

SECOND REGULAR SESSION

SENATE BILL NO. 868

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR BROWN.

Read 1st time January 13, 2020, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4875S.011

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Section A. Section 348.500, RSMo, is repealed and one new section
2 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
2 Farms Act".

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

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

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

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

- 15 (1) Seventy-five thousand dollars for beef cattle;
- 16 (2) Seventy-five thousand dollars for dairy cattle;
- 17 (3) Thirty-five thousand dollars for swine; and
- 18 (4) Thirty thousand dollars for sheep and goats.

19 6. Eligible borrowers under the program:

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

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

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

24 (3) Shall not be charged interest by the lender, as defined in section
25 348.015, for the first year of the qualified family farm livestock loan.

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

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

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

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

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

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

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

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