

By Senator Cowin

13-1322A-98

See HB

1                                   A bill to be entitled  
2           An act relating to agriculture; creating ss.  
3           570.251-570.2815, F.S.; creating the "Florida  
4           Agricultural Development Act"; providing  
5           legislative findings; providing definitions;  
6           establishing the Florida Agricultural  
7           Development Authority; providing powers and  
8           duties; providing for membership of a board;  
9           providing for terms of board members; providing  
10          for organization of the board; providing  
11          general powers of the authority; providing for  
12          an executive director and specifying duties;  
13          requiring an annual report; providing for the  
14          use of surplus moneys by the authority;  
15          providing for combination of state and federal  
16          programs to facilitate the purposes of the  
17          authority; establishing a beginning farmer loan  
18          program; providing purposes of the loan  
19          program; authorizing the authority to  
20          participate in federal programs; requiring the  
21          authority to provide for loan criteria by rule;  
22          authorizing the authority to provide loan  
23          requirements; authorizing the authority to make  
24          loans to beginning farmers for agricultural  
25          land and improvements and depreciable  
26          agricultural property; authorizing the  
27          authority to make loans to mortgage lenders and  
28          other lenders; authorizing the authority to  
29          purchase mortgage loans and secured loans from  
30          mortgage lenders; providing powers of the  
31          authority relating to loans; providing for the

1 issuance of bonds and notes by the authority;  
2 authorizing the authority to establish bond  
3 reserve funds; providing remedies of  
4 bondholders and holders of notes; providing for  
5 the pledging of bonds by the state; providing  
6 that bonds and notes shall be considered legal  
7 investments; providing requirements with  
8 respect to funds of the authority; authorizing  
9 examination of accounts by the Auditor General;  
10 requiring a report; providing limitation of  
11 liability for members of the authority;  
12 requiring the assistance of state officers,  
13 agencies, and departments; providing for  
14 construction of the act; requiring disclosure  
15 of specified conflicts of interest; prohibiting  
16 certain participation in the event of a  
17 conflict of interest; specifying conflicts of  
18 interest with respect to the executive director  
19 of the authority; providing exemption from  
20 competitive bid laws; providing for receipt of  
21 specified trust assets by the authority;  
22 authorizing the authority to enter into  
23 specified agreements; providing for liability;  
24 providing for additional beginning farmer and  
25 loan assistance programs; authorizing  
26 additional beginning farmer loan program;  
27 requiring the authority to establish and  
28 develop an agricultural loan assistance  
29 program; providing program criteria; requiring  
30 the authority to create and develop alternative  
31 agriculture assistance programs; providing for

1 the adoption of rules with respect to  
2 enforcement of provisions relative to such  
3 programs; authorizing the authority to bring  
4 action for enforcement; providing for the  
5 transfer of specified funds to the authority;  
6 providing an effective date.  
7

8 Be It Enacted by the Legislature of the State of Florida:  
9

10 Section 1. Sections 570.251, 570.252, 570.253,  
11 570.254, 570.255, 570.256, 570.257, 570.258, 570.259, 570.260,  
12 570.261, 570.262, 570.263, 570.264, 570.265, 570.266, 570.267,  
13 570.268, 570.269, 570.270, 570.271, 570.272, 570.273, 570.274,  
14 570.275, 570.276, 570.277, 570.278, 570.279, 570.280 and  
15 570.2815, Florida Statutes, are created to read:

16 570.251 Short title.--Sections 570.251-570.2815 may be  
17 cited as the "Florida Agricultural Development Act."

18 570.252 Legislative findings.--

19 (1) The Legislature has found and determined and does  
20 hereby declare that the ability of citizens of the state to  
21 pursue agricultural enterprises or enterprises related to  
22 agribusiness has been detrimentally affected by causes and  
23 events beyond the control of the state or its citizens,  
24 including treaty-supported foreign competition, termination of  
25 long-established federal subsidy programs, and a shortage of  
26 funds from private market sources at rates of interest  
27 available under revenue bond programs available to  
28 nonagricultural industry in general. These conditions have  
29 detrimentally affected the rural agriculture industry in this  
30 state and have made the sale and purchase of agricultural land  
31 by and among family farmers a virtual impossibility in many

1 parts of this state. The ordinary operation of private  
2 enterprise has not corrected this situation. Such a state of  
3 affairs has worked to the detriment of the economy and social  
4 welfare of the state, and threatens to destroy the basic  
5 fabric of rural agriculture, such as the family farm and rural  
6 communities that depend on agribusiness. Florida farm policy  
7 should enhance opportunities for people to generate farm  
8 incomes comparable to other economic sectors. The United  
9 States Congress has recognized the need to provide assistance  
10 to the rural segment of the national economy and has  
11 instituted programs to assist family farmers and agribusiness  
12 by means of tax policy as well as loans, grants, technology  
13 transfers, and credit enhancements to qualified state  
14 agencies. The Legislature should also encourage, by all  
15 suitable means, intellectual, scientific, and agricultural  
16 improvement in the rural parts of this state. The public good  
17 is served by a policy of facilitating access to capital by  
18 beginning farmers, existing farmers, and agribusinesses unable  
19 to obtain capital elsewhere. It is therefore determined and  
20 declared that there exist conditions in the state which  
21 require the creation of a body politic with corporate power to  
22 issue notes, bonds, and other evidences of indebtedness in  
23 order to make or acquire loans for the acquisition or  
24 development of agricultural lands, improvements, and  
25 facilities. All of the purposes stated in this section are  
26 public purposes and uses for which public moneys may be  
27 borrowed, expended, advanced, loaned, or granted.

28 (2) The Legislature recognizes that many of the  
29 programs approved by Congress in the Federal Agricultural  
30 Improvement and Reform Act of 1996 that can supplement and  
31 enhance the authority's mission as established herein are in

1 the process of being implemented; therefore, the authority  
2 shall have broad powers to implement rules to carry out the  
3 purposes set forth in this act to maximize the benefits to the  
4 citizens of this state from all federal, state, local, or  
5 private programs now available, or hereafter available as they  
6 shall occur.

7 570.253 Definitions.--As used in this act, unless the  
8 context otherwise requires:

9 (1) "Agricultural improvements" means any  
10 improvements, buildings, structures, or fixtures suitable for  
11 use in farming, producing, or processing agricultural products  
12 which are located on agricultural land in this state.

13 "Agricultural improvements" includes any single-family  
14 dwelling located on agricultural land which is or will be  
15 occupied by a beginning farmer, and structures attached to or  
16 incidental to the use of the dwelling.

17 (2) "Agricultural land" means land in this state  
18 suitable for use in farming, producing, or processing  
19 agricultural products, specifically including lands so  
20 designated by the Land Acquisition and Management Advisory  
21 Council established pursuant to s. 259.035.

22 (3) "Agricultural producer" means a person that  
23 engages in the business of producing and marketing  
24 agricultural produce in this state, and shall include the word  
25 "farmer."

