

By the Committee on Agriculture and Senator Cowin

303-1948A-98

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; creating s. 159.8082,
5 F.S.; establishing the agricultural development
6 bond pool; amending s. 159.804, F.S.; providing
7 for specific allocations of state volume
8 limitations to the agricultural development
9 pool; amending s. 159.809; specifying
10 provisions for bond issuance reports not
11 received; providing an effective date.

12
13 Be It Enacted by the Legislature of the State of Florida:

14
15 Section 1. Sections 570.251, 570.252, 570.253,
16 570.254, 570.255, 570.256, 570.257, 570.258, 570.259, 570.260,
17 570.261, 570.262, 570.263, 570.264, 570.265, 570.266, 570.267,
18 570.268, 570.269, 570.270, 570.271, 570.272, 570.273, 570.274,
19 570.275, 570.276, 570.277, 570.278, 570.279, 570.280 and
20 570.2815, Florida Statutes, are created to read:

21 570.251 Short title.--Sections 570.251-570.2815 may be
22 cited as the "Florida Agricultural Development Act."

23 570.252 Legislative findings.--

24 (1) The Legislature has found and determined and does
25 hereby declare that the ability of citizens of the state to
26 pursue agricultural enterprises or enterprises related to
27 agribusiness has been detrimentally affected by causes and
28 events beyond the control of the state or its citizens,
29 including treaty-supported foreign competition, termination of
30 long-established federal subsidy programs, and a shortage of
31 funds from private market sources at rates of interest

1 available under revenue bond programs available to
2 nonagricultural industry in general. These conditions have
3 detrimentally affected the rural agriculture industry in this
4 state and have made the sale and purchase of agricultural land
5 by and among family farmers a virtual impossibility in many
6 parts of this state. The ordinary operation of private
7 enterprise has not corrected this situation. Such a state of
8 affairs has worked to the detriment of the economy and social
9 welfare of the state, and threatens to destroy the basic
10 fabric of rural agriculture, such as the family farm and rural
11 communities that depend on agribusiness. Florida farm policy
12 should enhance opportunities for people to generate farm
13 incomes comparable to other economic sectors. The United
14 States Congress has recognized the need to provide assistance
15 to the rural segment of the national economy and has
16 instituted programs to assist family farmers and agribusiness
17 by means of tax policy as well as loans, grants, technology
18 transfers, and credit enhancements to qualified state
19 agencies. The Legislature should also encourage, by all
20 suitable means, intellectual, scientific, and agricultural
21 improvement in the rural parts of this state. The public good
22 is served by a policy of facilitating access to capital by
23 beginning farmers, existing farmers, and agribusinesses unable
24 to obtain capital elsewhere. It is therefore determined and
25 declared that there exist conditions in the state which
26 require the creation of a body politic with corporate power to
27 issue notes, bonds, and other evidences of indebtedness in
28 order to make or acquire loans for the acquisition or
29 development of agricultural lands, improvements, and
30 facilities. All of the purposes stated in this section are
31

1 public purposes and uses for which public moneys may be
2 borrowed, expended, advanced, loaned, or granted.

3 (2) The Legislature recognizes that many of the
4 programs approved by Congress in the Federal Agricultural
5 Improvement and Reform Act of 1996 that can supplement and
6 enhance the authority's mission as established herein are in
7 the process of being implemented; therefore, the authority
8 shall have broad powers to implement rules to carry out the
9 purposes set forth in this act to maximize the benefits to the
10 citizens of this state from all federal, state, local, or
11 private programs now available, or hereafter available as they
12 shall occur.

13 570.253 Definitions.--As used in this act, unless the
14 context otherwise requires:

15 (1) "Agricultural improvements" means any
16 improvements, buildings, structures, or fixtures suitable for
17 use in farming, producing, or processing agricultural products
18 which are located on agricultural land in this state.

