

CHAPTER 538

H.B. No. 1309

AN ACT

relating to the composition and authority of the Texas Agricultural Finance Authority.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Sections 58.012(a) and (b), Agriculture Code, are amended to read as follows:

(a) The authority is governed by a board of directors composed of the commissioner of agriculture, the director of the Institute for International Agribusiness Studies at Prairie View A&M University, and *seven* [~~four~~] members appointed by the governor with the advice and consent of the senate. *An appointed member must be from one of the following categories with at least one member but not more than two members from each category:*

- (1) elected or appointed officials of a municipality or county;*
- (2) representatives of lending institutions chartered by the state or federal government who are knowledgeable about agricultural lending practices;*
- (3) representatives of agricultural businesses; or*
- (4) representatives of chambers of commerce, foundations, trade associations, institutions of higher education, or other entities involved in agricultural matters.*

(b) The appointed members of the board serve staggered terms of two years, with the terms of *three* [~~two~~] members expiring on January 1 of each even-numbered year and the terms of *four* [~~two~~] members expiring on January 1 of each odd-numbered year.

SECTION 2. Section 58.021, Agriculture Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) Except as provided by this subsection, the maximum aggregate amount of loans made to or guaranteed, insured, coinsured, or reinsured under this subchapter for a single eligible agricultural business by the authority from funds provided by the authority is \$2 million. The authority may make, guarantee, insure, coinsure, or reinsure a loan for a single eligible agricultural business that results in an aggregate amount exceeding \$2 million, but not

exceeding \$5 million, if the action is approved by a two-thirds vote of the membership of the board.

(d) Except for programs administered by the authority in Chapter 59, Agriculture Code, the authority shall give preference to loans, loan guarantees, loan insurance, coinsurance, or reinsurance, and any other financing mechanism to value-added agricultural businesses. The authority may decline to provide financial assistance to businesses whose primary purpose is to establish or expand conventional agricultural production.

SECTION 3. (a) As soon as possible after the effective date of this Act, the governor shall appoint the additional members to the board of the Texas Agricultural Finance Authority in accordance with Section 58.012, Agriculture Code, as amended by this Act. The governor shall appoint two members to serve initial terms expiring January 1, 1995, and one member to serve an initial term expiring January 1, 1996.

(b) Until all members have taken office, a quorum of the authority is a majority of the number of voting members who are qualified.

(c) A board member who was appointed before the effective date of Section 2 of this Act and who does not meet the requirements for appointed members imposed by Section 58.012(a), Agriculture Code, as amended by this Act, may continue to serve for the remainder of the member's term, but is not eligible for reappointment unless at the time of reappointment the member meets the requirements of Section 58.012(a), Agriculture Code, as amended by this Act.

SECTION 4. (a) Except as provided by Subsection (b) of this section, this Act takes effect January 1, 1994.

(b) Section 2 of this Act takes effect immediately.

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force according to its terms, and it is so enacted.

Passed by the House on May 4, 1993: Yeas 139, Nays 0, 2 present, not voting; the House concurred in Senate amendments to H.B. No. 1309 on May 24, 1993, by a non-record vote; passed by the Senate, with amendments, on May 19, 1993: Yeas 31, Nays 0.

Approved June 8, 1993.

Effective Jan. 1, 1994, except § 2 effective Aug. 30, 1993, 90 days after date of adjournment.