26 (4) "Agricultural processor" means a person that  
27 engages in the business of processing agricultural products  
28 within this state, including, but not limited to, agricultural  
29 commodities, agricultural byproducts, biomass energy and  
30 organic compost processing, and any and all products made or  
31 derived from agricultural or biomass stock as further defined

1 by the authority under rules promulgated pursuant to chapter  
2 120.

3 (5) "Authority" means the Florida Agricultural  
4 Development Authority established in s. 570.254.

5 (6) "Bankhead-Jones Farm Tenant Act" means the act  
6 cited as 50 Stat. 522 (1937), formerly codified as 7 U.S.C. s.  
7 1000 et seq., repealed by Pub. L. No. 87-128 (1961).

8 (7) "Beginning farmer" means an individual,  
9 partnership, corporation, limited liability company, limited  
10 agricultural association as defined in s. 604.11, or trust  
11 that engages in farming in this state, and includes:

12 (a) First-time farmers and family farmers as described  
13 in Internal Revenue Code section 147(c)(2), as from time to  
14 time amended;

15 (b) Existing farmers who have, or who intend to, move  
16 out of existing agricultural activities into new or  
17 alternative agricultural crops under rules promulgated by the  
18 authority; and

19 (c) Such other farmers as are from time to time  
20 designated by rules established by the authority.

21 (8) "Bonds" means bonds issued by the authority  
22 pursuant to this act.

23 (9) "Conservation farm equipment" means the  
24 specialized planters, cultivators, and tillage equipment used  
25 for reduced tillage or no-till planting of crops, including  
26 anaerobic fermentation facilities, biomass processes, and  
27 solid waste and water conservation equipment.

28 (10) "Depreciable agricultural property" means  
29 personal property suitable for use in farming for which an  
30 income tax deduction for depreciation is allowable in  
31 computing federal income tax under the Internal Revenue Code.

1           (11) "FAIR Farm Act" means the Federal Agriculture  
2 Improvement and Reform Act of 1996, 110 Stat. 889, et seq., as  
3 from time to time amended.

4           (12) "Farming" means the cultivation of land in this  
5 state for the production of any and all agricultural crops,  
6 including biomass and fiber crops, citrus crops, the raising  
7 of poultry and ratites, the production of eggs, the production  
8 of milk, the production of fruits, nuts, vegetables, flowers,  
9 ferns, or other horticultural crops, grazing and forage  
10 production, the production of swine, livestock, farm-raised  
11 deer, aquaculture, hydroponics, organics, silviculture, the  
12 production of forest products, or other such activities  
13 designated by the authority by rules subject to chapter 120.

14           (13) "Internal Revenue Code" means the Internal  
15 Revenue Code of 1986, as from time to time amended.

16           (14) "Lending institution" means a bank, credit union,  
17 trust company, mortgage company, national banking association,  
18 savings and loan association, insurance company, any state or  
19 federal governmental agency or instrumentality, including,  
20 without limitation, the federal land bank or the consolidated  
21 farm service agency or any of its local associations, or any  
22 other financial institution or entity authorized to make farm  
23 loans in this state.

24           (15) "Mortgage" means a mortgage, mortgage deed, deed  
25 of trust, or other instrument creating a first lien, subject  
26 only to title exceptions and encumbrances acceptable to the  
27 authority, including any other mortgage liens of equal  
28 standing with or subordinate to the mortgage loan retained by  
29 a seller or conveyed to a mortgage lender, on a fee interest  
30 in agricultural land and agricultural improvements.

31

1           (16) "Mortgage lender" means a bank, trust company,  
2 mortgage company, national banking association, savings and  
3 loan association, insurance company, any state or federal  
4 governmental agency or instrumentality, including, without  
5 limitation, the federal land bank or any of its local  
6 associations, or any other financial institution or public or  
7 private entity authorized to make mortgage loans or secured  
8 loans in this state.

9           (17) "Mortgage loan" means a financial obligation  
10 secured by a mortgage.

11           (18) "Note" means a bond anticipation note or other  
12 obligation or evidence of indebtedness issued by the authority  
13 pursuant to this act.

14           (19) "Soil and water conservation practices" have the  
15 meaning described in chapter 582, and shall include solid  
16 waste and waste water disposal systems, anaerobic fermentation  
17 systems, and other facilities designed to process agricultural  
18 soil, water, and matter in an environmentally responsible  
19 manner.

20           (20) "Secured loan" means a financial obligation  
21 secured by a chattel mortgage, security agreement, or other  
22 instrument creating a lien on an interest in depreciable  
23 agricultural property.

24           (21) "State agency" means any board, commission,  
25 department, public officer, or other agency or authority of  
26 the State of Florida.

27  
28 The authority may establish by rule further definitions  
29 applicable to this act and may clarify definitions in this  
30 section, as necessary to assure eligibility for funds,  
31 insurance, or guarantees available under federal, state, or



1 local laws, to assure compliance with federal tax law and  
2 regulations under the Internal Revenue Code and applicable  
3 state statutes, and to carry out the public purposes of this  
4 act.

5 570.254 Establishment of authority; powers and duties;  
6 board; earnings.--

7 (1) There is hereby created a body politic and  
8 corporate to be known as the Florida Agricultural Development  
9 Authority. The authority is constituted a public  
10 instrumentality and agency of the state exercising public and  
11 essential governmental functions. The authority is established  
12 for the purpose of undertaking:

13 (a) Programs within the state which assist farmers,  
14 beginning farmers and agribusiness in purchasing, leasing, or  
15 otherwise acquiring agricultural land, improvements,  
16 technology, and depreciable agricultural property for the  
17 purpose of farming.

18 (b) Programs that provide financing to farmers for  
19 soil and water conservation practices.

20 (c) Programs that promote diversification of the farm  
21 economy in this state through the growth and development of  
22 new crops or livestock not customarily grown or produced in  
23 this state or that emphasize a vertical integration of  
24 agricultural products produced or raised in this state into a  
25 finished agricultural product or byproduct for consumption or  
26 use.

27 (d) Programs to assist in financing operating expenses  
28 and cash-flow requirements of farming.

29  
30 The authority shall also develop programs to assist qualified  
31 producers, processors, and manufacturers of agriculture

1 products and support organizations within the state with  
2 financing research and development and other capital  
3 requirements or operating expenses.

4 (2) The powers of the authority are vested in and  
5 exercised by a board of nine members, including the  
6 commissioner or the commissioner's designee, who shall be an  
7 ex officio nonvoting member, except in the case of a tie vote.  
8 There shall be five standing members of the board who shall be  
9 designated, one each, by the following:

10 (a) The Florida Farm Bureau Federation.

11 (b) The Institute of Food and Agricultural Sciences of  
12 the University of Florida.

13 (c) The Florida Agricultural and Mechanical  
14 University.

15 (d) The Florida Agricultural Resources and  
16 Mobilization Foundation, Inc. (FARM Foundation).

17 (e) The Technological Research and Development  
18 Authority of the National Aeronautics and Space  
19 Administration.

