

SENATE BILL NO. 490

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR BERNSKOETTER.

2260S.01H

ADRIANE D. CROUSE, Secretary

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Section A. Section 348.500, RSMo, is repealed and one new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

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

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

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

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

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

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 (1) [Seventy-five] **One hundred fifty** thousand dollars
19 for beef cattle;

20 (2) [Seventy-five] **One hundred fifty** thousand dollars
21 for dairy cattle;

22 (3) [Thirty-five] **Seventy** thousand dollars for swine;
23 and

24 (4) [Thirty] **Sixty** thousand dollars for sheep and
25 goats.

26 6. Eligible borrowers under the program:

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

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

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

35 7. Upon approval of the family farm livestock loan by
36 a lender under subsection 4 of this section, the loan shall
37 be submitted for approval by the agricultural and small
38 business development authority. The authority shall
39 promulgate rules establishing eligibility under this
40 section, taking into consideration:

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

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

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

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

49 8. For eligible borrowers participating in the
50 program, the authority shall be responsible for reviewing
51 the purchase price of any livestock to be purchased by an
52 eligible borrower under the program to determine whether the
53 price to be paid is appropriate for the type of livestock
54 purchased. The authority may impose a one-time loan review
55 fee of one percent which shall be collected by the lender at
56 the time of the loan and paid to the authority.

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

59 10. Any rule or portion of a rule, as that term is
60 defined in section 536.010, that is created under the
61 authority delegated in this section shall become effective
62 only if it complies with and is subject to all of the
63 provisions of chapter 536 and, if applicable, section
64 536.028. This section and chapter 536 are nonseverable and
65 if any of the powers vested with the general assembly
66 pursuant to chapter 536 to review, to delay the effective
67 date, or to disapprove and annul a rule are subsequently
68 held unconstitutional, then the grant of rulemaking
69 authority and any rule proposed or adopted after August 28,
70 2006, shall be invalid and void.

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