

## **BILL ANALYSIS**

C.S.H.B. 3707  
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Agriculture & Livestock  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties note that the cattle inspection program is currently conducted by the Texas and Southwestern Cattle Raisers Association under federal law and assert that to deter cattle theft such a program should be uninterrupted. C.S.H.B. 3707 seeks to ensure this program continues uninterrupted in the case that federal law is changed to remove authority for industry associations to conduct such an inspection program.

### **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 rulemaking authority is expressly granted to the Department of Agriculture in SECTION 1 of this bill.

### **ANALYSIS**

C.S.H.B. 3707 amends the Agriculture Code to require the Department of Agriculture (TDA) by rule to establish a cattle inspection program to discourage and investigate property crimes involving cattle in Texas on request by the Texas and Southwestern Cattle Raisers Association and if a similar program authorized by federal law is canceled, suspended, repealed, or otherwise scheduled for discontinuation. The bill requires the program to utilize existing cattle industry infrastructure to the extent possible. The bill requires the TDA to establish an advisory committee to advise the TDA on program rules. The bill requires the advisory committee, at least once every two years, to review the program rules and submit findings and recommendations to the TDA. The bill requires program rules to authorize the special rangers of the association and other association employees designated by the special rangers to inspect and record brands and other identifying characteristics of cattle at livestock auction markets.

C.S.H.B. 3707 requires program rules to establish a per-head regulatory assessment in an amount necessary to reimburse the association for direct costs incurred under the bill's provisions. The bill requires the TDA, in determining the amount of the assessment, to consider the amount of similar assessments or charges authorized by the laws of other states or the United States, the direct operating costs of the program, and the expertise required to operate the program. The bill requires the TDA, on request by the association, to review the amount of the assessment and consider any necessary revision. The bill requires each livestock auction market to collect the assessment and remit the amount collected to the association. The bill establishes that the assessments are not state funds and are not required to be deposited in the state treasury. The bill subjects a person who has possession, custody, or control of an assessment not remitted to the association before the 31st day after the date collected to an administrative penalty in an amount provided by TDA rule.

C.S.H.B. 3707 requires the TDA to approve the association's budget for the program each year, requires the TDA to review and act on the association's budget for the program each year not later than the 45th day after the date the association submits the budget to the TDA, and authorizes the TDA or the state auditor to inspect the association's financial records related to the program at any time.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2017.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3707 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. Subtitle B, Title 6, Agriculture Code, is amended by adding Chapter 153 to read as follows:

#### CHAPTER 153. PREVENTION AND INVESTIGATION OF CATTLE THEFT

Sec. 153.001. DEFINITIONS. In this chapter:

(1) "Association" means the Texas and Southwestern Cattle Raisers Association.

(2) "Program" means the inspection program established by department rule under Section 153.002.

Sec. 153.002. ESTABLISHMENT OF PROGRAM. (a) The department by rule shall establish a cattle inspection program to discourage and investigate property crimes involving cattle in this state:

(1) on request by the association; and

(2) if a similar program authorized by federal law is canceled, suspended, repealed, or otherwise scheduled for discontinuation.

(b) The program must utilize existing cattle industry infrastructure to the extent possible.

Sec. 153.003. INSPECTIONS. Program rules shall authorize the special rangers appointed under Article 2.125, Code of Criminal Procedure, and other association employees designated by the special

#### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subtitle B, Title 6, Agriculture Code, is amended by adding Chapter 153 to read as follows:

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(1) "Association" means the Texas and Southwestern Cattle Raisers Association.

(2) "Program" means the inspection program established by department rule under Section 153.002.

Sec. 153.002. ESTABLISHMENT OF PROGRAM. (a) The department by rule shall establish a cattle inspection program to discourage and investigate property crimes involving cattle in this state:

(1) on request by the association; and

(2) if a similar program authorized by federal law is canceled, suspended, repealed, or otherwise scheduled for discontinuation.

(b) The program must utilize existing cattle industry infrastructure to the extent possible.

(c) The department shall establish an advisory committee to advise the department on program rules. At least once every two years, the advisory committee shall review the program rules and submit findings and recommendations to the department.

Sec. 153.003. INSPECTIONS. Program rules must authorize the special rangers appointed under Article 2.125, Code of Criminal Procedure, and other association employees designated by the special

rangers, to inspect and record brands and other identifying characteristics of cattle at livestock auction markets, livestock video and online auctions, and slaughter plants.

Sec. 153.004. ASSESSMENT. (a) Program rules shall establish a per-head regulatory assessment in an amount necessary to reimburse the association for costs incurred under this chapter.

(b) In determining the amount of the assessment, the department shall consider:

(1) the amount of similar assessments or charges authorized by the laws of other states or the United States;

(2) the costs of administering the program; and

(3) the expertise required to administer the program.

(c) On request by the association, the department shall review the amount of the assessment and consider any necessary revision.

(d) Each livestock auction market, livestock video or online auction, and slaughter plant where inspections are conducted under the program shall collect the assessment and remit the amount collected to the association.

(e) Assessments collected under this section are not state funds and are not required to be deposited in the state treasury.

(f) A person who has possession, custody, or control of an assessment collected under this section and not remitted to the association before the 31st day after the date collected is subject to an administrative penalty in an amount provided by department rule.

Sec. 153.005. STATE OVERSIGHT. (a) The department shall review and approve the association's budget for the program each year within 30 days of submittal by the association.

(b) The department or the state auditor may inspect the association's financial records related to the program at any time.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each

rangers, to inspect and record brands and other identifying characteristics of cattle at livestock auction markets.

Sec. 153.004. ASSESSMENT. (a) Program rules must establish a per-head regulatory assessment in an amount necessary to reimburse the association for direct costs incurred under this chapter.

(b) In determining the amount of the assessment, the department shall consider:

(1) the amount of similar assessments or charges authorized by the laws of other states or the United States;

(2) the direct operating costs of the program; and

(3) the expertise required to operate the program.

(c) On request by the association, the department shall review the amount of the assessment and consider any necessary revision.

(d) Each livestock auction market shall collect the assessment and remit the amount collected to the association.

(e) Assessments collected under this section are not state funds and are not required to be deposited in the state treasury.

(f) A person who has possession, custody, or control of an assessment collected under this section and not remitted to the association before the 31st day after the date collected is subject to an administrative penalty in an amount provided by department rule.

Sec. 153.005. STATE OVERSIGHT. (a) The department must approve the association's budget for the program each year.

(b) The department shall review and act on the association's budget for the program each year not later than the 45th day after the date the association submits the budget to the department.

(c) The department or the state auditor may inspect the association's financial records related to the program at any time.

SECTION 2. Same as introduced version.

house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.