

BILL ANALYSIS

H.B. 3663
By: Burns
Agriculture & Livestock
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that a recent change in law relating to agricultural liens has led to unintended consequences and an increase in financing costs for a contract purchaser who purchases an agricultural crop from an agricultural producer under certain marketing contracts. H.B. 3663 seeks to address this issue by providing for a certain exemption relating to marketing contracts and agricultural liens.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3663 amends the Property Code to remove the exception for a cotton ginner's lien from the provision granting priority to an agricultural lien over a conflicting security interest in or lien on the agricultural crop or the proceeds from the sale of the crop created by the contract purchaser in favor of a third party. The bill instead specifies that such provision does not affect the validity or priority of a cotton ginner's lien. The bill exempts from such provision a contract purchaser who purchases an agricultural crop from an agricultural producer under certain marketing contracts.

EFFECTIVE DATE

September 1, 2017.