

## **BILL ANALYSIS**

Senate Research Center

S.B. 797  
By: Lucio; Hinojosa  
Intergovernmental Relations  
6/9/2015  
Enrolled

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

Agents working for the United States Customs and Border Protection and the United States Department of Agriculture are currently responsible for agricultural inspections at commercial points of entry. Interested parties contend that the lack of a sufficient number of these federal inspectors has caused exceptional congestion in the stream of commerce affecting the state. Because Mexico's new super highway between Mazatlan and Matamoros is expected to divert significant amounts of produce from Arizona to Texas' land ports of entry, it is essential that state help ease congestion in the stream of international commerce.

S.B. 797 helps ease congestion at ports of entry along the Texas-Mexico border by creating the Trade Agricultural Inspection Grant Program. This grant program would be administered by the Texas Department of Agriculture and distributed to a nonprofit that has experience working with border inspection authorities to reduce border crossing wait times.

The committee adopted a substitute that requires that the grantee provide matching funds for the grant. This change will secure buy-in from the grantee while cutting the cost of the program by half. By leveraging private investment as well as state money, the grant program will generate over ten times the return on investment in economic growth here in Texas.

S.B. 797 amends current law relating to a grant program to reduce wait times for agricultural inspections of vehicles at ports of entry along the Texas-Mexico border.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Department of Agriculture in SECTION 1 (Section 12.050, Agriculture Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 12, Agriculture Code, by adding Section 12.050, as follows:

Sec.12.050. TRADE AGRICULTURAL INSPECTION GRANT PROGRAM. (a) Authorizes the Texas Department of Agriculture (TDA) to make a grant to a nonprofit organization for the purpose of promoting the agricultural processing industry in this state by reducing wait times for agricultural inspections of vehicles at ports of entry along the border with the United Mexican States using money appropriated for this purpose or money received under Subsection (g).

(b) Requires TDA to request proposals for the award of a grant under this section. Requires TDA to evaluate the proposals and award a grant based on the proposed program's quantifiable effectiveness and the potentially positive impact on the agricultural processing industry in this state.

(c) Requires that a grant awarded under this section be made to an organization that has demonstrated experience working with border inspection authorities to reduce border crossing wait times.

(d) Authorizes a grant recipient to use grant money received under this section only to pay for activities directly related to the purpose of the grant program as described by Subsection (a). Authorizes a grant recipient to use grant money to

reimburse a federal governmental agency that, at the request of the grant recipient, provides additional border agricultural inspectors or pays overtime to border agricultural inspectors at ports of entry along the border with the United Mexican States.

(e) Requires TDA to establish procedures to administer the grant program, including a procedure for the submission of a proposal and a procedure to be used by TDA to evaluate a proposal.

(f) Requires TDA to enter into a contract that includes performance requirements with each grant recipient. Requires TDA to monitor and enforce the terms of the contract. Requires the contract to authorize TDA to recoup grant money from a grant recipient for failure of the grant recipient to comply with the terms of the contract.

(g) Authorizes TDA to solicit and accept gifts, grants, and donations from any source for the purpose of awarding grants under this section.

(h) Requires a nonprofit organization to provide matching funds to be eligible to receive a grant under this section. Prohibits TDA from awarding a grant to a nonprofit organization until TDA certifies that the nonprofit organization has the matching funds. Prohibits the amount of the grant from exceeding the amount of matching funds. Prohibits TDA from requiring a nonprofit organization to provide matching funds in an amount that exceeds the amount of the grant.

(i) Prohibits the total amount of grants awarded under this section from exceeding \$725,000 for the duration of the program.

(j) Authorizes TDA to adopt any rules necessary to implement this section.

(k) Requires TDA, not later than January 15, 2017, to evaluate the performance of the program under this section and submit a report to the legislature. Requires that the report include an evaluation of agricultural inspections affected by the program, including the extent to which the program is reducing wait times for agricultural inspections of vehicles at ports of entry along the border with the United Mexican States.

(l) Provides that this section expires September 1, 2017, unless continued in existence by the legislature.

SECTION 2. Effective date: September 1, 2015.