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

23 (2) "Agricultural land" means land in this state
24 suitable for use in farming, producing, or processing
25 agricultural products, specifically including lands so
26 designated by the Land Acquisition and Management Advisory
27 Council established pursuant to s. 259.035.

28 (3) "Agricultural producer" means a person that
29 engages in the business of producing and marketing
30 agricultural produce in this state, and shall include the word
31 "farmer."

1 (4) "Agricultural processor" means a person that
2 engages in the business of processing agricultural products
3 within this state, including, but not limited to, agricultural
4 commodities, agricultural byproducts, biomass energy and
5 organic compost processing, and any and all products made or
6 derived from agricultural or biomass stock as further defined
7 by the authority under rules promulgated pursuant to chapter
8 120.

9 (5) "Authority" means the Florida Agricultural
10 Development Authority established in s. 570.254.

11 (6) "Bankhead-Jones Farm Tenant Act" means the act
12 cited as 50 Stat. 522 (1937), formerly codified as 7 U.S.C. s.
13 1000 et seq., repealed by Pub. L. No. 87-128 (1961).

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

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

21 (b) Existing farmers who have, or who intend to, move
22 out of existing agricultural activities into new or
23 alternative agricultural crops under rules promulgated by the
24 authority; and

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

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

29 (9) "Conservation farm equipment" means the
30 specialized planters, cultivators, and tillage equipment used
31 for reduced tillage or no-till planting of crops, including

1 anaerobic fermentation facilities, biomass processes, and
2 solid waste and water conservation equipment.

3 (10) "Depreciable agricultural property" means
4 personal property suitable for use in farming for which an
5 income tax deduction for depreciation is allowable in
6 computing federal income tax under the Internal Revenue Code.

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

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

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

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

30 (15) "Mortgage" means a mortgage, mortgage deed, deed
31 of trust, or other instrument creating a first lien, subject

1 only to title exceptions and encumbrances acceptable to the
2 authority, including any other mortgage liens of equal
3 standing with or subordinate to the mortgage loan retained by
4 a seller or conveyed to a mortgage lender, on a fee interest
5 in agricultural land and agricultural improvements.

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

14 (17) "Mortgage loan" means a financial obligation
15 secured by a mortgage.

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

19 (19) "Soil and water conservation practices" have the
20 meaning described in chapter 582, and shall include solid
21 waste and waste water disposal systems, anaerobic fermentation
22 systems, and other facilities designed to process agricultural
23 soil, water, and matter in an environmentally responsible
24 manner.

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

29 (21) "State agency" means any board, commission,
30 department, public officer, or other agency or authority of
31 the State of Florida.

1
2 The authority may establish by rule further definitions
3 applicable to this act and may clarify definitions in this
4 section, as necessary to assure eligibility for funds,
5 insurance, or guarantees available under federal, state, or
6 local laws, to assure compliance with federal tax law and
7 regulations under the Internal Revenue Code and applicable
8 state statutes, and to carry out the public purposes of this
9 act.

10 570.254 Establishment of authority; powers and duties;
11 board; earnings.--

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

18 (a) Programs within the state which assist farmers,
19 beginning farmers and agribusiness in purchasing, leasing, or
20 otherwise acquiring agricultural land, improvements,
21 technology, and depreciable agricultural property for the
22 purpose of farming.

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

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

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

3
4 The authority shall also develop programs to assist qualified
5 producers, processors, and manufacturers of agriculture
6 products and support organizations within the state with
7 financing research and development and other capital
8 requirements or operating expenses.

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

15 (a) The Florida Farm Bureau Federation.

16 (b) The Institute of Food and Agricultural Sciences of
17 the University of Florida.

18 (c) The Florida Agricultural and Mechanical
19 University.

20 (d) The Florida Agricultural Resources and
21 Mobilization Foundation, Inc. (FARM Foundation).

22 (e) The Technological Research and Development
23 Authority.