20  
21 Additionally, three at-large members shall be appointed by the  
22 Governor, who shall include persons who represent financial  
23 institutions with experience in agricultural lending, farmers,  
24 beginning farmers, and other persons specially interested in  
25 agriculture and family farm development.

26 (3) The standing members of the board shall be  
27 appointed for terms of 4 years and the members appointed by  
28 the Governor shall serve terms of 3 years. A person appointed  
29 to fill a vacancy shall serve only for the unexpired portion  
30 of the term. A member of the board is eligible for  
31 reappointment. An appointed member may be removed from office

1 by the Governor for misfeasance, malfeasance, or willful  
2 neglect of duty or other just cause, after notice and hearing,  
3 unless the notice and hearing is expressly waived in writing.

4 An appointed member of the authority may also serve as a  
5 member of any other authority or association.

6 (4) The members shall elect a chair and a vice chair  
7 annually, and other officers as they determine; however, the  
8 executive director of the authority shall serve as secretary  
9 to the board. Meetings of the board shall be held at the call  
10 of the chair or whenever two members so request and may be  
11 held telephonically as provided in the bylaws of the  
12 authority.

13 (5) Five voting members of the board constitute a  
14 quorum and the affirmative vote of a majority of the voting  
15 members is necessary for any substantive action taken by the  
16 board. The majority shall not include any member who has a  
17 conflict of interest. A statement by a member that he or she  
18 has a conflict of interest is conclusive for this purpose. A  
19 vacancy in the membership does not impair the right of a  
20 quorum to exercise all rights and perform all duties of the  
21 board.

22 (6) The members of the board shall receive per diem  
23 and travel expenses as provided in s. 112.061 while in  
24 performance of their duties.

25 (7) The members of the board shall give bond as  
26 required by law for public officers.

27 (8) The net earnings of the authority, beyond that  
28 necessary for retirement of its notes, bonds, or other  
29 obligations or to implement authorized public purposes and  
30 programs, shall not inure to the benefit of any person other  
31 than the state. Upon termination of the existence of the

1 authority, title to all property owned by the authority,  
2 including any net earnings, shall vest in the state.

3 570.255 General powers.--The authority has all of the  
4 general powers necessary to carry out its purposes and duties,  
5 and to exercise its specific powers, including, but not  
6 limited to, the power to:

7 (1) Issue negotiable bonds and notes as provided in  
8 this act in order to finance its programs.

9 (2) Sue and be sued in its own name.

10 (3) Have and alter a corporate seal.

11 (4) Make and alter bylaws for its management and  
12 programs consistent with the provisions of this act.

13 (5) Make and execute agreements, contracts, and other  
14 instruments with any public or private entity, including, but  
15 not limited to, any federal governmental agency or  
16 instrumentality. The authority may make and execute contracts  
17 with any firm of independent certified public accountants to  
18 prepare an annual report on behalf of the authority. The  
19 authority may make and execute contracts with mortgage  
20 lenders, insurance companies, or others for the servicing of  
21 mortgage and secured loans. All political subdivisions,  
22 including federal, state, and local agencies, may enter into  
23 contracts and otherwise cooperate with the authority.

24 (6) Lease, purchase, accept a gift or donation of, or  
25 otherwise acquire, use, own, hold, improve, or otherwise deal  
26 in or with, real or personal property, and sell, convey,  
27 mortgage, pledge, lease, exchange, or otherwise dispose of any  
28 assets, loans and equity interests acquired in the financing  
29 of projects funded by the authority, and any other property or  
30 interest in property, as the board considers necessary in the  
31 transaction of the business of the authority, except that this

1 paragraph shall not provide authority for carrying out a  
2 program of real estate investment.

3 (7) Procure insurance against any loss in connection  
4 with its operations and property interests, including pool  
5 insurance on any group of mortgages or secured loans.

6 (8) Fix and collect fees and charges for its services.

7 (9) Subject to an agreement with bondholders or  
8 noteholders, invest or deposit moneys of the authority in a  
9 manner determined by the authority, notwithstanding the  
10 provisions of chapters 215 and 216.

11 (10) Accept appropriations, gifts, grants, loans, or  
12 other aid from public or private entities. A record of all  
13 gifts or grants, stating the type, amount, and donor, shall be  
14 clearly set out in the authority's annual report along with  
15 the record of other receipts.

16 (11) Provide public and private entities with  
17 technical assistance, education, counseling, and grants to  
18 assist the authority in matters related to the authority's  
19 purposes.

20 (12) In cooperation with other local, state, or  
21 federal governmental agencies or instrumentalities, conduct  
22 studies of agricultural needs of the beginning farmer,  
23 agricultural producer, and processor, and gather, compile, and  
24 exchange with similar authorities and agencies in other states  
25 data useful to facilitate decisionmaking.

26 (13) Contract with accountants, architects, attorneys,  
27 economists, engineers, housing construction and finance  
28 experts, and other advisors, or enter into contracts or  
29 agreements for such services with local, state, or federal  
30 governmental agencies.

31

1           (14) Make, enter into, and execute such contracts,  
2 agreements, leases, and other instruments with any person,  
3 partnership, corporation, limited liability company, limited  
4 agricultural association, or trust, including, without  
5 limitation, any federal, state, or local governmental agency,  
6 and take such other actions as may be necessary or convenient  
7 to accomplish any purpose for which the authority was  
8 organized or to exercise any power expressly granted  
9 hereunder.

10           (15) Subject to the provisions of chapter 120, make,  
11 alter, and repeal rules consistent with the provisions of this  
12 act.

13           570.256 Executive director.--

14           (1) The executive director of the authority shall be  
15 appointed by the board and shall serve at the pleasure of the  
16 authority. The executive director shall be selected primarily  
17 for administrative ability and knowledge in the field, without  
18 regard to political affiliation.

19           (2) The executive director shall not, directly or  
20 indirectly, exert influence to induce any other officers or  
21 employees of the state to adopt a political view, or to favor  
22 a political candidate for office.

23           (3) The executive director shall advise the authority  
24 on matters relating to agricultural land and property and  
25 finance; carry out all directives from the authority; and hire  
26 and supervise the authority's staff, which shall include a  
27 general counsel to advise and assist the executive director in  
28 carrying out the purposes of this act, pursuant to the  
29 direction of the board.

30           (4) The executive director, as secretary of the  
31 authority, shall be custodian of all books, documents, minute

1 books, seals, and papers filed with the authority. The  
2 executive director may cause to be made copies of all minutes  
3 and other records and documents of the authority and shall  
4 give certificates under the seal of the authority that the  
5 copies are true copies and that all persons dealing with the  
6 authority may rely upon the certificates.

7 (5) The executive director and authority staff shall  
8 be considered state employees for all purposes including state  
9 retirement and other benefit programs, and including the  
10 carryover of prior rights if such employee is a transferee  
11 from another state agency; except, the executive director and  
12 general counsel shall be exempt from the provisions of part II  
13 of chapter 110.

14 570.257 Annual report.--

15 (1) The authority shall submit to the Governor, the  
16 President of the Senate, and the Speaker of the House of  
17 Representatives not later than February 15 of each year a  
18 complete and economically designed and reproduced report  
19 setting forth:

20 (a) The operations and accomplishments of the  
21 authority.

