

## **BILL ANALYSIS**

Senate Research Center  
84R11661 DDT-F

S.B. 1408  
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Agriculture, Water & Rural Affairs  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, the Texas Department of Agriculture administers the United States Department of Housing and Urban Development allocation of the nonentitlement program funds, which has decreased by more than 30 percent thus leaving many nonentitlement local governments hard pressed to have the local resources to appropriately meet the needs of their communities. S.B. 1401 seeks to address this concern by establishing provisions relating to a matching grant program for community and economic development, based on the availability of federal and state funds.

S.B. 1401 establishes a matching grant program for community and economic development for nonentitlement local governments while emphasizing multi-jurisdictional applications to encourage efficient use of time and resources of local governments.

As proposed, S.B. 1408 amends current law relating to the establishment of a matching grant program for community development in certain municipalities and counties.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Department of Agriculture in SECTION 1 (Section 23.006, RULES) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Title 2, Agriculture Code, by adding Chapter 23, as follows:

#### **CHAPTER 23. COMMUNITY DEVELOPMENT MATCHING GRANT PROGRAM FOR RURAL AND SMALL COMMUNITIES**

Sec. 23.001. DEFINITION. Defines "program."

Sec. 23.002. COMMUNITY DEVELOPMENT MATCHING GRANT PROGRAM. (a) Requires the Texas Department of Agriculture (TDA), subject to the availability of federal and state funds, to create a community development matching grant program to foster community and economic development in certain municipalities and counties.

(b) Requires TDA to award matching grants under the program to assist in the financing of:

(1) trade-related initiatives and programs, as determined by the commissioner of agriculture (commissioner), that will assist farmers, ranchers, and the equine industry in eligible municipalities or counties to develop and export their produce, products, and services to international markets;

(2) community development projects, including basic infrastructure projects such as water or wastewater facilities and planning, street improvements, and drainage;

- (3) capacity-building projects relating to local public facility and housing planning activities;
- (4) renewable energy projects to help participating rural communities reduce energy costs for water and wastewater treatment facilities;
- (5) restoration projects for water or wastewater infrastructure based on urgent need, if the infrastructure poses an imminent threat to life or health;
- (6) economic development projects to create or retain permanent employment opportunities;
- (7) economic development projects to support economic and management development activities at the county level;
- (8) environmental projects that provide assistance to small communities for solving water or wastewater problems using self-help methods; and
- (9) other community development projects as determined by TDA with the assistance of the Texas Rural Health and Economic Development Advisory Council.

Sec. 23.003. ELIGIBLE ENTITIES. Provides that a municipality or county is eligible for a matching grant under this chapter if the municipality or county is:

- (1) a nonentitlement area, as defined by 42 U.S.C. Section 5302(a)(7), under the federal community development block grant nonentitlement program; and
- (2) in good standing with TDA and with the United States Department of Housing and Urban Development.

Sec. 23.004. APPLICATIONS. Authorizes eligible municipalities or counties to submit a single-jurisdiction application or a multi-jurisdiction application for a matching grant under the program for a community development project. Requires that an application include a description of the project proposal.

Sec. 23.005. PREFERENCE FOR MULTI-JURISDICTION APPLICATIONS. (a) Requires TDA, in awarding a matching grant under the program, to give preference to an application submitted under the program by two or more eligible municipalities or counties if the application shows that the proposed community development project will mutually benefit the residents of the communities applying for the funds.

- (b) Prohibits a multi-jurisdiction application solely for administrative convenience from being accepted by TDA.
- (c) Prohibits a municipality or county that has submitted a multi-jurisdiction application from submitting a single-jurisdiction application for a matching grant for the same project for which the multi-jurisdiction application was submitted.
- (d) Requires one of the municipalities or counties participating under a multi-jurisdiction application to be primarily accountable to TDA for financial compliance and performance requirements under the program if a matching grant is awarded under this program. Requires all municipalities and counties applying under a multi-jurisdiction application to meet application threshold requirements.

Sec. 23.006. RULES. (a) Requires TDA by rule to set criteria for matching grant requirements and participation under the program.

- (b) Requires TDA to adopt rules necessary to implement this chapter.

SECTION 2. Effective date: upon passage or September 1, 2015.