24
25 Additionally, three at-large members shall be appointed by the
26 Commissioner of Agriculture, who shall include persons who
27 represent financial institutions with experience in
28 agricultural lending, farmers, beginning farmers, and other
29 persons specially interested in agriculture and family farm
30 development.

31

1 (3) The standing members of the board shall be
2 appointed for terms of 4 years and the members appointed by
3 the Commissioner of Agriculture shall serve terms of 3 years.
4 A person appointed to fill a vacancy shall serve only for the
5 unexpired portion of the term. A member of the board is
6 eligible for reappointment. An appointed member may be
7 removed from office by the Commissioner of Agriculture for
8 misfeasance, malfeasance, or willful neglect of duty or other
9 just cause, after notice and hearing, unless the notice and
10 hearing is expressly waived in writing. An appointed member
11 of the authority may also serve as a member of any other
12 authority or association.

13 (4) The members shall elect a chair and a vice chair
14 annually, and other officers as they determine; however, the
15 executive director of the authority shall serve as secretary
16 to the board. Meetings of the board shall be held at the call
17 of the chair or whenever two members so request and may be
18 held telephonically as provided in the bylaws of the
19 authority.

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

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

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

3 (8) The net earnings of the authority, beyond that
4 necessary for retirement of its notes, bonds, or other
5 obligations or to implement authorized public purposes and
6 programs, shall not inure to the benefit of any person other
7 than the state. Upon termination of the existence of the
8 authority, title to all property owned by the authority,
9 including any net earnings, shall vest in the state.

10 570.255 General powers.--The authority has all of the
11 general powers necessary to carry out its purposes and duties,
12 and to exercise its specific powers, including, but not
13 limited to, the power to:

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

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

17 (3) Have and alter a corporate seal.

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

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

31

1 (6) Lease, purchase, accept a gift or donation of, or
2 otherwise acquire, use, own, hold, improve, or otherwise deal
3 in or with, real or personal property, and sell, convey,
4 mortgage, pledge, lease, exchange, or otherwise dispose of any
5 assets, loans and equity interests acquired in the financing
6 of projects funded by the authority, and any other property or
7 interest in property, as the board considers necessary in the
8 transaction of the business of the authority, except that this
9 paragraph shall not provide authority for carrying out a
10 program of real estate investment.

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

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

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

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

24 (11) Provide public and private entities with
25 technical assistance, education, counseling, and grants to
26 assist the authority in matters related to the authority's
27 purposes.

28 (12) In cooperation with other local, state, or
29 federal governmental agencies or instrumentalities, conduct
30 studies of agricultural needs of the beginning farmer,
31 agricultural producer, and processor, and gather, compile, and

1 exchange with similar authorities and agencies in other states
2 data useful to facilitate decisionmaking.

3 (13) Contract with accountants, architects, attorneys,
4 economists, engineers, housing construction and finance
5 experts, and other advisors, or enter into contracts or
6 agreements for such services with local, state, or federal
7 governmental agencies.

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

17 (15) Subject to the provisions of chapter 120, make,
18 alter, and repeal rules consistent with the provisions of this
19 act.

20 570.256 Executive director.--

21 (1) The executive director of the authority shall be
22 appointed by the board and shall serve at the pleasure of the
23 authority. The executive director shall be selected primarily
24 for administrative ability and knowledge in the field, without
25 regard to political affiliation.

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

30 (3) The executive director shall advise the authority
31 on matters relating to agricultural land and property and

1 finance; carry out all directives from the authority; and hire
2 and supervise the authority's staff, which shall include a
3 general counsel to advise and assist the executive director in
4 carrying out the purposes of this act, pursuant to the
5 direction of the board.

6 (4) The executive director, as secretary of the
7 authority, shall be custodian of all books, documents, minute
8 books, seals, and papers filed with the authority. The
9 executive director may cause to be made copies of all minutes
10 and other records and documents of the authority and shall
11 give certificates under the seal of the authority that the
12 copies are true copies and that all persons dealing with the
13 authority may rely upon the certificates.

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.

