

By Senator Cowin

11-301-99

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 finds that the ability of
25 residents of the state to pursue agricultural enterprises or
26 enterprises related to agribusiness has been detrimentally
27 affected by causes and events beyond their control or the
28 control of the state, including treaty-supported foreign
29 competition, termination of long-established federal subsidy
30 programs, and a shortage of funds from private market sources
31 at rates of interest generally available under revenue bond

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

1 (2) The Legislature recognizes that many of the
2 programs approved by Congress in the Federal Agricultural
3 Improvement and Reform Act of 1996 which can supplement and
4 enhance the authority's mission are being implemented.
5 Therefore, the authority is granted broad powers to adopt
6 rules to carry out the purposes set forth in this act to
7 maximize the benefits to the residents of this state from all
8 available federal, state, local, or private programs.

9 570.253 Definitions.--As used in this act, the term:

10 (1) "Agricultural improvements" means any
11 improvements, buildings, structures, or fixtures that are
12 suitable for use in farming, producing, or processing
13 agricultural products and are located on agricultural land in
14 this state. The term includes both any single-family dwelling
15 located on agricultural land which is or will be occupied by a
16 beginning farmer and structures attached to or incidental to
17 the use of the dwelling.

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

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

26 (4) "Agricultural processor" means a person that
27 engages in the business of processing agricultural products
28 within this state, including, without limitation, agricultural
29 commodities, agricultural byproducts, biomass energy and
30 organic compost processing, and any and all products made or
31

1 derived from agricultural or biomass stock as defined by the
2 authority under rules adopted under chapter 120.

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

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

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

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

14 (b) Existing farmers who have moved, or who intend to
15 move, from existing agricultural activities to raising new or
16 alternative agricultural crops under rules adopted by the
17 authority; and

18 (c) Such other farmers as are designated by rules
19 adopted by the authority.

20 (8) "Bonds" means bonds issued by the authority.

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

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

30
31

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

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

12 (13) "Internal Revenue Code" means the Internal
13 Revenue Code of 1986, as amended.

14 (14) "Lending institution" means a bank, credit union,
15 trust company, mortgage company, national banking association,
16 savings and loan association, insurance company, any state or
17 federal governmental agency or instrumentality, including the
18 federal land bank or the consolidated farm service agency or
19 any of its local associations, or any other financial
20 institution or entity authorized to make farm loans in this
21 state.

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

29 (16) "Mortgage lender" means a bank, trust company,
30 mortgage company, national banking association, savings and
31 loan association, insurance company, any state or federal

1 governmental agency or instrumentality, including, without
2 limitation, the federal land bank or any of its local
3 associations or any other financial institution or public or
4 private entity authorized to make mortgage loans or secured
5 loans in this state.

6 (17) "Mortgage loan" means a financial obligation
7 secured by a mortgage.

8 (18) "Note" means a bond anticipation note or other
9 obligation or evidence of indebtedness issued by the
10 authority.

11 (19) "Soil and water conservation practices" has the
12 meaning described in chapter 582, and includes solid-waste and
13 waste-water disposal systems, anaerobic fermentation systems,
14 and other facilities designed to process agricultural soil,
15 water, and matter in an environmentally responsible manner.

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

20 (21) "State agency" means any board, commission,
21 department, public officer, or other agency or authority of
22 the state.

23
24 The authority may by rule define other terms applicable to
25 this act and may clarify the definitions in this section to
26 assure eligibility for funds, insurance, or guarantees
27 available under federal, state, or local laws, to assure
28 compliance with federal tax law and regulations under the
29 Internal Revenue Code and applicable state statutes, and to
30 carry out the public purposes of this act.

31

1 570.254 Establishment of authority; powers and duties;
2 board; earnings.--

3 (1) There is created a corporation to be known as the
4 Florida Agricultural Development Authority. The authority is a
5 public agency of the state exercising public and essential
6 governmental functions. The authority shall establish programs
7 that:

8 (a) Assist farmers, beginning farmers, and
9 agribusiness in purchasing, leasing, or otherwise acquiring
10 agricultural land, improvements, technology, and depreciable
11 agricultural property for farming.

