

By the Committees on Governmental Reform and Oversight,  
Agriculture and Senator Cowin

302-2144-98

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 eight members, including the  
11 commissioner or the commissioner's designee, who shall be an  
12 ex officio nonvoting member. Each of the following entities  
13 shall submit a list of three nominees to the Commissioner of  
14 Agriculture:

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           (f) The Rural Development Committee.

25  
26 The Commissioner of Agriculture shall appoint one person from  
27 each list to the board and shall appoint one member to the  
28 board at large; the at-large member must represent financial  
29 institutions with experience in agricultural lending, farmers,  
30 or beginning farmers or must otherwise be a person specially  
31 interested in agriculture and family farm development.

1 Additionally, the initial appointee from the Institute of Food  
2 and Agricultural Sciences must be an agriculturalist and the  
3 initial appointee from the Florida Agricultural and Mechanical  
4 University must be an economist; thereafter, the appointees  
5 from the nominees of these two entities shall alternate  
6 between agriculturists and economists.

7 (3) Initially, three members of the board shall be  
8 appointed for terms of 4 years each, two members of the board  
9 shall be appointed for terms of 3 years each, and two members  
10 of the board shall be appointed for terms of 2 years each.  
11 Thereafter, each member shall be appointed for a 4-year term.  
12 Following the initial appointment of members to the board,  
13 each subsequent appointee must be confirmed by the serving  
14 members. A person appointed to fill a vacancy shall serve only  
15 for the unexpired portion of the term. A member of the board  
16 is eligible for reappointment. An appointed member may be  
17 removed from office by the Commissioner of Agriculture for  
18 misfeasance, malfeasance, or willful neglect of duty or other  
19 just cause, after notice and hearing, unless the notice and  
20 hearing is expressly waived in writing. An appointed member  
21 of the authority may also serve as a member of any other  
22 authority or association.

23 (4) The members shall elect a chair and a vice chair  
24 annually, and other officers as they determine; however, the  
25 executive director of the authority shall serve as secretary  
26 to the board. Meetings of the board shall be held at the call  
27 of the chair or whenever two members so request and may be  
28 held telephonically as provided in the bylaws of the  
29 authority; however, any meeting at which official acts are to  
30 be taken or at which the public business of the authority is  
31

1 to be transacted or discussed shall be open and noticed to the  
2 public.

3 (5) Four voting members of the board constitute a  
4 quorum and the affirmative vote of a majority of the voting  
5 members is necessary for any substantive action taken by the  
6 board. The majority shall not include any member who has a  
7 conflict of interest. A statement by a member that he or she  
8 has a conflict of interest is conclusive for this purpose. A  
9 vacancy in the membership does not impair the right of a  
10 quorum to exercise all rights and perform all duties of the  
11 board.

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

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

17 (8) The net earnings of the authority, beyond that  
18 necessary for retirement of its notes, bonds, or other  
19 obligations or to implement authorized public purposes and  
20 programs, shall not inure to the benefit of any person other  
21 than the state. Upon termination of the existence of the  
22 authority, title to all property owned by the authority,  
23 including any net earnings, shall vest in the state.

24 570.255 General powers.--The authority has all of the  
25 general powers necessary to carry out its purposes and duties,  
26 and to exercise its specific powers, including, but not  
27 limited to, the power to:

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

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

31 (3) Have and alter a corporate seal.

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

3           (5) Make and execute agreements, contracts, and other  
4 instruments with any public or private entity, including, but  
5 not limited to, any federal governmental agency or  
6 instrumentality. The authority may make and execute contracts  
7 with any firm of independent certified public accountants to  
8 prepare an annual report on behalf of the authority. The  
9 authority may make and execute contracts with mortgage  
10 lenders, insurance companies, or others for the servicing of  
11 mortgage and secured loans. All political subdivisions,  
12 including federal, state, and local agencies, may enter into  
13 contracts and otherwise cooperate with the authority.

