFB Supported)

SB 1118 would expand Texas State Soil and Water Conservation Board conservation programs to include soil health, carbon sequestration, and other conservation practices that had previously been tied more to water quality and/or brush control. It also directs the agency to begin looking for conservation partnerships opportunities.

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