12 (b) Provide financing to farmers for soil and water
13 conservation practices.

14 (c) Promote diversification of the farm economy in
15 this state through the growth and development of new crops or
16 livestock not customarily grown or produced in this state or
17 that emphasize a vertical integration of agricultural products
18 produced or raised in this state into a finished agricultural
19 product or byproduct for consumption or use.

20 (d) Assist in financing operating expenses and
21 cash-flow requirements of farming.

22 (e) Assist qualified producers, processors, and
23 manufacturers of agriculture products and support
24 organizations within the state with financing research and
25 development and other capital requirements or operating
26 expenses.

27 (2) The powers of the authority are vested in and
28 exercised by a board of eight members, including the
29 Commissioner of Agriculture and Consumer Services or the
30 commissioner's designee, who is an ex officio nonvoting
31

1 member. Each of the following entities shall submit a list of
2 three nominees to the Commissioner of Agriculture:

3 (a) The Florida Farm Bureau Federation.

4 (b) The Institute of Food and Agricultural Sciences of
5 the University of Florida.

6 (c) The Florida Agricultural and Mechanical
7 University.

8 (d) The Florida Agricultural Resources and
9 Mobilization Foundation, Inc. (FARM Foundation).

10 (e) The Technological Research and Development
11 Authority.

12 (f) The Rural Development Committee.

13
14 The Commissioner of Agriculture shall appoint one person from
15 each list to the board and shall appoint one member to the
16 board at large. The at-large member must represent financial
17 institutions that have experience in agricultural lending,
18 farmers, or beginning farmers or must otherwise be a person
19 specially interested in agriculture and family farm
20 development. Additionally, the initial appointee from the
21 Institute of Food and Agricultural Sciences must be an
22 agriculturalist and the initial appointee from the Florida
23 Agricultural and Mechanical University must be an economist.
24 Thereafter, the appointees from the nominees of these two
25 entities shall alternate between agriculturists and
26 economists.

27 (3) Initially, three members of the board shall be
28 appointed for terms of 4 years each, two members of the board
29 shall be appointed for terms of 3 years each, and two members
30 of the board shall be appointed for terms of 2 years each.
31 Thereafter, each member shall be appointed for a 4-year term.

1 Following the initial appointment of members to the board,
2 each subsequent appointee must be confirmed by the serving
3 members. A person appointed to fill a vacancy may serve only
4 for the unexpired portion of the term. A member of the board
5 is eligible for reappointment. An appointed member may be
6 removed from office by the Commissioner of Agriculture for
7 misfeasance, malfeasance, or willful neglect of duty or other
8 just cause, after notice and hearing, unless the notice and
9 hearing is expressly waived in writing. An appointed board
10 member may also serve as a member of any other authority or
11 association.

12 (4) The members shall elect a chair and a vice chair
13 annually and other officers as necessary. The executive
14 director of the authority shall serve as secretary to the
15 board. Meetings of the board must be held at the call of the
16 chair or upon the request of at least two members and may be
17 held telephonically as provided in the bylaws of the
18 authority. Any meeting at which official acts are to be taken
19 or at which the public business of the authority is to be
20 transacted or discussed must be open and noticed to the
21 public.

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

31

1 (6) The members of the board may receive per diem and
2 travel expenses as provided in s. 112.061 while in performance
3 of their duties.

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

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

13 570.255 General powers.--The authority is granted
14 powers necessary to carry out its purposes and duties. It may:

15 (1) Issue negotiable bonds and notes to finance its
16 programs.

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

18 (3) Have and alter a corporate seal.

19 (4) Make and alter bylaws for its management and
20 programs.

21 (5) Make and execute agreements, contracts, and other
22 instruments with any public or private entity, including any
23 federal governmental agency. The authority may enter into
24 contracts with any firm of independent certified public
25 accountants to prepare an annual report on behalf of the
26 authority. The authority may enter into contracts with
27 mortgage lenders, insurance companies, or others for the
28 servicing of mortgages and secured loans. All political
29 subdivisions, including federal, state, and local agencies,
30 may enter into contracts and otherwise cooperate with the
31 authority.