12 570.273 Liberal interpretation.--This act, being
13 necessary for the welfare of this state and its inhabitants,
14 shall be liberally construed to effect its purposes.

15 570.274 Conflicts of interest.--

16 (1) If a member or employee other than the executive
17 director of the authority has an interest, either direct or
18 indirect, in a contract to which the authority is or is to be
19 a party or in a mortgage lender or other lender requesting a
20 loan from or offering to sell mortgage or secured loans to the
21 authority, the interest shall be disclosed to the authority in
22 writing and shall be set forth in the minutes of the
23 authority. The member or employee having the interest shall
24 not participate in an action by the authority with respect to
25 such contract or mortgage lender or other lender.

26 (2) This section does not limit the right of a member,
27 officer, or employee of the authority to acquire an interest
28 in bonds or notes or limit the right of a member or employee
29 other than the executive director to have an interest in a
30 bank, insurance company, or other financial institution in
31 which the funds of the authority are deposited or which is

1 acting as trustee or paying agent under a trust indenture to
2 which the authority is a party; nor does this section, except
3 as to the disclosures required by subsection (1), preclude an
4 insurance company or financial institution in which an
5 authority board member or employee, other than the executive
6 director, has an interest from placing insurance, funding
7 bonds, or acquiring or selling notes, mortgages, or other
8 obligations of the authority.

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

24 570.275 Exemption from competitive bid laws.--The
25 authority and all contracts made by it in carrying out its
26 public and essential governmental functions shall be exempt
27 from the laws of the state which provide for competitive bids
28 in connection with such contracts.

29 570.276 Trust assets.--The authority shall make
30 application to, and receive from, the United States Secretary
31 of Agriculture, or any other proper federal official, pursuant

1 and subject to the provisions of Pub. L. No. 499, 64 Stat. 152
2 (1950), formerly codified 40 U.S.C. 440 et seq. (1976), all of
3 the trust assets held by the United States in trust for the
4 Florida Rural Rehabilitation Corporation, now dissolved.

5 570.277 Agreements.--The authority may enter into
6 agreements with the United States Secretary of Agriculture
7 pursuant to Pub. L. No. 499 s. 2(f) (1950) upon terms and
8 conditions and for periods of time as are mutually agreeable,
9 authorizing the authority to accept, administer, expend, and
10 use in the State of Florida all or any part of the trust
11 assets or other funds in the state which have been
12 appropriated for use in carrying out the purposes of the
13 Bankhead-Jones Farm Tenant Act and to do any and all things
14 necessary to effectuate and carry out the purposes of said
15 agreements.

16 570.278 Liability.--The United States, the authority,
17 and the United States Secretary of Agriculture shall be held
18 free from liability by virtue of the transfer of assets to the
19 Florida Agricultural Development Authority as specified in
20 this act.

21 570.279 Additional beginning farmer loan program.--
22 (1) The authority may enter into a loan agreement with
23 a beginning farmer to finance, in whole or in part, the
24 acquisition by construction or purchase of agricultural land,
25 agricultural improvements, or depreciable agricultural
26 property in excess of the limits of s. 147 of the Internal
27 Revenue Code, as from time to time amended. The repayment
28 obligation of the beginning farmer may be unsecured, or may be
29 secured by a mortgage or security agreement or by other
30 security as the authority deems advisable, and may be
31 evidenced by one or more notes of the beginning farmer and may

1 be in conjunction with other federal, state, or local loan
2 programs or grants or by the authority alone. The loan
3 agreement may contain terms and conditions as the authority
4 deems advisable, as provided by rule.

5 (2) The authority may issue its bonds and notes for
6 the purposes set forth in subsection (1) and may enter into a
7 lending agreement or purchase agreement with one or more
8 bondholders or noteholders containing the terms and conditions
9 of the repayment of and the security for the bonds or notes.
10 Bonds and notes must be authorized by a resolution of the
11 authority. The authority and the bondholders or noteholders
12 may enter into such agreements as provided by rule.