22 (b) The authority's receipts and expenditures during  
23 the fiscal year, in accordance with the classifications it  
24 establishes for its operating and capital accounts.

25 (c) The authority's assets and liabilities at the end  
26 of its fiscal year and the status of reserve, special, and  
27 other funds.

28 (d) A schedule of the authority's bonds and notes  
29 outstanding at the end of its fiscal year, together with a  
30 statement of the amounts redeemed and issued during its fiscal  
31 year.

1           (e) A statement of the authority's proposed and  
2 projected activities.

3           (f) Recommendations to the Legislature, as the  
4 authority deems necessary.

5           (g) An analysis of the needs of beginning farmers and  
6 other farmers in the state, as well as of agribusiness  
7 projects funded by the authority.

8           (2) The annual report shall identify performance goals  
9 of the authority and clearly indicate the extent of progress  
10 during the reporting period in attaining the goals. Where  
11 possible, results shall be expressed in terms of number of  
12 loans and acres of agricultural land, establishment of new or  
13 alternative agricultural crops, and value-added programs for  
14 Florida farmers and agribusiness.

15           570.258 Surplus moneys.--Moneys declared by the  
16 authority to be surplus moneys that are not required to  
17 service bonds and notes, to pay administrative expenses of the  
18 authority, or to accumulate necessary operating or loss  
19 reserves shall be used by the authority to provide loans,  
20 grants, subsidies, and other services or assistance to  
21 beginning farmers or agricultural producers through any of the  
22 programs authorized in this act.

23           570.259 Combination programs.--Programs authorized in  
24 this act may be combined with any other programs authorized in  
25 this act or in any other chapter of the Florida Statutes or  
26 under any federal program or programs of any other state in  
27 order to facilitate, as far as practicable, the acquisition  
28 and ownership of agricultural land and property by beginning  
29 or existing farmers or to facilitate the implementation of  
30 soil and water conservation practices, the implementation of  
31 new and alternative agricultural crops in this state, and the



1 implementation of the technology transfer between the United  
2 States Department of Agriculture, the State of Florida, and  
3 the Technological Development Research Authority.

4 570.260 Beginning farmer loan program.--

5 (1) The authority shall develop a beginning farmer  
6 loan program to facilitate the acquisition of agricultural  
7 land and improvements and depreciable agricultural property by  
8 beginning farmers. The authority shall exercise the powers  
9 granted to it in this act in order to fulfill the goal of  
10 providing financial assistance to beginning farmers in the  
11 acquisition of agricultural land and improvements and  
12 depreciable agricultural property. The authority may  
13 participate in and cooperate with programs of the United  
14 States Department of Agriculture Consolidated Farm Service  
15 Agency, the federal land bank, or any other agency or  
16 instrumentality of the Federal Government, or with any program  
17 of any other state agency in the administration of the  
18 beginning farmer loan program and in the making or purchasing  
19 of bonds, notes, mortgages, or secured loans pursuant to this  
20 act.

21 (2) The authority may participate in any federal  
22 programs designed to assist beginning farmers or in any  
23 related federal or state programs.

24 (3) The authority shall provide by rule the criteria  
25 upon which loans to or on behalf of a beginning farmer program  
26 will be provided and shall ensure that such rules comply with  
27 the United States Internal Revenue Code, as from time to time  
28 amended, for "first-time farmers" under Section 147 of the  
29 Internal Revenue Code.

30 (4) The authority may provide in a mortgage or secured  
31 loan made or purchased pursuant to this act that the loan may

1 not be assumed or that any interest in the agricultural land  
2 or improvements or depreciable agricultural property may not  
3 be leased, sold, or otherwise conveyed without its prior  
4 written consent, and may provide a due-on-sale clause with  
5 respect to the occurrence of any of the foregoing events  
6 without its prior written consent. The authority may provide  
7 by rule the grounds for permitted assumptions of a mortgage or  
8 for the leasing, sale, or other conveyance of any interest in  
9 the agricultural land or improvements. The authority shall,  
10 however, provide and state in a mortgage or secured loan that  
11 the authority has the power to raise the interest rate of the  
12 loan to the prevailing market rate if the mortgage or secured  
13 loan is assumed by a farmer who is already established in that  
14 field at the time of the assumption of the loan.

15 (5) The authority may participate in any interest in  
16 any mortgage or secured loan made or purchased pursuant to  
17 this act with a mortgage or other lender. The participation  
18 interest may be on a parity with the interest in the mortgage  
19 or secured loan retained by the authority, equally and ratably  
20 secured by the mortgage or securing agreement securing the  
21 mortgage or secured loan.

22 570.261 Loans to beginning farmers.--

23 (1) The authority may make mortgage or secured loans,  
24 including, but not limited to, mortgage or secured loans  
25 insured, guaranteed, or otherwise secured by the Federal  
26 Government or a federal governmental agency or  
27 instrumentality, a state agency, or private mortgage insurers,  
28 to beginning farmers to provide financing for agricultural  
29 land and improvements or depreciable agricultural property.

30 (2) Mortgage or secured loans shall contain terms and  
31 provisions, including interest rates, and be in a form

1 established by rules of the authority. The authority may  
2 require the beginning farmer to execute a note, loan  
3 agreement, or other evidence of indebtedness and furnish  
4 additional assurances and guarantees, including insurance,  
5 reasonably related to protecting the security of the mortgage  
6 or secured loan, as the authority deems necessary.

7 570.262 Loans to mortgage lenders and other lenders.--

8 (1) The authority may make and contract to make loans  
9 to mortgage lenders or other lenders on terms and conditions  
10 it determines are reasonably related to protecting the  
11 security of the authority's investment and to implementing the  
12 purposes of this act. Mortgage lenders are authorized to  
13 borrow from the authority in accordance with the provisions of  
14 this section and the rules of the authority.

15 (2) The authority shall require as a condition of each  
16 loan to a mortgage lender that the mortgage lender, within a  
17 reasonable period after receipt of the loan proceeds as the  
18 authority prescribes by rule, shall have entered into written  
19 commitments to make and, within a reasonable period thereafter  
20 as the authority prescribes by rule, shall have disbursed the  
21 loan proceeds in new mortgage or secured loans to beginning  
22 farmers in an aggregate principal amount of not less than the  
23 amount of the loan. New mortgage or secured loans shall have  
24 terms and conditions as the authority prescribes by rules  
25 which are reasonably related to implementing the purposes of  
26 this act.

27 570.263 Purchase of loans.--

28 (1) The authority may purchase and make advance  
29 commitments to purchase mortgage or secured loans from  
30 mortgage lenders at prices and upon terms and conditions it  
31 determines. However, the total purchase price for all mortgage

1 or secured loans that the authority commits to purchase from a  
2 mortgage lender at any one time shall not exceed the total of  
3 the unpaid principal balances of the mortgage or secured loans  
4 purchased. Mortgage lenders are authorized to sell mortgage or  
5 secured loans to the authority in accordance with the  
6 provisions of this section and the rules of the authority.