14           (6) Lease, purchase, accept a gift or donation of, or  
15 otherwise acquire, use, own, hold, improve, or otherwise deal  
16 in or with, real or personal property, and sell, convey,  
17 mortgage, pledge, lease, exchange, or otherwise dispose of any  
18 assets, loans and equity interests acquired in the financing  
19 of projects funded by the authority, and any other property or  
20 interest in property, as the board considers necessary in the  
21 transaction of the business of the authority, except that this  
22 paragraph shall not provide authority for carrying out a  
23 program of real estate investment.

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

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

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

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

6           (11) Provide public and private entities with  
7 technical assistance, education, counseling, and grants to  
8 assist the authority in matters related to the authority's  
9 purposes.

10           (12) In cooperation with other local, state, or  
11 federal governmental agencies or instrumentalities, conduct  
12 studies of agricultural needs of the beginning farmer,  
13 agricultural producer, and processor, and gather, compile, and  
14 exchange with similar authorities and agencies in other states  
15 data useful to facilitate decisionmaking.

16           (13) Contract with accountants, architects, attorneys,  
17 economists, engineers, housing construction and finance  
18 experts, and other advisors, or enter into contracts or  
19 agreements for such services with local, state, or federal  
20 governmental agencies.

21           (14) Make, enter into, and execute such contracts,  
22 agreements, leases, and other instruments with any person,  
23 partnership, corporation, limited liability company, limited  
24 agricultural association, or trust, including, without  
25 limitation, any federal, state, or local governmental agency,  
26 and take such other actions as may be necessary or convenient  
27 to accomplish any purpose for which the authority was  
28 organized or to exercise any power expressly granted  
29 hereunder.

30           (15) Adopt rules pursuant to ss. 120.54 and 120.536(1)  
31 relating to:

1           (a) The statutory programs under the jurisdiction and  
2 authority of the authority, including beginning farmer  
3 program, additional beginning farmer loan program,  
4 agricultural loan assistance program, and alternative  
5 agricultural assistance programs.

6           (b) Authority regarding the following, as it relates  
7 to the authority's programs:

8           1. Definitions.

9           2. Eligibility for programs, eligibility criteria and  
10 determinations, objective criteria and guidelines, and forms  
11 and documents required to implement the authority's programs.

12           570.256 Executive director.--

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

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

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

29           (4) The executive director, as secretary of the  
30 authority, shall be custodian of all books, documents, minute  
31 books, seals, and papers filed with the authority. The

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

6 570.257 Annual report.--

7 (1) The authority shall submit to the Governor, the  
8 President of the Senate, the Speaker of the House of  
9 Representatives, and the Auditor General not later than  
10 February 15 of each year, a complete and economically designed  
11 and reproduced report setting forth:

12 (a) The operations and accomplishments of the  
13 authority.

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

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

20 (d) A schedule of the authority's bonds and notes  
21 outstanding at the end of its fiscal year, together with a  
22 statement of the amounts redeemed and issued during its fiscal  
23 year.

24 (e) A statement of the authority's proposed and  
25 projected activities.

26 (f) Recommendations to the Legislature, as the  
27 authority deems necessary.

28 (g) An analysis of the needs of beginning farmers and  
29 other farmers in the state, as well as of agribusiness  
30 projects funded by the authority.

31



1           (2) The annual report, together with the authority's  
2 audited annual statements of financial condition for the  
3 period prepared by the authority's certified public  
4 accountants, including, specifically, their review and  
5 comments on the authority's activities described in paragraphs  
6 (1)(b), (c), and (d), shall identify performance goals of the  
7 authority and clearly indicate the extent of progress during  
8 the reporting period in attaining the goals. Where possible,  
9 results shall be expressed in terms of number of loans and  
10 acres of agricultural land, establishment of new or  
11 alternative agricultural crops, and value-added programs for  
12 Florida farmers and agribusiness.