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

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

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

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

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

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

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

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 for such
6 services with local, state, or federal governmental agencies.

7 (14) Execute contracts, agreements, leases, and other
8 instruments with any person, partnership, corporation, limited
9 liability company, limited agricultural association, or trust,
10 including, without limitation, any federal, state, or local
11 governmental agency, and take actions necessary to accomplish
12 any purpose for which the authority was organized or to
13 exercise any power expressly granted to the authority.

14 (15) Adopt rules relating to:

15 (a) Programs under the jurisdiction of the authority,
16 including beginning farmer programs, additional beginning
17 farmer loan programs, agricultural loan assistance programs,
18 and alternative agricultural assistance programs.

19 (b) Definitions.

20 (c) Eligibility for programs, eligibility criteria and
21 determinations, objective criteria and guidelines, and forms
22 and documents required to implement the authority's programs.

23 570.256 Executive director.--

24 (1) The board shall appoint the executive director of
25 the authority who serves at the pleasure of the authority.
26 The executive director must be selected for his or her
27 administrative ability and knowledge in the field, without
28 regard to political affiliation.

29 (2) The executive director may not, directly or
30 indirectly, exert influence to induce any other officer or
31

1 employee of the state to adopt a political view or to favor a
2 political candidate for office.

3 (3) The executive director shall advise the authority
4 on matters relating to agricultural land and property and
5 finance; carry out all directives from the authority; and hire
6 and supervise the authority's staff, which shall include a
7 general counsel to advise and assist the executive director in
8 carrying out the purposes of this act, pursuant to the
9 direction of the board.

10 (4) The executive director, as secretary of the
11 authority, is custodian of all books, documents, minute books,
12 seals, and papers filed with the authority. The executive
13 director may authorize duplication of all minutes and other
14 records and documents of the authority and shall give
15 certificates under the seal of the authority that the copies
16 are true copies and that all persons dealing with the
17 authority may rely upon the certificates.

18 570.257 Annual report.--

19 (1) The authority shall submit to the Governor, the
20 President of the Senate, the Speaker of the House of
21 Representatives, and the Auditor General by February 15 of
22 each year, a complete and economically designed and reproduced
23 report setting forth:

24 (a) The operations and accomplishments of the
25 authority.

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

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

1 (d) A schedule of the authority's bonds and notes
2 outstanding at the end of its fiscal year, together with a
3 statement of the amounts redeemed and issued during its fiscal
4 year.

5 (e) A statement of the authority's proposed and
6 projected activities.

7 (f) Recommendations to the Legislature, as the
8 authority determines necessary.

9 (g) An analysis of the needs of beginning farmers and
10 other farmers in the state, as well as of agribusiness
11 projects funded by the authority.

12 (2) The annual report, together with the authority's
13 audited annual statements of financial condition for the
14 period prepared by the authority's certified public
15 accountants, including, specifically, their review and
16 comments on the authority's activities described in paragraphs
17 (1)(b), (c), and (d), must identify performance goals of the
18 authority and clearly indicate the extent of progress during
19 the reporting period in attaining the goals. When possible,
20 results must be expressed in terms of number of loans and
21 acres of agricultural land, establishment of new or
22 alternative agricultural crops, and value-added programs for
23 farmers and agribusiness in the state.

24 570.258 Surplus moneys.--Moneys declared by the
25 authority to be surplus moneys that are not required to
26 service bonds and notes, to pay administrative expenses of the
27 authority, or to accumulate necessary operating or loss
28 reserves must be used by the authority to provide loans,
29 grants, subsidies, and other services or assistance to
30 beginning farmers or agricultural producers through any of the
31 programs authorized in this act.

1 570.259 Combination programs.--Programs authorized in
2 this act may be combined with any other programs authorized by
3 law or authorized under any federal program or programs of any
4 other state in order to facilitate the acquisition and
5 ownership of agricultural land and property by beginning or
6 existing farmers or to facilitate the implementation of soil
7 and water conservation practices, the implementation of new
8 and alternative agricultural crops in this state, and the
9 implementation of the technology transfer between the United
10 States Department of Agriculture, the State of Florida, and
11 the Technological Development Research Authority.