13 570.280 Agricultural loan assistance program.--

14 (1) The authority shall establish and develop an
15 agricultural loan assistance program to facilitate the
16 availability of affordable operating capital to farmers,
17 agricultural producers, or agricultural processors by
18 providing grants to lending or educational institutions as
19 provided by this section.

20 (2) The authority shall make available to farmers and
21 lending institutions eligibility application forms for the
22 agricultural loan assistance program. Applications to the
23 authority for assistance under this section shall be executed
24 jointly by the lending institution and the farmer upon
25 approved forms.

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

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

31

1 (b) The farmer is an individual, a partnership,
2 corporation, limited liability corporation, trust, or limited
3 agricultural association.

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

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

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

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

14 1. Participation in federal crop insurance programs,
15 where available.

16 2. A consideration of the borrower's agreement to
17 maintain farm management techniques and standards established
18 by the authority.

19 3. Participation in federal farm programs, where
20 applicable.

21 4. The maximized use of available loan guarantees
22 where applicable.

23 5. A consideration of factors demonstrating the
24 farmer's need for operating loan assistance and the
25 probability of success with the assistance in the farming
26 operation in which the operating loan will be used, including
27 net worth, debt-to-asset ratio, debt service coverage ratio,
28 projected income, and projected cash flow under rules
29 promulgated by the authority.

30 (4) The authority may participate in and cooperate
31 with programs of an agency or instrumentality of the Federal

1 Government in the administration of the agricultural loan
2 assistance program. The authority may provide in the
3 agricultural loan assistance program that a grant may be
4 provided in conjunction with a farmer's operating loan only if
5 the farmer and lending institution participate in one or more
6 operating loan assistance programs of an agency or
7 instrumentality of the Federal Government which are determined
8 to be appropriate by the authority.

9 (5) Upon approval of an eligibility application and a
10 determination by the authority that assistance pursuant to the
11 agricultural loan assistance program is needed to qualify a
12 farmer and lending institution for participation in an
13 appropriate operating loan assistance program of an agency or
14 instrumentality of the Federal Government, the authority may:

15 (a) Enter into an agreement with the lending
16 institution and the farmer to supplement the assistance to be
17 received pursuant to the federal program, in which agreement
18 the lending institution shall agree to reduce for up to 3
19 years the interest rate on the farmer's operating loan to the
20 rate determined by the authority to be necessary to qualify
21 the farmer and lending institution for participation in the
22 federal program, and the farmer shall agree to comply with the
23 rules and requirements established by the authority.

24 (b) Agree to give the lending institution, for the
25 benefit of the farmer, a grant in an amount to be determined
26 by the authority to partially reimburse the lending
27 institution for the reduction of the interest rate on the
28 farmer's operating loan under rules established by the
29 authority.

30 (6) Notwithstanding the provisions of subsections (4)
31 and (5), upon approval of an eligibility application and a

1 determination by the authority that operating loan assistance
2 will not be available to an individual farmer and lending
3 institution on a timely basis pursuant to an appropriate
4 program of the Federal Government, the authority may:

5 (a) Enter into an agreement with the lending
6 institution and the farmer in which the lending institution
7 shall agree to reduce for up to 3 years the interest rate on
8 the farmer's operating loan to a rate, determined by the
9 authority, below the lending institution's farm operating loan
10 rate as certified to the authority, and the farmer shall agree
11 to comply with the rules and requirements established by the
12 authority.

13 (b) Agree to give to the lending institution, for the
14 benefit of the farmer, a grant in the amount, as determined by
15 the authority, up to 3 percent per annum of up to \$100,000 of
16 the principal balance of the farmer's operating loan
17 outstanding from time to time, for the term of the loan or for
18 3 years, whichever is less, to partially reimburse the lending
19 institution for the reduction of the interest rate on the
20 borrower's operating loan. However, the grant shall not exceed
21 50 percent of the amount of interest foregone by the lending
22 institution pursuant to the rate reduction under paragraph
23 (a).