7 (2) The authority shall require as a condition of  
8 purchase of mortgage or secured loans from mortgage lenders  
9 that the mortgage lenders certify that the mortgage or secured  
10 loans purchased are loans made to beginning farmers. Mortgage  
11 or secured loans to be made by mortgage lenders shall have  
12 such terms and conditions as the authority prescribes by rule.

13 The authority may make a commitment to purchase mortgage or  
14 secured loans from mortgage lenders in advance of the time the  
15 loans are made by mortgage lenders. The authority shall  
16 require as a condition of a commitment that mortgage lenders  
17 certify in writing that all mortgage or secured loans  
18 represented by the commitment will be made to beginning  
19 farmers and that the mortgage lender will comply with other  
20 authority specifications.

21 570.264 Powers relating to loans.--Subject to any  
22 agreement with bondholders or noteholders, the authority may  
23 renegotiate a mortgage or secured loan or a loan to a mortgage  
24 lender in default, waive a default or consent to the  
25 modification of the terms of a mortgage or secured loan or a  
26 loan to a mortgage lender, forgive or forbear all or part of a  
27 mortgage or secured loan or a loan to a mortgage lender, and  
28 commence, prosecute, and enforce a judgment in any action,  
29 including, but not limited to, a foreclosure action, to  
30 protect or enforce any right conferred upon it by law,  
31 mortgage or secured loan agreement, contract, or other

1 agreement and, in connection with any action, bid for and  
2 purchase the property or acquire or take possession of it,  
3 complete, administer, pay the principal of and interest on any  
4 obligations incurred in connection with the property, and  
5 dispose of and otherwise deal with the property in a manner  
6 the authority deems advisable to protect its interests.

7 570.265 Bonds and notes.--

8 (1) The authority may issue its negotiable bonds and  
9 notes in principal amounts that, in the opinion of the  
10 authority, are necessary to provide sufficient funds for  
11 achievement of its corporate purposes, the payment of interest  
12 on its bonds and notes, the establishment of reserves to  
13 secure its bonds and notes, and all other expenditures of the  
14 authority incident to and necessary or convenient to carry out  
15 its purposes and powers. The bonds and notes shall be deemed  
16 to be investment securities and negotiable instruments within  
17 the meaning of and for all purposes of the Uniform Commercial  
18 Code.

19 (2) Bonds and notes are payable solely and only out of  
20 the moneys, assets, or revenues of the authority and as  
21 provided in the agreement with bondholders or noteholders  
22 pledging any particular moneys, assets, or revenues. Bonds or  
23 notes are not an obligation of this state or any political  
24 subdivision of this state other than the authority within the  
25 meaning of any constitutional or statutory debt limitations,  
26 but are special obligations of the authority payable solely  
27 and only from the sources provided in this act, and the  
28 authority shall not pledge the credit or taxing power of this  
29 state or any political subdivision of this state other than  
30 the authority or make its debts payable out of any moneys  
31 except those of the authority.

1           (3) Bonds and notes must be authorized by a resolution  
2 of the authority. A resolution authorizing the issuance of  
3 bonds or notes may, however, delegate to an officer of the  
4 authority the power to negotiate and fix the details of an  
5 issue of bonds or notes by an appropriate certificate of the  
6 authorized officer.

7           (4) In addition to any notice required from time to  
8 time under the Internal Revenue Code for federally tax exempt  
9 bonds, the authority shall publish a notice of intention to  
10 issue bonds or notes in a newspaper of general circulation  
11 published in the state. The notice shall include a statement  
12 of the maximum amount of bonds or notes proposed to be issued  
13 and, in general, what net revenues will be pledged to pay the  
14 bonds or notes and interest thereon. An action shall not be  
15 brought questioning the legality of the bonds or notes or the  
16 power of the authority to issue the bonds or notes or as to  
17 the legality of any proceedings in connection with the  
18 authorization or issuance of the bonds or notes after 60 days  
19 from the date of publication of the notice.

20           (5) Bonds and notes issued by the authority for  
21 purposes of financing the beginning farmer loan program  
22 provided in s. 570.260 are exempt from all taxation by the  
23 state including, but not limited to, income, documentary stamp  
24 taxes, and intangible taxes, and interest earned on the bonds  
25 and notes is deductible in determining net income for purposes  
26 of the corporate income tax under chapter 220.

27           570.266 Reserve funds and appropriations.--The  
28 authority may create and establish one or more special funds,  
29 each to be known as a "bond reserve fund," and shall pay into  
30 each bond reserve fund any moneys appropriated and made  
31 available by the state for the purpose of the fund, any

1 proceeds of the sale of notes or bonds to the extent provided  
2 in the resolutions of the authority authorizing their  
3 issuance, and any other moneys that are available to the  
4 authority for the purpose of the fund from any other sources.  
5 Moneys held in a bond reserve fund, except as otherwise  
6 provided in this act, shall be used as required solely for the  
7 payment of the principal of bonds secured in whole or in part  
8 by the fund or of the sinking fund payments with respect to  
9 the bonds, the purchase or redemption of the bonds, the  
10 payment of interest on the bonds, or the payments of any  
11 redemption premium required to be paid when the bonds are  
12 redeemed prior to maturity.

13 570.267 Remedies of bondholders and noteholders.--

14 (1) If the authority defaults in the payment of  
15 principal or interest on an issue of bonds or notes at  
16 maturity or upon call for redemption and the default continues  
17 for a period of 30 days, or if the authority fails or refuses  
18 to comply with the provisions of this act or defaults in an  
19 agreement made with the holders of an issue of bonds or notes,  
20 the holders of 25 percent in aggregate principal amount of  
21 bonds or notes of the issue then outstanding, by instrument  
22 filed in the office of the clerk of the county in which the  
23 principal office of the authority is located and proved or  
24 acknowledged in the same manner as a deed to be recorded, may  
25 appoint a trustee to represent the holders of the bonds or  
26 notes for the purposes provided in this section.

27 (2) The authority or any trustee appointed under the  
28 indenture under which the bonds or notes are issued may, but  
29 upon written request of the holders of 25 percent in aggregate  
30 principal amount of the issue of bonds or notes then  
31 outstanding shall:

1           (a) Enforce all rights of the bondholders or  
2 noteholders, including the right to require the authority to  
3 carry out its agreements with the holders and to perform its  
4 duties under this act.

5           (b) Bring suit upon the bonds or notes.

6           (c) By action, require the authority to account as if  
7 it were the trustee of an express trust for the holders.

8           (d) By action, enjoin any acts or things that are  
9 unlawful or in violation of the rights of the holders.

10           (e) Declare all the bonds or notes due and payable  
11 and, if all defaults are made good, then with the consent of  
12 the holders of 25 percent of the aggregate principal amount of  
13 the issue of bonds or notes then outstanding annul the  
14 declaration and its consequences.

15           (3) The trustee shall also have all powers necessary  
16 or appropriate for the exercise of functions specifically set  
17 forth or incident to the general representation of bondholders  
18 or noteholders in the enforcement and protection of their  
19 rights.