12 570.260 Beginning farmer loan program.--

13 (1) The authority shall develop a beginning farmer
14 loan program to facilitate the acquisition of agricultural
15 land and improvements and depreciable agricultural property by
16 beginning farmers. The authority shall exercise its powers in
17 order to provide financial assistance to beginning farmers in
18 the acquisition of agricultural land and improvements and
19 depreciable agricultural property. The authority may
20 participate in and cooperate with programs of the United
21 States Department of Agriculture Consolidated Farm Service
22 Agency, the federal land bank, or any other agency or
23 instrumentality of the Federal Government, or with any program
24 of any other state agency in the administration of the
25 beginning farmer loan program and in the making or purchasing
26 of bonds, notes, mortgages, or secured loans under this act.

27 (2) The authority may participate in any federal
28 programs designed to assist beginning farmers or in any
29 related federal or state programs.

30 (3) The authority shall by rule prescribe the criteria
31 upon which loans to or on behalf of a beginning farmer program

1 will be provided. These rules must comply with the
2 requirements for "first-time farmers" under Section 147 of the
3 Internal Revenue Code, as amended.

4 (4) The authority may provide in a mortgage or secured
5 loan made or purchased under this act that the loan may not be
6 assumed or that any interest in the agricultural land or
7 improvements or depreciable agricultural property may not be
8 leased, sold, or otherwise conveyed without its prior written
9 consent, and may provide a due-on-sale clause with respect to
10 the occurrence of any of the foregoing events without its
11 prior written consent. The authority may specify by rule the
12 grounds for permitted assumptions of a mortgage or for the
13 leasing, sale, or other conveyance of any interest in the
14 agricultural land or improvements. The authority shall,
15 however, reserve in a mortgage or secured loan its right to
16 raise the interest rate of the loan to the prevailing market
17 rate if the mortgage or secured loan is assumed by a farmer
18 who is already established in that field at the time of the
19 assumption of the loan.

20 (5) The authority may participate in any interest in
21 any mortgage or secured loan made or purchased under this act
22 with a mortgage or other lender. The participation interest
23 may be on a parity with the interest in the mortgage or
24 secured loan retained by the authority, equally and ratably
25 secured by the mortgage or securing agreement securing the
26 mortgage or secured loan.

27 570.261 Loans to beginning farmers.--

28 (1) The authority may make mortgage or secured loans,
29 including, but not limited to, mortgage or secured loans
30 insured, guaranteed, or otherwise secured by the Federal
31 Government or a federal governmental agency or

1 instrumentality, a state agency, or private mortgage insurers,
2 to beginning farmers to provide financing for agricultural
3 land and improvements or depreciable agricultural property.

4 (2) Mortgage or secured loans must contain terms and
5 provisions, including interest rates, and be in a form
6 established by rule of the authority. The authority may
7 require the beginning farmer to execute a note, loan
8 agreement, or other evidence of indebtedness and furnish
9 additional assurances and guarantees, including insurance,
10 reasonably related to protecting the security of the mortgage
11 or secured loan, as the authority deems necessary.

12 570.262 Loans to mortgage lenders and other lenders.--

13 (1) The authority may make loans to mortgage lenders
14 or other lenders on terms and conditions it determines are
15 reasonably related to protecting the security of the
16 authority's investment and to administering this act. Mortgage
17 lenders may borrow from the authority under the provisions of
18 this section and the rules of the authority.

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

30 570.263 Purchase of loans.--
31

1 (1) The authority may purchase and make advance
2 commitments to purchase mortgage or secured loans from
3 mortgage lenders at prices and upon terms and conditions it
4 determines. The total purchase price for all mortgage or
5 secured loans that the authority commits to purchase from a
6 mortgage lender at any one time may not exceed the total of
7 the unpaid principal balances of the mortgage or secured loans
8 purchased. Mortgage lenders are authorized to sell mortgage or
9 secured loans to the authority under the provisions of this
10 section and the rules of the authority.

