Sec. 101.001. DEFINITIONS. In this chapter:

(1) "Handle" means buy for resale, sell, offer to sell, process, broker, or ship for the purpose of selling.

(2) "Packer" means a person who prepares or packs perishable commodities for barter, sale, exchange, or shipment.

(3) "Perishable commodity" means fresh produce grown in Texas and generally considered a perishable vegetable or fruit.

(4) "Person" means an individual, partnership, group of persons, corporation, or business unit.

(5) "Producer" means a person who is engaged in the business of growing or producing any perishable commodity.

(6) "Warehouseman" means a person who receives and stores perishable commodities for compensation.


Sec. 101.002. PERISHABLE COMMODITIES. (a) This chapter applies to perishable commodities, whether or not packed in ice or held in cold storage, and does not apply to perishable commodities that have been manufactured into an article of food of a different kind or character.

(b) For purposes of this section, the effects of the following operations do not change a perishable commodity into an article of food of a different kind or character: freezing; water or steam blanching; shelling; chopping; adding color; curing; cutting; dicing; drying for the removal of surface moisture; fumigating; gassing; heating for necessary control; ripening; coloring; removal of seeds, pits, stems, calyxes, husks, pods, rinds, skins, peels, or similar items; trimming; washing with or without chemicals; waxing; adding sugar or other sweetening agents; adding ascorbic acids or other agents used to retard
oxidation; mixing with several kinds of sliced, chopped, or diced perishable commodities for packaging in any type of container; or any comparable method of preparation.


Sec. 101.003. LICENSE REQUIRED. (a) Except as otherwise provided by this section, a person may not handle perishable commodities, as owner, agent, or otherwise, without a license or an identification card issued by the department.

(b) This section does not apply to:

(1) a retailer, unless the retailer:
   (A) has annual sales of perishable commodities that comprise 50 percent or more of the retailer's total sales; or
   (B) employs a buying agent who buys directly from a producer;

(2) a producer who handles or deals exclusively in the producer's own products;

(3) a person shipping less than six standard boxes of citrus fruit in any one separate shipment;

(4) a person who ships a noncommercial shipment of perishable commodities; or

(5) a person who purchases perishable commodities and pays for the perishable commodities in United States currency before or at the time of delivery or taking possession.

(c) A person who purchases perishable commodities without a license, as owner, agent, or otherwise, does not violate this section if the person obtains a license not later than the 30th day after the date the person first purchases perishable commodities.


Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.10, eff. September 1, 2009.
Sec. 101.004. LICENSE OR REGISTRATION CATEGORIES. A person shall apply for a license if the person:

(1) purchases perishable commodities on credit;
(2) takes possession of perishable commodities for consignment or handling on behalf of the producer or owner of the perishable commodities; or
(3) takes possession of perishable commodities for consignment or handling in a manner or under a contract that does not require or result in payment to the producer, seller, or consignor of the full amount of the purchase price in United States currency at the time of delivery or at the time that the perishable commodities pass from the producer, seller, or consignor to the person.

Amended by: Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.11, eff. September 1, 2009.

Sec. 101.005. APPLICATION FOR LICENSE. (a) A person required under Section 101.003 of this code to be licensed or registered shall apply to the department on a form furnished by the department. The applicant shall provide the following information and certify that the information provided is true and correct:

(1) the full name of the applicant and whether the applicant is an individual, partnership, corporation, exchange, or association;
(2) the full name and address of the principal business office of the applicant;
(3) the address of the applicant's principal business office in this state;
(4) if the applicant is a foreign corporation, the state in which the corporation is chartered and the name and address of a registered agent in this state for service of legal process;
and

(5) the length of time that the applicant has been engaged in business in this state.

(b) In addition to providing the information under Subsection (a) of this section, each applicant shall answer the following questions on the application:

(1) "Have you previously been licensed by this state or the United States Department of Agriculture (USDA) to handle perishable commodities?"

(2) "If you answered that you have been previously licensed, has any license issued to you by this state or the USDA ever been suspended or revoked?"

(3) "If you have answered that a license issued to you by this state or by the USDA has been suspended or revoked, when, where, and for what reason was the license suspended or revoked?"

(c) An applicant's failure to truthfully and accurately provide the information required by Subsections (a) and (b) is a violation for purposes of administrative penalty action and may result in denial of an application.


Sec. 101.006. LICENSE FEE. (a) Except as otherwise provided by this section, a person applying for a license shall include with the license application a refundable license fee, as provided by department rule.