20           (4) Before declaring the principal of bonds or notes  
21 due and payable, the trustee shall first give 30 days' notice  
22 in writing to the Governor, to the authority, and to the  
23 Attorney General.

24           (5) The circuit court has jurisdiction of any action  
25 by the trustee on behalf of bondholders or noteholders. The  
26 venue of the action shall be in the county in which the  
27 principal office of the authority is located.

28  
29 The bondholders or noteholders may, to the extent provided in  
30 the resolution to which the bonds or notes were issued or in  
31 its agreement with the authority, enforce any of the remedies



1 in paragraphs (2)(a)-(e) or the remedies provided in such  
2 proceedings or agreements for and on their own behalf.

3 570.268 Agreement of the state.--The state pledges and  
4 agrees with the holders of any bonds or notes that the state  
5 will not limit or alter the rights vested in the authority to  
6 fulfill the terms of agreements made with the holders of such  
7 bonds or notes or in any way impair the rights and remedies of  
8 the holders of such bonds or notes until the bonds or notes  
9 together with the interest thereon, plus interest on unpaid  
10 installments of interest, and all costs and expenses in  
11 connection with an action by or on behalf of the holders of  
12 such bonds are fully met and discharged. The authority may  
13 include this pledge and agreement of the state in any  
14 agreement with the holders of bonds or notes.

15 570.269 Bonds and notes as legal investments.--Bonds  
16 and notes are securities in which public officers, state  
17 departments and agencies, political subdivisions, pension and  
18 retirement funds, insurance companies and other persons  
19 carrying on an insurance business, banks, trust companies,  
20 savings and loan associations, investment companies, credit  
21 unions, and other persons carrying on a banking business,  
22 administrators, executors, guardians, conservators, trustees  
23 and other fiduciaries, and other persons authorized to invest  
24 in bonds or other obligations of this state may properly and  
25 legally invest funds, including capital in their control or  
26 belonging to them. Bonds and notes are also securities that  
27 may be deposited with and received by public officers, state  
28 departments and agencies, and political subdivisions for any  
29 purpose for which the deposit of bonds or other obligations of  
30 this state is authorized.

31 570.270 Moneys of the authority.--

1           (1) Moneys of the authority, except as otherwise  
2 provided in this act, shall be paid to the authority and shall  
3 be deposited in a bank or other financial institution  
4 designated by the authority. The moneys of the authority shall  
5 be withdrawn on the order of the person authorized by the  
6 authority. Deposits shall be secured in the manner determined  
7 by the authority. The Auditor General may periodically examine  
8 the accounts and books of the authority, including its  
9 receipts, disbursements, contracts, leases, sinking funds,  
10 investments, and any other records and papers relating to its  
11 financial standing. The authority shall not be required to pay  
12 a fee for the examination.

13           (2) The authority may contract with holders of its  
14 bonds or notes as to the custody, collection, security,  
15 investment, and payment of moneys of the authority, of moneys  
16 held in trust or otherwise for the payment of bonds or notes  
17 and to carry out the contract. Moneys held in trust or  
18 otherwise for the payment of bonds or notes or in any way to  
19 secure bonds or notes and deposits of the moneys may be  
20 secured in the same manner as moneys of the authority, and  
21 banks and trust companies may give security for the deposits.

22           (3) Subject to the provisions of any contract with  
23 bondholders or noteholders, the authority shall prescribe a  
24 system of accounts.

25           (4) The authority shall submit to the Governor, the  
26 Auditor General, the President of the Senate, and the Speaker  
27 of the House of Representatives within 30 days of receipt by  
28 the authority a copy of the report of every external  
29 examination of the books and accounts of the authority other  
30 than copies of the reports of examinations made by the Auditor  
31 General.

1           570.271 Limitation of liability.--Members of the  
2 authority and persons acting in its behalf, while acting  
3 within the scope of their employment or agency, are not  
4 subject to personal liability resulting from carrying out the  
5 powers and duties given in this act, and the authority may  
6 carry such insurance or other indemnification for any actions  
7 arising out of such duties.

8           570.272 Assistance by state officers, agencies, and  
9 departments.--State officers, departments, and agencies shall  
10 render services to the authority within their respective  
11 functions as requested by the authority. The authority shall  
12 present to the Division of Bond Finance of the State Board of  
13 Administration, on or before the first business day of each  
14 calendar year, its projected volume cap requirements pursuant  
15 to s. 146 of the Internal Revenue Code, by county, for the  
16 ensuing year. The division shall reserve such volume cap  
17 allocations for the aggregate amount of the bonds of the  
18 authority for such year.

19           570.273 Liberal interpretation.--This act, being  
20 necessary for the welfare of this state and its inhabitants,  
21 shall be liberally construed to effect its purposes.

22           570.274 Conflicts of interest.--

23           (1) If a member or employee other than the executive  
24 director of the authority has an interest, either direct or  
25 indirect, in a contract to which the authority is or is to be  
26 a party or in a mortgage lender or other lender requesting a  
27 loan from or offering to sell mortgage or secured loans to the  
28 authority, the interest shall be disclosed to the authority in  
29 writing and shall be set forth in the minutes of the  
30 authority. The member or employee having the interest shall  
31

1 not participate in an action by the authority with respect to  
2 such contract or mortgage lender or other lender.

3 (2) This section does not limit the right of a member,  
4 officer, or employee of the authority to acquire an interest  
5 in bonds or notes or limit the right of a member or employee  
6 other than the executive director to have an interest in a  
7 bank, insurance company, or other financial institution in  
8 which the funds of the authority are deposited or which is  
9 acting as trustee or paying agent under a trust indenture to  
10 which the authority is a party; nor does this section, except  
11 as to the disclosures required by subsection (1), preclude an  
12 insurance company or financial institution in which an  
13 authority board member or employee, other than the executive  
14 director, has an interest from placing insurance, funding  
15 bonds, or acquiring or selling notes, mortgages, or other  
16 obligations of the authority.

17 (3) The executive director shall not have an interest  
18 in a bank or other financial institution in which the funds of  
19 the authority are deposited or which is acting as trustee or  
20 paying agent under a trust indenture to which the authority is  
21 a party. The executive director shall not receive, in addition  
22 to fixed salary or compensation, any money or valuable thing,  
23 either directly or indirectly or through any substantial  
24 interest in any other corporation or business unit, for  
25 negotiating, procuring, recommending, or aiding in any  
26 purchase or sale of property or loan made by the authority,  
27 nor shall the executive director be pecuniarily interested,  
28 either as principal, co-principal, agent, or beneficiary,  
29 either directly or indirectly or through any substantial  
30 interest in any other corporation or business unit, in any  
31 purchase, sale, or loan.

1           570.275 Exemption from competitive bid laws.--The  
2 authority and all contracts made by it in carrying out its  
3 public and essential governmental functions shall be exempt  
4 from the laws of the state which provide for competitive bids  
5 in connection with such contracts.