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

25 570.264 Powers relating to loans.--Subject to any
26 agreement with bondholders or noteholders, the authority may
27 renegotiate a mortgage or secured loan or a loan to a mortgage
28 lender in default, waive a default or consent to the
29 modification of the terms of a mortgage or secured loan or a
30 loan to a mortgage lender, forgive or forbear all or part of a
31 mortgage or secured loan or a loan to a mortgage lender, and

1 commence, prosecute, and enforce a judgment in any action,
2 including, but not limited to, a foreclosure action, to
3 protect or enforce any right conferred upon it by law,
4 mortgage or secured loan agreement, contract, or other
5 agreement and, in connection with any action, bid for and
6 purchase the property or acquire or take possession of it,
7 complete, administer, pay the principal of and interest on any
8 obligations incurred in connection with the property, and
9 dispose of and otherwise deal with the property in a manner
10 the authority determines advisable to protect its interests.

11 570.265 Bonds and notes.--

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

23 (2) Bonds and notes are payable solely from the
24 moneys, assets, or revenues of the authority and as provided
25 in the agreement with bondholders or noteholders pledging any
26 particular moneys, assets, or revenues. Bonds or notes are not
27 an obligation of this state or any political subdivision of
28 this state other than the authority within the meaning of any
29 constitutional or statutory debt limitations, but are special
30 obligations of the authority payable solely from the sources
31 provided in this act, and the authority may not pledge the

1 credit or taxing power of this state or any political
2 subdivision of this state other than the authority or make its
3 debts payable out of any moneys except those of the authority.

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

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

23 (5) Bonds and notes issued by the authority for
24 purposes of financing the beginning farmer loan program
25 provided in s. 570.260 are exempt from all taxation by the
26 state, including income taxes, documentary stamp taxes, and
27 intangible taxes, and interest earned on the bonds and notes
28 is deductible in determining net income for purposes of the
29 corporate income tax under chapter 220.

30 570.266 Reserve funds and appropriations.--The
31 authority may create and establish one or more special funds,

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

16 570.267 Remedies of bondholders and noteholders.--

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

30 (2) The authority or any trustee appointed under the
31 indenture under which the bonds or notes are issued may, and

1 upon written request of the holders of 25 percent in aggregate
2 principal amount of the issue of bonds or notes then
3 outstanding, shall:

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

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

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

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

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

18 (3) The trustee has powers necessary for the exercise
19 of functions specifically set forth or incident to the general
20 representation of bondholders or noteholders in the
21 enforcement and protection of their rights.

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

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

30
31

1 The bondholders or noteholders may, to the extent provided in
2 the resolution to which the bonds or notes were issued or in
3 its agreement with the authority, enforce any of the remedies
4 in paragraphs (2)(a)-(e) or the remedies provided in such
5 proceedings or agreements for and on their own behalf.

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

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

1 purpose for which the deposit of bonds or other obligations of
2 this state is authorized.

3 570.270 Moneys of the authority.--

4 (1) Moneys of the authority, except as otherwise
5 provided in this act, must be paid to the authority and must
6 be deposited in a bank or other financial institution
7 designated by the authority. The moneys of the authority may
8 be withdrawn on the order of the person authorized by the
9 authority. Deposits must be secured in the manner determined
10 by the authority. The Auditor General shall annually examine
11 the accounts and books of the authority, including its
12 receipts, disbursements, contracts, leases, sinking funds,
13 investments, and any other records and papers relating to its
14 financial standing.

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

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

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

1 than copies of the reports of examinations made by the Auditor
2 General.

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

10 570.272 Assistance by state officers, agencies, and
11 departments.--State officers, departments, and agencies shall
12 provide services to the authority within their respective
13 functions as requested by the authority.