(b) Repealed by Acts 2009, 81st Leg., R.S., Ch. 506, Sec. 5.35(7), eff. September 1, 2009.

Sec. 101.007. ISSUANCE OR REFUSAL OF LICENSE. (a) Except as otherwise provided by this section, the department shall issue a license to an applicant who:

(1) tenders an application;
(2) pays the license fee, if required; and
(3) pays the appropriate fee to the produce recovery fund under Chapter 103 of this code, if required.

(b) If a previous license of the applicant has been or is suspended or has been revoked, the department may not issue or renew a license to the applicant until the department is furnished with satisfactory proof that the applicant is, on the date of application, qualified to receive the license for which the applicant applied as provided by department rule.

(c) The department may refuse to issue or renew a license under this section if the department determines that a license previously issued to the applicant was revoked or suspended or that the applicant has engaged in conduct for which a license could have been revoked or suspended. In determining whether to refuse to issue or renew a license under this section, the department may consider:

(1) the facts and circumstances pertaining to a prior suspension or revocation;
(2) the financial condition of the applicant as of the date of the application;
(3) any judgment by a court of this state that is outstanding against the applicant and is due and owing to a licensee, grower, or producer of perishable commodities; and
(4) any certified claim against the applicant by a licensee, grower, or producer of perishable commodities that is under consideration by the department.

(d) Before refusing an application for a license under this section, a hearing shall be conducted under Section 12.032 on the license application, and the applicant may appeal the decision in
the manner provided for contested cases under Chapter 2001, Government Code.

(e) Repealed by Acts 1995, 74th Leg., ch. 419, Sec. 10.09(13), eff. Sept. 1, 1995.


Amended by:

Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.12, eff. September 1, 2009.

Sec. 101.008. TERM AND RENEWAL OF LICENSE. (a) A license expires one year from the date of issuance.

(b) A license may be renewed by completion of a renewal application form and the payment of the license fee provided for issuance of the original license.

(c) To renew a license after the license has expired, the applicant must pay a late fee, as provided by Section 12.024 of this code.


Sec. 101.009. LICENSEE LIST. The department may publish as often as it considers necessary a list in pamphlet form or on the department's Internet website of all persons licensed under this chapter.

Acts 1981, 67th Leg., p. 1254, ch. 388, Sec. 1, eff. Sept. 1, 1981. Amended by:

Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.13, eff. September 1, 2009.

Sec. 101.010. TRANSPORTING AGENT OR BUYING AGENT IDENTIFICATION CARD. (a) In accordance with the rules of the
department, a license holder may apply to the department for a reasonable number of identification cards for:

(1) transporting agents to act for the license holder in the transporting of perishable commodities; and

(2) buying agents to act for the license holder in any act requiring licensing under Section 101.003 of this code.

(b) The department shall collect a fee, as provided by department rule, for each card and shall issue transporting agent cards in a color different from buying agent cards.

(c) An identification card must bear:

(1) the name of the licensee;

(2) the number of the licensee's license;

(3) the name of the agent; and

(4) a statement that the licensee, as principal, has authorized the agent named on the card to act for and on behalf of the licensee, either as buying agent or transporting agent, as applicable.

(d) A buying agent or transporting agent shall carry the identification card on the agent's person at all times. On demand of the department or any person with whom the agent is transacting business, the agent shall display the identification card.

(e) If the holder of an identification card ceases to be the agent of the licensee, the agent shall immediately return the card to the department for cancellation.


Sec. 101.011. LICENSE OR IDENTIFICATION CARD NOT ASSIGNABLE. A license or identification card is not assignable.
Sec. 101.012. REVOCATION, MODIFICATION, OR SUSPENSION OF LICENSE OR IDENTIFICATION CARD. (a) The department shall revoke, modify, or suspend a license or identification card, assess an administrative penalty, place on probation a person whose license or identification card has been suspended, or reprimand a licensee or the transporting or buying agent of a licensee for a violation of this chapter or a rule adopted by the department under this chapter.

(b) If a suspension of a license or identification card is probated, the department may require the person to:

1. report regularly to the department on matters that are the basis of the probation;
2. limit practice to the areas prescribed by the department; or
3. continue or renew professional education until the person attains a degree of skill satisfactory to the department in those areas that are the basis of the probation.

(c) If the department proposes to revoke, modify, or suspend a person's license or identification card, the person is entitled to a hearing conducted under Section 12.032. The decision is appealable in the same manner as provided for contested cases under Chapter 2001, Government Code.


