

- SUBJECT:** Maintaining non-agricultural economic development program in rural areas
- COMMITTEE:** Land and Resource Management — favorable, without amendment
- VOTE:** 7 ayes — Walker, F. Brown, Geren, Howard, Krusee, Truitt, B. Turner  
0 nays  
2 absent — Crabb, Mowery
- WITNESSES:** For — Sandra F. Mauldin, City of Lockhart; Richard A. McLean IV, Rural Electrification-Electric Coop Mgmt.  
Against — None  
On — Susan Combs, Texas Department of Agriculture
- BACKGROUND:** Rider 14 of the Texas Department of Agriculture (TDA) appropriation for fiscal 2000-2001 required TDA to enter into a Memorandum of Understanding (MOU) with the Texas Department of Economic Development (TDED) to maintain a statewide economic development program for rural areas. TDA and TDED were directed to establish an Agritech Corridor Partnership that would help rural communities diversify their economies by developing non-agricultural businesses.  
  
The MOU between TDA and TDED will remain in effect until August 31, 2001. A MOU between TDA and the Texas Agricultural Extension Service to cooperate in developing rural economic projects was completed on August 8, 1999, and remains in effect until terminated by mutual consent or by either party giving written 60-day notice ending the contract.
- DIGEST:** HB 681 would amend the Agriculture Code by adding sec. 12.027, which would require TDA to maintain an economic development program for rural areas. The bill would require TDA to promote economic growth in rural areas, work with rural communities to identify development needs, and provide the needed coordination among private and public groups to assist rural communities in their economic development programs.

HB 681 also would require TDA to enter into MOUs with TDED, the Texas Agricultural Extension Service and other appropriate entities to carry out economic development programs.

The bill would take effect September 1, 2001. TDA would be required to adopt rules for administration and to enter into the MOUs related to the program before December 1, 2001.

**SUPPORTERS  
SAY:**

Rural Texas has not shared in the decade of unprecedented prosperity enjoyed by the rest of the state, and rural economic development programs are needed that expand beyond the traditional focus on agriculture and agricultural-related businesses. HB 681 would provide meaningful assistance to rural areas by keeping in place an existing network that provides this needed service and by not reinventing rural economic development programs. This bill also would provide a mechanism to assist non-agricultural related businesses and industries in rural Texas.

HB 681 would encourage networking among existing agencies rather than creating new ones. This approach would better utilize existing resources and encourage creative approaches to solve problems that do not fit neatly into current agency categories. TDA already works with rural Texans on agriculture-related economic development projects through the Texas Agriculture Finance Authority. The Texas Extension Service maintains a network of county agents in 250 of 254 counties. County agents already provide educational programs and help coordinate meetings between local citizens and representatives of governmental agencies and other groups. TDED has expertise in economic development programs.

**OPPONENTS  
SAY:**

Placing non-agriculture economic development programs with TDA or the Extension Service would dilute those agencies' traditional role in assisting agriculture.

HB 681 would increase the burden on county extension agents by expanding their duties to include economic development programs. Concerns about increased workloads and non-competitive salaries have led to a high rate of turnover of county extension agents.

**OTHER  
OPPONENTS  
SAY:**

Economic development programs should be placed within a single agency to improve efficiency and accountability to Texas taxpayers.

NOTES:

The companion bill, SB 746 by Staples, passed the Senate on March 15 on the Local and Uncontested Calendar. It was reported favorably without amendment by the House Land and Resource Management Committee on March 26, making it eligible to be considered in lieu of HB 681.