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

31

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

6 (9) In no event may the authority or lending
7 institution charge more than 1.5 percent on the amount of the
8 loan as a one-time processing charge for any moneys loaned by
9 the authority or lending institution to the farmer. In making
10 any loan of the authority's or lending institution's funds
11 under this act, no other fees or interest may be charged to
12 the farmer for such a loan.

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.

31

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. Section 159.8082, Florida Statutes, is
27 created to read:

28 159.8082 Agricultural development bond pool.--

29 (1) There is established the agricultural development
30 bond pool. The agricultural development bond pool shall be
31 available solely to provide written confirmations for private

1 activity bonds to the Florida Agricultural Development
2 Authority to finance agricultural development as described in
3 s. 570.251 et seq. Allocations from this pool shall be
4 awarded for use on a statewide basis pursuant to the
5 procedures specified in s. 159.805, except that the provisions
6 of s. 159.805(2) and (3) do not apply. In issuing written
7 confirmations of allocations for agricultural development
8 projects, the division shall use the agricultural development
9 bond pool. If allocation is not available from the
10 agricultural development bond pool, the division shall issue
11 written confirmations of allocations for agricultural
12 development projects pursuant to s. 159.806 or s. 159.807, in
13 that order. For the purposes of determining priority within a
14 regional allocation pool or the state allocation pool, notices
15 of intent to issue bonds for agricultural development projects
16 to be issued from a regional allocation pool or the state
17 allocation pool shall be considered to have been received by
18 the division at the time it is determined by the division that
19 the agricultural development bond pool is unavailable to issue
20 confirmation for such agricultural development project.

21 (2) Any written confirmation issued by the director
22 pursuant to this section has no effect unless the bonds to
23 which such confirmation applies have been issued by the
24 Florida Agricultural Development Authority and written notice
25 of such issuance has been provided to the director on or
26 before November 15, unless a carryforward has been granted for
27 the allocation.

28 Section 3. Section 159.804, Florida Statutes, is
29 amended to read:

30 159.804 Allocation of state volume limitation.--The
31 division shall annually determine the amount of private

1 activity bonds permitted to be issued in this state under the
2 Code and shall make such information available upon request to
3 any person or agency. The total amount of private activity
4 bonds authorized to be issued in this state pursuant to the
5 Code shall be initially allocated as follows on January 1 of
6 each year:

7 (1)(a) On January 1, 1993, the first \$75 million of
8 the state volume limitation shall be allocated to the
9 manufacturing facility pool established pursuant to s.
10 159.8081. This allocation shall be increased in subsequent
11 years in increments of \$7.5 million as follows: On January 1
12 of each year, if at least 75 percent of the preceding year's
13 allocation under this subsection was used to issue bonds by
14 November 15 of that year, the allocation to the pool for the
15 current year must equal the sum of the amount that was
16 allocated to the pool in the preceding year plus an additional
17 \$7.5 million. If, however, 75 percent of the preceding year's
18 allocation was not used to issue bonds by November 15, the
19 allocation to the pool for the current year must be the same
20 amount as that allocated to the pool in the preceding year.

21 (b) On January 1, 1999, the next \$10 million of the
22 state volume limitation shall be allocated to the agricultural
23 development pool established pursuant to s. 159.8082. This
24 allocation shall be increased in subsequent years in
25 increments of \$2 million as follows: on January 1 of each
26 year, if at least 75 percent of the preceding year's
27 allocation under this subsection was used to issue bonds by
28 November 15 of that year, the allocation to the pool for the
29 current year must equal the sum of the amount that was
30 allocated to the pool in the preceding year plus an additional
31 \$2 million; if, however, 75 percent of the preceding year's

1 allocation was not used to issue bonds by November 15, the
2 allocation to the pool for the current year must be the same
3 amount as that allocated to the pool in the preceding year.