Sec. 101.013. PAYMENT OF PURCHASE PRICE ON DEMAND. (a) If a licensee or a person required to be licensed causes a producer, seller, or owner, or an agent of a producer, seller, or owner, to part with control or possession of all or any part of the person's perishable commodities and agrees by contract of purchase to pay the purchase price on demand following delivery, the licensee or person required to be licensed shall make payment immediately on demand.

(b) If a person makes demand for the purchase price in writing, the mailing of a registered letter that makes the demand and is addressed to the licensee or person required to be licensed
at their business address is prima facie evidence that demand was made at the time the letter was mailed.

(c) If the producer, seller, owner, or agent waives the right to payment of purchase price on demand, the contract for the handling, purchase, or sale of the perishable commodities must be in writing. The parties shall prepare the contract in duplicate and set out in the contract the full details of the transaction. If the contract does not specify the time and manner of settlement, the licensee shall pay the full amount called for by the contract directly to the producer, seller, owner, or agent before the 31st day following the day of delivery of the perishable commodities into the licensee's control.

Amended by Acts 1999, 76th Leg., ch. 358, Sec. 11, eff. Sept. 1, 1999.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.14, eff. September 1, 2009.

Sec. 101.014. COMMISSION OR SERVICE CHARGE IN CONTRACT. If a licensee or a person required to be licensed handles perishable commodities by guaranteeing a producer or owner a minimum price and handles the perishable commodities on the account of the producer or owner, the licensee or person required to be licensed shall include in the contract with the producer or owner the maximum amount that the licensee or person required to be licensed will charge for commission, service, or both, in connection with the perishable commodities handled.

Amended by Acts 1999, 76th Leg., ch. 358, Sec. 12, eff. Sept. 1, 1999.
Amended by:
Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.15, eff. September 1, 2009.

Sec. 101.015. SETTLEMENT ON GRADE AND QUALITY. (a) Except as otherwise provided by this section, a licensee or a person
required to be licensed shall settle with the producer or seller of perishable commodities on the basis of the grade and quality that is referred to in the contract under which the licensee or person required to be licensed obtained possession or control of the perishable commodities.

(b) If the perishable commodities have been inspected by a state or federal inspector in this state and found to be of a different grade or quality than that referred to in the contract, the licensee or person required to be licensed shall settle with the producer or seller of the perishable commodities on the basis of the grade and quality determined by the inspector.

(c) This section does not prevent parties, instead of an inspection, from agreeing in writing that the grade or quality of the perishable commodities were different from that referred to in the contract.

(d) Failure of a licensee to settle with a producer or seller on grade and quality in the manner provided by this section is a ground for revocation of the licensee's license.


Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.16, eff. September 1, 2009.

Sec. 101.0151. BUYING OR SELLING BY WEIGHT. A licensee or a person required to be licensed who buys or sells perishable commodities by weight shall weigh or have the perishable commodities weighed on scales that meet state requirements.

Added by Acts 1999, 76th Leg., ch. 358, Sec. 14, eff. Sept. 1, 1999. Amended by:

Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.17, eff. September 1, 2009.

Sec. 101.016. RECORDS OF PURCHASE. (a) A licensee or a person required to be licensed or a packer, processor, or warehouseman may not receive or handle perishable commodities
without requiring the person from whom the perishable commodities are purchased or received to furnish a statement in writing showing:

(1) the owner of the perishable commodities;
(2) the grower of the perishable commodities;
(3) the approximate location of the land on which the perishable commodities were grown;
(4) the date the perishable commodities were gathered;

and

(5) by whose authority the perishable commodities were gathered.

(b) The licensee or person required to be licensed, packer, processor, or warehouseman shall keep records of statements furnished under Subsection (a) in a permanent book or folder for a minimum of three years from the date of the transaction and shall make the records available for inspection by any interested party.

(c) The licensee or person required to be licensed, packer, handler, or warehouseman shall:

(1) prepare a receipt detailing the quantity of perishable commodities received from the producer or owner at the time of receipt of the commodities; and

(2) on request, provide the receipt to the producer or owner.

(d) The department periodically may investigate licensees, persons required to be licensed, or persons alleged to be selling or purchasing perishable commodities in violation of this chapter and, without notice, may require evidence of purchase of any perishable commodities in a person's possession or past possession.

Amended by Acts 1999, 76th Leg., ch. 358, Sec. 15, eff. Sept. 1, 1999.
Amended by:

Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.18, eff. September 1, 2009.