13           570.258 Surplus moneys.--Moneys declared by the  
14 authority to be surplus moneys that are not required to  
15 service bonds and notes, to pay administrative expenses of the  
16 authority, or to accumulate necessary operating or loss  
17 reserves shall be used by the authority to provide loans,  
18 grants, subsidies, and other services or assistance to  
19 beginning farmers or agricultural producers through any of the  
20 programs authorized in this act.

21           570.259 Combination programs.--Programs authorized in  
22 this act may be combined with any other programs authorized in  
23 this act or in any other chapter of the Florida Statutes or  
24 under any federal program or programs of any other state in  
25 order to facilitate, as far as practicable, the acquisition  
26 and ownership of agricultural land and property by beginning  
27 or existing farmers or to facilitate the implementation of  
28 soil and water conservation practices, the implementation of  
29 new and alternative agricultural crops in this state, and the  
30 implementation of the technology transfer between the United

31

1 States Department of Agriculture, the State of Florida, and  
2 the Technological Development Research Authority.

3 570.260 Beginning farmer loan program.--

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

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

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

29 (4) The authority may provide in a mortgage or secured  
30 loan made or purchased pursuant to this act that the loan may  
31 not be assumed or that any interest in the agricultural land

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

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

21 570.261 Loans to beginning farmers.--

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

29 (2) Mortgage or secured loans shall contain terms and  
30 provisions, including interest rates, and be in a form  
31 established by rules of the authority. The authority may

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

6 570.262 Loans to mortgage lenders and other lenders.--

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

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

26 570.263 Purchase of loans.--

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

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

6 (2) The authority shall require as a condition of  
7 purchase of mortgage or secured loans from mortgage lenders  
8 that the mortgage lenders certify that the mortgage or secured  
9 loans purchased are loans made to beginning farmers. Mortgage  
10 or secured loans to be made by mortgage lenders shall have  
11 such terms and conditions as the authority prescribes by rule.  
12 The authority may make a commitment to purchase mortgage or  
13 secured loans from mortgage lenders in advance of the time the  
14 loans are made by mortgage lenders. The authority shall  
15 require as a condition of a commitment that mortgage lenders  
16 certify in writing that all mortgage or secured loans  
17 represented by the commitment will be made to beginning  
18 farmers and that the mortgage lender will comply with other  
19 authority specifications.

20 570.264 Powers relating to loans.--Subject to any  
21 agreement with bondholders or noteholders, the authority may  
22 renegotiate a mortgage or secured loan or a loan to a mortgage  
23 lender in default, waive a default or consent to the  
24 modification of the terms of a mortgage or secured loan or a  
25 loan to a mortgage lender, forgive or forbear all or part of a  
26 mortgage or secured loan or a loan to a mortgage lender, and  
27 commence, prosecute, and enforce a judgment in any action,  
28 including, but not limited to, a foreclosure action, to  
29 protect or enforce any right conferred upon it by law,  
30 mortgage or secured loan agreement, contract, or other  
31 agreement and, in connection with any action, bid for and

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

6 570.265 Bonds and notes.--

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

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

31

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 shall annually 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.

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

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

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

31

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   CS/SB 1994  
4                   The committee substitute requires the Commissioner of  
5                   Agriculture to appoint the board from a list of nominees  
6                   proposed by representing entities. The Rural Development  
7                   Committee is authorized to submit a list of nominees to be  
8                   appointed to the board.  
9                   The board is changed in size from nine members to eight  
10                  members and the at-large member to be appointed by the  
11                  Commissioner must represent financial institutions with  
12                  experience in agricultural lending or be a person specifically  
13                  interested in agriculture and family farm development. Any  
14                  meetings of the Florida Agricultural Development Authority  
15                  (FADA) in which public business is to be transacted or  
16                  discussed must be open and noticed to the public.  
17                  The FADA is required to adopt rules pursuant to ss. 120.54 and  
18                  120.536(1), F.S., in conjunction with its statutory programs  
19                  and guidelines.  
20                  FADA is required to send a report to the Auditor General  
21                  annually with regard to its operations and financial  
22                  condition.  
23  
24  
25  
26  
27  
28  
29  
30  
31