

# SENATE BILL NO. 817

## 101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR BERNSKOETTER.

3639S.011

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Section A. Section 348.500, RSMo, is repealed and one new  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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