Sec. 101.017. RECORD OF SALE. (a) Except for a retailer, a licensee or a person required to be licensed shall maintain for each
sale a complete and accurate record showing:

(1) the date of sale of the perishable commodities;

(2) the person to whom the perishable commodities were sold;

(3) the grade and selling price of the perishable commodities; and

(4) an itemized statement of expenses of any kind or character incurred in the sale or handling of the perishable commodities, including the amount of the commission to the licensee or person required to be licensed.

(b) On demand of the department or of an owner, seller, or agent of the owner or seller, the licensee or person required to be licensed shall furnish the information demanded before the 11th day following the date of demand.

(c) A licensee or a person required to be licensed shall maintain the information required to be kept by this section for at least three years after the date of sale.


Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.19, eff. September 1, 2009.

Sec. 101.018. DEPARTMENT ENFORCEMENT. (a) For the purpose of enforcing this chapter, the department shall, on its own initiative or on receipt of a verified complaint, investigate all alleged violations of this chapter.

(b) For the purpose of conducting an investigation under this section, the department is entitled to free and unimpeded access at all times to all books, records, buildings, yards, warehouses, storage facilities, transportation facilities, and other facilities or places in which perishable commodities are kept, stored, handled, processed, or transported.

(c) The department is entitled to examine any portion of the ledger, books, accounts, memoranda, documents, scales, measures, or other matters, objects, or persons relating to a violation under
investigation.

(d) Failure to provide access to records for purposes of examination, as required by Subsections (b) and (c), is a violation for purposes of assessment of administrative penalties.


Sec. 101.0185. CIVIL PENALTY; INJUNCTION. (a) A person who violates this chapter or a rule adopted under this chapter is liable to the state for a civil penalty not to exceed $500 for each violation. Each day a violation continues may be considered a separate violation for purposes of a civil penalty assessment.

(b) On request of the department, the attorney general or the county attorney or district attorney of the county in which the violation is alleged to have occurred shall file suit to collect the penalty.

(c) A civil penalty collected under this section shall be deposited in the state treasury to the credit of the General Revenue Fund. All civil penalties recovered in suits first instituted by a local government or governments under this section shall be equally divided between the State of Texas and the local government or governments with 50 percent of the recovery to be paid to the General Revenue Fund and the other 50 percent equally to the local government or governments first instituting the suit.

(d) The department is entitled to appropriate injunctive relief to prevent or abate a violation of this chapter or a rule adopted under this chapter. On request of the department, the attorney general or the county or district attorney of the county in which the alleged violation is threatened or is occurring shall file suit for the injunctive relief.

Sec. 101.019. VENUE OF CIVIL OR CRIMINAL ACTION. The venue of a civil action or criminal prosecution instituted under this chapter is in the county in which the violation occurred, is occurring, or is threatened or in which the perishable commodities were received by the licensee, packer, or warehouseman.

Sec. 101.020. PENALTIES.
(a) A person commits an offense if the person:

(1) acts in violation of Section 101.003 by not obtaining a license or registration or after receiving notice of cancellation of a license or registration;

(2) acts or assumes to act as a transporting agent or buying agent:

(A) without first obtaining an identification card; or

(B) after receiving notice of cancellation of an identification card;

(3) as a transporting agent or buying agent, fails and refuses to turn over to the department an identification card in accordance with Section 101.010(e);

(4) as a license holder or a person required to be licensed, fails to furnish information under Section 101.017 before the 11th day following the date of demand;

(5) as a license holder or a person required to be licensed, fails to settle with a producer or seller on the grade and quality of perishable commodities in the manner provided by Section 101.015;

(6) as a license holder or a person required to be licensed, transporting agent, or buying agent, violates a provision of this chapter;

(7) as a license holder or a person required to be licensed, buys or sells perishable commodities by weight and does not have the perishable commodities weighed on scales that meet state requirements;
(8) fails to prepare and maintain records required by Sections 101.016, 101.017, and 101.018; or

(9) fails to provide records as required by Sections 101.016 and 101.018.

(b) An offense under this section is a misdemeanor punishable by a fine of not more than $500.

(c) A person commits a separate offense for each day the person acts in violation of Section 101.003 of this code without first obtaining a license or violates Subsection (a)(2) or (a)(3) of this section.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 506 (S.B. 1016), Sec. 5.20, eff. September 1, 2009.

Sec. 101.021. CONFLICT WITH ANTITRUST LAWS. This chapter does not affect the application of Chapter 15, Business & Commerce Code. If any provision of this chapter is held to conflict with that chapter, the entire chapter is void.