4 (c)~~(b)~~ If on January 1 of any year, under federal law,
5 bonds for manufacturing facilities or agricultural development
6 no longer require or are eligible for an allocation pursuant
7 to s. 146 of the Code or if a separate volume cap is
8 established for agricultural development bonds under federal
9 law, the allocation of the state volume limitation in the
10 manufacturing facility pool or agricultural development pool,
11 or both, if applicable shall be divided among the remaining
12 pools in the following manner: 50 percent to be shared by the
13 16 regions for use in the manner prescribed in subsection (2);
14 25 percent for use by the Florida Housing Finance Agency in
15 the manner prescribed in subsection (3); 5 percent for use in
16 the state allocation pool in the manner prescribed in
17 subsection (4); and 20 percent for use in the Florida First
18 Business allocation pool in the manner prescribed in
19 subsection (5).

20 (d)~~(c)~~ If the state volume limitation imposed on
21 private activity bonds under s. 146 of the Code is decreased,
22 the amount allocated to the manufacturing facility pool shall
23 be decreased in proportion to the percentage the state volume
24 limitation is decreased.

25 (2)(a) Fifty percent of the state volume limitation
26 remaining after the allocations ~~allocation~~ made pursuant to
27 subsection (1) shall be allocated among the regions
28 established in paragraph (b) for use by all agencies whose
29 boundaries are coterminous with or contained within each
30 region. The volume limitation for each regional allocation
31 pool must be an amount that bears the same ratio to 50 percent

1 of the state volume limitation remaining after the allocation
2 made pursuant to subsection (1) for such calendar year as the
3 population of the region bears to the population of the entire
4 state.

5 (b) The following regions are established for the
6 purposes of this allocation:

7 1. Region 1 consisting of Bay, Escambia, Holmes,
8 Okaloosa, Santa Rosa, Walton, and Washington Counties.

9 2. Region 2 consisting of Calhoun, Franklin, Gadsden,
10 Gulf, Jackson, Jefferson, Leon, Liberty, and Wakulla Counties.

11 3. Region 3 consisting of Alachua, Bradford, Columbia,
12 Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee,
13 Taylor, and Union Counties.

14 4. Region 4 consisting of Baker, Clay, Flagler,
15 Nassau, Putnam, and St. Johns Counties.

16 5. Region 5 consisting of Citrus, Hernando, Levy,
17 Marion, Pasco, and Sumter Counties.

18 6. Region 6 consisting of Brevard, Lake, Osceola,
19 Seminole, and Volusia Counties.

20 7. Region 7 consisting of DeSoto, Hardee, Highlands,
21 Manatee, Okeechobee, and Polk Counties.

22 8. Region 8 consisting of Charlotte, Collier, Glades,
23 Hendry, Lee, Monroe, and Sarasota Counties.

24 9. Region 9 consisting of Indian River, Martin, and
25 St. Lucie Counties.

26 10. Region 10 consisting of Broward County.

27 11. Region 11 consisting of Dade County.

28 12. Region 12 consisting of Duval County.

29 13. Region 13 consisting of Hillsborough County.

30 14. Region 14 consisting of Orange County.

31 15. Region 15 consisting of Palm Beach County.

1 16. Region 16 consisting of Pinellas County.

2 (3)(a) Twenty-five percent of the state volume
3 limitation remaining after the allocations ~~allocation~~ made
4 pursuant to subsection (1) shall be allocated to the Florida
5 Housing Finance Agency for use in connection with the issuance
6 of housing bonds of that agency or its assigns.

7 (b) The Florida Housing Finance Agency need not apply
8 to the division for an allocation of its volume limitation
9 granted under paragraph (a) for bonds it issues prior to July
10 1 of any year and is not subject to the fee required under s.
11 159.811. However, for bonds it intends to issue between July
12 1 and September 29 of any year, utilizing the allocation
13 granted under paragraph (a), the Florida Housing Finance
14 Agency must submit a notice of intent to issue to the division
15 not later than June 30 of such year, and a written
16 confirmation of allocation shall be granted if a sufficient
17 amount of that allocation is available.