6           570.276 Trust assets.--The authority shall make  
7 application to, and receive from, the United States Secretary  
8 of Agriculture, or any other proper federal official, pursuant  
9 and subject to the provisions of Pub. L. No. 499, 64 Stat. 152  
10 (1950), formerly codified 40 U.S.C. 440 et seq. (1976), all of  
11 the trust assets held by the United States in trust for the  
12 Florida Rural Rehabilitation Corporation, now dissolved.

13           570.277 Agreements.--The authority may enter into  
14 agreements with the United States Secretary of Agriculture  
15 pursuant to Pub. L. No. 499 s. 2(f) (1950) upon terms and  
16 conditions and for periods of time as are mutually agreeable,  
17 authorizing the authority to accept, administer, expend, and  
18 use in the State of Florida all or any part of the trust  
19 assets or other funds in the state which have been  
20 appropriated for use in carrying out the purposes of the  
21 Bankhead-Jones Farm Tenant Act and to do any and all things  
22 necessary to effectuate and carry out the purposes of said  
23 agreements.

24           570.278 Liability.--The United States, the authority,  
25 and the United States Secretary of Agriculture shall be held  
26 free from liability by virtue of the transfer of assets to the  
27 Florida Agricultural Development Authority as specified in  
28 this act.

29           570.279 Additional beginning farmer loan program.--  
30           (1) The authority may enter into a loan agreement with  
31 a beginning farmer to finance, in whole or in part, the

1 acquisition by construction or purchase of agricultural land,  
2 agricultural improvements, or depreciable agricultural  
3 property in excess of the limits of s. 147 of the Internal  
4 Revenue Code, as from time to time amended. The repayment  
5 obligation of the beginning farmer may be unsecured, or may be  
6 secured by a mortgage or security agreement or by other  
7 security as the authority deems advisable, and may be  
8 evidenced by one or more notes of the beginning farmer and may  
9 be in conjunction with other federal, state, or local loan  
10 programs or grants or by the authority alone. The loan  
11 agreement may contain terms and conditions as the authority  
12 deems advisable, as provided by rule.

13 (2) The authority may issue its bonds and notes for  
14 the purposes set forth in subsection (1) and may enter into a  
15 lending agreement or purchase agreement with one or more  
16 bondholders or noteholders containing the terms and conditions  
17 of the repayment of and the security for the bonds or notes.  
18 Bonds and notes must be authorized by a resolution of the  
19 authority. The authority and the bondholders or noteholders  
20 may enter into such agreements as provided by rule.

21 570.280 Agricultural loan assistance program.--

22 (1) The authority shall establish and develop an  
23 agricultural loan assistance program to facilitate the  
24 availability of affordable operating capital to farmers,  
25 agricultural producers, or agricultural processors by  
26 providing grants to lending or educational institutions as  
27 provided by this section.

28 (2) The authority shall make available to farmers and  
29 lending institutions eligibility application forms for the  
30 agricultural loan assistance program. Applications to the  
31 authority for assistance under this section shall be executed

1 jointly by the lending institution and the farmer upon  
2 approved forms.

3 (3) The authority shall provide in the agricultural  
4 loan assistance program that a grant will be provided in  
5 conjunction with a farmer's operating loan only if the  
6 following criteria are satisfied:

7 (a) The farmer is a resident of the state.

8 (b) The farmer is an individual, a partnership,  
9 corporation, limited liability corporation, trust, or limited  
10 agricultural association.

11 (c) The farming operation in which the farmer will use  
12 the operating loan is located within the state.

13 (d) The operating loan will be used by the farmer for  
14 reasonable and necessary expenses and cash flow requirements  
15 of farming as defined by rules of the authority.

16 (e) The farmer has made full disclosure of the  
17 farmer's finances to the lending institution and to the  
18 authority, to the extent required by the authority.

19 (f) Additional requirements prescribed by the  
20 authority by rule may include, but are not limited to:

21 1. Participation in federal crop insurance programs,  
22 where available.

23 2. A consideration of the borrower's agreement to  
24 maintain farm management techniques and standards established  
25 by the authority.

26 3. Participation in federal farm programs, where  
27 applicable.

28 4. The maximized use of available loan guarantees  
29 where applicable.

30 5. A consideration of factors demonstrating the  
31 farmer's need for operating loan assistance and the

1 probability of success with the assistance in the farming  
2 operation in which the operating loan will be used, including  
3 net worth, debt-to-asset ratio, debt service coverage ratio,  
4 projected income, and projected cash flow under rules  
5 promulgated by the authority.

6 (4) The authority may participate in and cooperate  
7 with programs of an agency or instrumentality of the Federal  
8 Government in the administration of the agricultural loan  
9 assistance program. The authority may provide in the  
10 agricultural loan assistance program that a grant may be  
11 provided in conjunction with a farmer's operating loan only if  
12 the farmer and lending institution participate in one or more  
13 operating loan assistance programs of an agency or  
14 instrumentality of the Federal Government which are determined  
15 to be appropriate by the authority.

16 (5) Upon approval of an eligibility application and a  
17 determination by the authority that assistance pursuant to the  
18 agricultural loan assistance program is needed to qualify a  
19 farmer and lending institution for participation in an  
20 appropriate operating loan assistance program of an agency or  
21 instrumentality of the Federal Government, the authority may:

22 (a) Enter into an agreement with the lending  
23 institution and the farmer to supplement the assistance to be  
24 received pursuant to the federal program, in which agreement  
25 the lending institution shall agree to reduce for up to 3  
26 years the interest rate on the farmer's operating loan to the  
27 rate determined by the authority to be necessary to qualify  
28 the farmer and lending institution for participation in the  
29 federal program, and the farmer shall agree to comply with the  
30 rules and requirements established by the authority.

31



1           (b) Agree to give the lending institution, for the  
2 benefit of the farmer, a grant in an amount to be determined  
3 by the authority to partially reimburse the lending  
4 institution for the reduction of the interest rate on the  
5 farmer's operating loan under rules established by the  
6 authority.

7           (6) Notwithstanding the provisions of subsections (4)  
8 and (5), upon approval of an eligibility application and a  
9 determination by the authority that operating loan assistance  
10 will not be available to an individual farmer and lending  
11 institution on a timely basis pursuant to an appropriate  
12 program of the Federal Government, the authority may:

13           (a) Enter into an agreement with the lending  
14 institution and the farmer in which the lending institution  
15 shall agree to reduce for up to 3 years the interest rate on  
16 the farmer's operating loan to a rate, determined by the  
17 authority, below the lending institution's farm operating loan  
18 rate as certified to the authority, and the farmer shall agree  
19 to comply with the rules and requirements established by the  
20 authority.

21           (b) Agree to give to the lending institution, for the  
22 benefit of the farmer, a grant in the amount, as determined by  
23 the authority, up to 3 percent per annum of up to \$100,000 of  
24 the principal balance of the farmer's operating loan  
25 outstanding from time to time, for the term of the loan or for  
26 3 years, whichever is less, to partially reimburse the lending  
27 institution for the reduction of the interest rate on the  
28 borrower's operating loan. However, the grant shall not exceed  
29 50 percent of the amount of interest foregone by the lending  
30 institution pursuant to the rate reduction under paragraph

31 (a).

