

CHAPTER 644

H.B. No. 1622

AN ACT

relating to the linked deposit program to encourage commercial lending for certain agricultural purposes.

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

SECTION 1. Sections 44.001(3) and (5), Agriculture Code, are amended to read as follows:

(3) "Eligible borrower" means a person who is in the business or entering the business of:

(A) processing and marketing agricultural crops in this state; ~~[or]~~

(B) producing alternative agricultural crops in this state;

(C) *producing agricultural crops in this state the production of which has declined markedly because of natural disasters; or*

(D) *producing agricultural crops in this state using water conservation equipment for agricultural production purposes.*

(5) "Linked deposit" means a time deposit governed by a written deposit agreement between the state and an eligible lending institution that provides:

(A) that the eligible lending institution pay interest on the deposit at a rate that is not less than *the greater of*:

(i) the current market rate of a United States treasury bill or note of comparable maturity minus two percent; *or*

(ii) 1.5 percent;

(B) that the state not withdraw any part of the deposit before the expiration of a period set by a written advance notice of the intention to withdraw; and

(C) that the eligible lending institution agree to lend the value of the deposit to an eligible borrower at a maximum rate that is the current market rate of a United States treasury bill or note of comparable maturity plus four percent.

SECTION 2. Sections 44.007(a) and (b), Agriculture Code, are amended to read as follows:

(a) The commissioner shall establish a linked deposit program to encourage commercial lending for the enhanced production, processing, and marketing of certain agricultural crops *and for the purchase of water conservation equipment for agricultural production purposes.*

(b) The commissioner shall promulgate rules for the loan portion of the linked deposit program. The rules must include:

(1) a list of the categories of crops customarily grown in Texas;

(2) a [~~and another~~] list of crops that are alternative agricultural crops;

(3) *a list of crops the production of which has declined markedly because of natural disasters; and*

(4) *identification of the types of equipment considered as water conservation equipment for agricultural production purposes.*

SECTION 3. Section 44.010(b), Agriculture Code, is amended to read as follows:

(b) The maximum amount of a loan under this chapter to process and market Texas agricultural crops is \$500,000 [~~\$250,000~~]. The maximum amount of a loan under this chapter to produce alternative agricultural crops in this state is \$250,000 [~~\$100,000~~]. *The maximum amount of a loan under this chapter to purchase water conservation equipment for agricultural production purposes is \$250,000.*

SECTION 4. 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 from and after its passage, and it is so enacted.

Passed by the House on April 30, 1993, by a non-record vote; passed by the Senate on May 30, 1993: Yeas 31, Nays 0.

Approved June 13, 1993.

Effective Aug. 30, 1993, 90 days after date of adjournment.