18 (c) The Florida Housing Finance Agency, in its
19 discretion, may, prior to July 1 of each year, assign any
20 portion of the Florida Housing Finance Agency allocation to
21 any agency for the issuance of housing bonds, taking into
22 consideration the ability of the agency to timely issue such
23 bonds, the need and public purpose to be served by the issue,
24 and the ability of the agency to comply with the requirements
25 of federal and state law. Such assignment is not effective
26 until receipt by the division of notification of the
27 assignment. A separate allocation from the division is not
28 needed for bonds issued prior to July 1 utilizing such an
29 assignment. An agency that intends to utilize such an
30 assignment to issue housing bonds between July 1 and September
31 29 of any year must submit a notice of intent to issue to the

1 division for the amount of such assignment not later than June
2 30, and a written confirmation of allocation shall be granted
3 if a sufficient amount of the allocation under paragraph (a)
4 is available. Any amounts representing assignments of which
5 the division had been notified by the Florida Housing Finance
6 Agency but for which an issuance report or notice of intent to
7 issue pursuant to this subsection has not been received by the
8 division by June 30 of any year shall be reallocated to the
9 state allocation pool on July 1 of that year.

10 (4) Five percent of the state volume limitation
11 remaining after the allocations ~~allocation~~ made pursuant to
12 subsection (1) shall be allocated to the state allocation
13 pool, for use as provided in s. 159.807.

14 (5) Twenty percent of the state volume limitation
15 remaining after the allocations ~~allocation~~ made pursuant to
16 subsection (1) shall be allocated to the Florida First
17 Business allocation pool, to be used as provided in s.
18 159.8083.

19 Section 4. Subsection (3) of section 159.809, Florida
20 Statutes, is amended to read:

21 159.809 Recapture of unused amounts.--

22 (3) On November 16 of each year, any portion of the
23 initial allocation, made pursuant to s. 159.804(1), s.
24 159.804(5), or subsection (1) or subsection (2), other than as
25 provided in ss. 159.8082 and ~~s-~~159.8083, for which an
26 issuance report for bonds utilizing such an allocation has not
27 been received by the division prior to that date shall be
28 added to the state allocation pool.

29 Section 5. This act shall take effect July 1, 1998, or
30 upon becoming a law, whichever is earlier.

31

1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 1994
4 This Committee Substitute:
5 Authorizes the Commissioner of Agriculture, rather than the
6 Governor, to appoint three at-large members of the Florida
7 Agricultural Development Authority.
8 Deletes a provision allowing the executive director and
9 authority staff to be considered state employees and to
10 receive state retirement and other benefits.
11 Deletes a provision requiring the authority to provide the
12 Division of Bond Financing with a projection of its volume cap
13 requirements each year.
14 Deletes a provision transferring all funds in the Rural
15 Community Development Revolving Loan Fund to the Florida
16 Agricultural Development Authority.
17 Prohibits the authority or lending institution from charging
18 more than 1.5 percent on the amount of the loan as a one time
19 processing charge for any moneys loaned by the authority or
20 lending institution to the farmer under this act. In making
21 any loan of the authority's funds, no other fees or interest
22 may be charged to the farmer for such a loan under this act.
23 Establishes an agricultural development bond pool to be used
24 solely to provide written confirmations for private activity
25 bonds to the Florida Agricultural Development Authority to
26 finance agricultural development.
27 Allocates, on January 1, 1999, the next \$10 million of the
28 state volume limitation to the agricultural development pool.
29 Requires allocations to be increased in subsequent years in
30 specified \$2 million increments.
31 Specifies that on November 16 of each year, any portion of the
initial allocation, other than as provided in ss. 159.8082 and
159.8083, for which an issuance report for bonds has not been
received shall be added to the state allocation pool.