

SECOND REGULAR SESSION

HOUSE BILL NO. 1596

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SHARPE (4).

3320H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 348.500, RSMo, and to enact in lieu thereof one new section relating to family farms.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 348.500, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 348.500, to read as follows:

348.500. 1. This section shall be known and may be cited as the "Family Farms Act".

2. As used in this section, "small farmer" means a farmer who is a Missouri resident and who has less than ~~two hundred fifty~~ **five hundred** thousand dollars in gross sales per year.

3. The agricultural and small business development authority shall establish a family farm breeding livestock loan program for small farmers for the purchase of beef cattle, dairy cattle, sheep and goats, and swine only.

4. To participate in the loan program, a small farmer shall first obtain approval for a family farm livestock loan from a lender as defined in section 348.015. ~~[Each small farmer shall be eligible for only one family farm livestock loan per family and for only one type of livestock.]~~

5. The maximum amount of the family farm livestock loan for each type of livestock shall be as follows:

- (1) ~~[Seventy-five]~~ **One hundred fifty** thousand dollars for beef cattle;
- (2) ~~[Seventy-five]~~ **One hundred fifty** thousand dollars for dairy cattle;
- (3) ~~[Thirty-five]~~ **Seventy** thousand dollars for swine; and
- (4) ~~[Thirty]~~ **Sixty** thousand dollars for sheep and goats.

EXPLANATION — Matter enclosed in bold-faced brackets ~~[thus]~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 6. Eligible borrowers under the program:

19 (1) Shall use the proceeds of the family farm loan to acquire breeding livestock;

20 (2) Shall not finance more than ninety percent of the anticipated cost of the purchase
21 of such livestock through the family farm livestock loan; and

22 (3) Shall not be charged interest by the lender, as defined in section 348.015, for the
23 first year of the qualified family farm livestock loan.

24 7. Upon approval of the family farm livestock loan by a lender under subsection 4 of
25 this section, the loan shall be submitted for approval by the agricultural and small business
26 development authority. The authority shall promulgate rules establishing eligibility under this
27 section, taking into consideration:

28 (1) The eligible borrower's ability to repay the family farm livestock loan;

29 (2) The general economic conditions of the area in which the farm is located;

30 (3) The prospect of a financial return for the small farmer for the type of livestock for
31 which the family farm livestock loan is sought; and

32 (4) Such other factors as the authority may establish.

33 8. For eligible borrowers participating in the program, the authority shall be
34 responsible for reviewing the purchase price of any livestock to be purchased by an eligible
35 borrower under the program to determine whether the price to be paid is appropriate for the
36 type of livestock purchased. The authority may impose a one-time loan review fee of one
37 percent which shall be collected by the lender at the time of the loan and paid to the authority.

38 9. Nothing in this section shall preclude a small farmer from participating in any other
39 agricultural program.

40 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is
41 created under the authority delegated in this section shall become effective only if it complies
42 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.
43 This section and chapter 536 are nonseverable and if any of the powers vested with the
44 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
45 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
46 rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be invalid
47 and void.

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