1           (7) The authority may require a lending institution to  
2 submit evidence satisfactory to the authority that the lending  
3 institution has complied with the reduction in the interest  
4 rate as required by an agreement pursuant to subsection (5) or  
5 subsection (6). The authority may inspect any books and  
6 records of a lending institution which are pertinent to the  
7 administration of the agricultural loan assistance program.

8           (8) In order to assure compliance with this section  
9 and rules adopted pursuant to this section, the authority may  
10 establish by rule appropriate enforcement provisions,  
11 including, but not limited to, the payment of civil penalties  
12 by a lending institution or farmer.

13           570.2815 Alternative agriculture assistance  
14 programs.--

15           (1) The authority shall create and develop programs to  
16 assist farmers, agricultural producers, and agricultural  
17 processors who have established or intend to establish in this  
18 state alternative agriculture production operations,  
19 including, but not limited to, the following assistance:

20           (a) Insurance or loan guarantee program.--An insurance  
21 or loan guarantee program to provide for the insuring or  
22 guaranteeing of all or part of a loan made to an agricultural  
23 producer for the acquisition of seed or root stock to  
24 establish or expand an alternative agriculture operation.

25           (b) Interest buy-down program.--The authority may  
26 contract with a participating lending institution and a  
27 qualified agricultural producer to reduce the interest rate  
28 charged on a loan for the acquisition of seed or root stock to  
29 establish or expand an alternative agriculture operation. The  
30 authority shall determine the amount by which the rate is  
31 reduced by considering the lending institution's customary

1 loan rate for the acquisition of seed or root stock as  
2 certified to the authority by the lending institution. As part  
3 of the contract, in order to partially reimburse the lending  
4 institution for the reduction of the interest rate on the  
5 loan, the authority may agree to grant the lending institution  
6 any amount foregone by reducing the interest rate on that  
7 portion of the loan which is \$100,000 or less. The amount  
8 reimbursed, however, may not be more than the lesser of the  
9 following:

10 1. Three percent per annum of the principal balance of  
11 the loan outstanding at any time for the term of the loan or  
12 within 1 year from the loan initiation date as defined by  
13 rules adopted by the authority, whichever is less.

14 2. Fifty percent of the amount of interest foregone by  
15 the lending institution on the loan.

16 (c) Cost-sharing program.--The authority may contract  
17 with an agricultural producer to reimburse the producer for  
18 the cost of converting land planted in row crops or pasture to  
19 alternative agricultural crops. The amount reimbursed,  
20 however, shall not be more than \$250 per acre converted, or 50  
21 percent of the conversion costs, whichever is less. The  
22 contract shall apply to not more than 500 acres of crop or  
23 pasture land converted to alternative agricultural crops. The  
24 converted land shall be utilized in alternative agriculture  
25 production for a minimum of 5 years. The amount to be  
26 reimbursed shall be reduced by the amount that the farmer,  
27 agricultural producer, or agricultural processor receives  
28 under any other state or federal program that contributes  
29 toward the cost of converting the same land from established  
30 to alternative agricultural crops.

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1           (d) Management assistance and training program.--The  
2 authority in cooperation with any agency or instrumentality of  
3 the Federal Government or with any state agency, including any  
4 state university or those associations organized for the  
5 purpose of assisting agricultural producers involved in  
6 alternative agriculture production, or with any farm  
7 management company if such company specializes in alternative  
8 agriculture production or in assisting alternative agriculture  
9 producers, as prescribed by rules adopted by the authority,  
10 shall establish programs to train and assist agricultural  
11 producers to effectively manage alternative agriculture  
12 production operations.

13           (2) An agricultural producer or processor shall be  
14 eligible to participate in a program established under this  
15 section based upon criteria established by rules of the  
16 authority.

17           (3) The authority shall adopt rules to enforce the  
18 provisions of this section or the terms of a contract to which  
19 the authority is a party. The authority may also enforce the  
20 provisions of this section or terms of the contract by  
21 bringing an action in any court of competent jurisdiction to  
22 recover damages. As a condition of entering into the program,  
23 the authority may require that the agricultural producer  
24 consent to the jurisdiction of the courts of this state to  
25 hear any matter arising from the provisions of this section.

26           Section 2. All funds previously appropriated for the  
27 Rural Community Development Revolving Loan Fund established by  
28 s. 288.065, Florida Statutes, and remaining in the Rural  
29 Community Development Revolving Fund are hereby transferred to  
30 the Florida Agricultural Development Authority as created by  
31 this act.

1           Section 3. This act shall take effect July 1 of the  
2 year in which it is enacted or upon becoming a law, whichever  
3 is earlier.  
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LEGISLATIVE SUMMARY

Creates the "Florida Agricultural Development Act."  
Provides legislative findings. Defines terms for purposes of the act. Establishes the Florida Agricultural Development Authority for the purpose of undertaking programs to assist farmers, beginning farmers, and agribusiness concerns in the purchase, lease, and acquisition of agricultural land, improvements, and technology, programs aimed at soil and water conservation, and programs that promote diversification of Florida's farm economy. Provides powers and duties of the authority. Provides for membership of a board. Provides for terms of board members and for organization of the board. Provides for the appointment of an executive director and specifies duties. Requires an annual report. Provides for the use of surplus moneys by the authority. Provides for combination of state and federal programs to facilitate the purposes of the authority.

Establishes a beginning farmer loan program. Provides purposes of the loan program. Authorizes the authority to participate in federal programs. Requires the authority to provide for loan criteria by rule. Authorizes the authority to provide loan requirements. Authorizes the authority to make loans to beginning farmers for agricultural land and improvements and depreciable agricultural property. Authorizes the authority to make loans to mortgage lenders and other lenders. Authorizes the authority to purchase mortgage loans and secured loans from mortgage lenders. Provides powers of the authority relating to loans.

Provides for the issuance of bonds and notes by the authority. Authorizes the authority to establish bond reserve funds. Provides remedies of bondholders and holders of notes.

Provides requirements with respect to funds of the authority. Authorizes examination of accounts by the Auditor General. Requires a report. Provides limitation of liability for members of the authority. Requires the assistance of state officers, agencies, and departments. Requires disclosure of specified conflicts of interest and prohibits certain participation in the event of a conflict of interest. Specifies conflicts of interest with respect to the executive director of the authority. Provides exemption from competitive bidding laws. Provides for receipt of specified trust assets by the authority. Authorizes the authority to enter into specified agreements.

Provides for additional beginning farmer and loan assistance programs. Requires the authority to establish

1 and develop an agricultural loan assistance program.  
2 Provides program criteria. Requires the authority to  
3 create and develop alternative agriculture assistance  
4 programs. Provides for the adoption of rules with respect  
5 to enforcement of provisions relative to such programs.  
6 Authorizes the authority to bring action for enforcement.  
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8 Provides for the transfer of specified funds to the  
9 authority.  
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