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1	H.802
2	Introduced by Representatives Botzow of Pownal, Carr of Brandon, Cross of
3	Winooski, Kitzmiller of Montpelier, Kupersmith of South
4	Burlington, Marcotte of Coventry, and Ralston of Middlebury
5	Referred to Committee on
6	Date:
7	Subject: Commerce and trade; Vermont Agricultural Credit Corporation
8	Statement of purpose of bill as introduced: This bill proposes to expand the
9	scope of the Vermont Agricultural Credit Corporation to include forestry and
10	forest products, and to expand the amount VACC can lend to a borrower.
11 12	An act relating to expanding the authority of the Vermont Agricultural Credit Corporation
13	It is hereby enacted by the General Assembly of the State of Vermont:
14	Sec. 1. 10 V.S.A. chapter 16A is amended to read:
15	CHAPTER 16A. VERMONT AGRICULTURAL CREDIT PROGRAM
16	§ 374a. CREATION OF THE VERMONT AGRICULTURAL CREDIT
17	PROGRAM
18	* * *

(b) No borrower shall be approved for a loan from the corporation that

would result in the aggregate principal balances outstanding of all loans to that

1	borrower exceeding the then-current maximum Farm Service Agency loan
2	guarantee limits, or \$2,000,000.00, whichever is greater.

§ 374b. DEFINITIONS

- As used in this chapter:
- (1) "Agricultural facility" means land and rights in land, buildings, structures, machinery, and equipment which is used for, or will be used for producing, processing, preparing, packaging, storing, distributing, marketing, or transporting agricultural products which have been primarily produced in this state State, and working capital reasonably required to operate an agricultural facility.
- (2) "Agricultural land" means real estate capable of supporting commercial farming or forestry, or both.
- (3) "Agricultural products" mean crops, livestock, forest products, and other farm <u>or forest</u> commodities produced as a result of farming <u>or forestry</u> activities.
- (4) "Farm ownership loan" means a loan to acquire or enlarge a farm or agricultural facility, to make capital improvements including construction, purchase, and improvement of farm and agricultural facility buildings that can be made fixtures to the real estate, to promote soil and water conservation and protection, and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

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1	(5) "Authority" means the Vermont economic development authority
2	Economic Development Authority.
3	(6) "Cash flow" means, on an annual basis, all income, receipts, and
4	revenues of the applicant or borrower from all sources and all expenses of the
5	applicant or borrower, including all debt service and other expenses.
6	(7) "Farmer" means an individual directly engaged in the management
7	or operation of an agricultural facility or farm operation for whom the
8	agricultural facility or farm operation constitutes two or more of the following:
9	(A) is or is expected to become a significant source of the farmer's
10	income;
11	(B) the majority of the farmer's assets; and
12	(C) an occupation <u>in which</u> the farmer is actively engaged in , either
13	on a seasonal or year-round basis.
14	(8) "Farm operation" shall mean the cultivation of land or other uses of
15	land for the production of food, fiber, horticultural, silvicultural, orchard,
16	maple syrup, Christmas trees, forest products, or forest crops; the raising,
17	boarding, and training of equines, and the raising of livestock; or any
18	combination of the foregoing activities. Farm operation also includes the
19	storage, preparation, retail sale, and transportation of agricultural or forest
20	commodities accessory to the cultivation or use of such land.

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BILL AS INTRODUCED 2014

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- 1 Sec. 2. EFFECTIVE DATE
- This act shall take effect on passage.