

SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION

S.F. No. 4532

(SENATE AUTHORS: DZIEDZIC)

DATE
04/27/2020

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OFFICIAL STATUS
Introduction and first reading
Referred to Agriculture, Rural Development, and Housing Finance

- 1.1 A bill for an act
- 1.2 relating to agriculture; doubling the maximum loan amount under the pilot
- 1.3 agricultural microloan program; amending Minnesota Statutes 2018, section
- 1.4 41B.056, subdivision 4.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2018, section 41B.056, subdivision 4, is amended to read:
- 1.7 Subd. 4. **Loans.** (a) The authority may disburse loans through an intermediary to farmers
- 1.8 who are eligible under subdivision 3. The total accumulative loan principal must not exceed
- 1.9 ~~\$10,000~~ \$20,000 per loan.
- 1.10 (b) Refinancing an existing debt is not an eligible purpose.
- 1.11 (c) The loan may be disbursed over a period not to exceed six years.
- 1.12 (d) A borrower may receive loans, depending on the availability of funds, up to 70
- 1.13 percent of the estimated value of the crop or livestock.
- 1.14 (e) Security for the loan must be a personal note executed by the borrower and any other
- 1.15 security required by the intermediary or the authority.
- 1.16 (f) The authority may prescribe forms and establish an application process for applicants
- 1.17 to apply for a loan.
- 1.18 (g) The interest payable on loans for the pilot agricultural microloan program must be
- 1.19 at a rate determined by the authority.
- 1.20 (h) Loans under this program will be made using money in the revolving loan account
- 1.21 established under section 41B.06.

- 2.1 (i) Repayments of financial assistance under this section, including principal and interest,
- 2.2 must be deposited into the revolving loan account established under section 41B.06.