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

17 570.274 Conflicts of interest.--

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

28 (2) This section does not limit the right of a member,
29 officer, or employee of the authority to acquire an interest
30 in bonds or notes or limit the right of a member or employee
31 other than the executive director to have an interest in a

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

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

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

31

1 570.276 Trust assets.--The authority shall apply to
2 the United States Secretary of Agriculture, or any other
3 proper federal official, pursuant and subject to the
4 provisions of Pub. L. No. 499, 64 Stat. 152 (1950), formerly
5 codified 40 U.S.C. 440 et seq. (1976), for the transfer of the
6 trust assets held by the United States in trust for the
7 Florida Rural Rehabilitation Corporation, now dissolved.

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

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

23 570.279 Additional beginning farmer loan program.--

24 (1) The authority may enter into a loan agreement with
25 a beginning farmer to finance, in whole or in part, the
26 acquisition by construction or purchase of agricultural land,
27 agricultural improvements, or depreciable agricultural
28 property in excess of the limits of s. 147 of the Internal
29 Revenue Code, as amended. The repayment obligation of the
30 beginning farmer may be unsecured or may be secured by a
31 mortgage or security agreement or by other security as the

1 authority determines advisable, and may be evidenced by one or
2 more notes of the beginning farmer and may be in conjunction
3 with other federal, state, or local loan programs or grants or
4 by the authority alone. The loan agreement may contain terms
5 and conditions the authority determines advisable, as provided
6 by rule.

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

15 570.280 Agricultural loan assistance program.--

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

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

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

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

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

14 (a) Participation in federal crop insurance programs,
15 where available.

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

19 (c) Participation in federal farm programs, when
20 applicable.

21 (d) The maximized use of available loan guarantees
22 where applicable.

23 (e) 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 (5) 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 (6) 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 (7) Notwithstanding the provisions of subsections (5)
31 and (6), 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 must 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 (8) 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 (6) or
28 subsection (7). 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 (9) 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 (10) 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 (2) The authority shall develop an insurance or loan
20 guarantee program to provide for the insuring or guaranteeing
21 of all or part of a loan made to an agricultural producer for
22 the acquisition of seed or root stock to establish or expand
23 an alternative agriculture operation.

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

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

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

12 (b) Fifty percent of the amount of interest foregone
13 by the lending institution on the loan.

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

28 (5) The authority in cooperation with any agency or
29 instrumentality of the Federal Government or with any state
30 agency, including any state university or those associations
31 organized for the purpose of assisting agricultural producers

1 involved in alternative agriculture production, or with any
2 farm management company if such company specializes in
3 alternative agriculture production or in assisting alternative
4 agriculture producers, as prescribed by rules adopted by the
5 authority, shall establish programs to train and assist
6 agricultural producers to effectively manage alternative
7 agriculture production operations.

8 (6) An agricultural producer or processor is eligible
9 to participate in a program established under this section
10 based upon criteria established by rules of the authority.

11 (7) The authority shall adopt rules to enforce the
12 provisions of this section or the terms of a contract to which
13 the authority is a party. The authority may also enforce the
14 provisions of this section or terms of the contract by
15 bringing an action in any court of competent jurisdiction to
16 recover damages. As a condition of entering into the program,
17 the authority may require that the agricultural producer
18 consent to the jurisdiction of the courts of this state to
19 hear any matter arising from the provisions of this section.

20 Section 2. Section 159.8082, Florida Statutes, is
21 created to read:

22 159.8082 Agricultural development bond pool.--

23 (1) There is established the agricultural development
24 bond pool. The agricultural development bond pool is
25 available solely to provide written confirmations for private
26 activity bonds to the Florida Agricultural Development
27 Authority to finance agricultural development as described in
28 ss. 570.251 - 570.2815. Allocations from this pool must be
29 awarded for use on a statewide basis pursuant to the
30 procedures specified in s. 159.805, except that the provisions
31 of s. 159.805(2) and (3) do not apply. In issuing written

1 confirmations of allocations for agricultural development
2 projects, the division must use the agricultural development
3 bond pool. If allocation is not available from the
4 agricultural development bond pool, the division must issue
5 written confirmations of allocations for agricultural
6 development projects under s. 159.806 or s. 159.807, in that
7 order. For the purposes of determining priority within a
8 regional allocation pool or the state allocation pool, notices
9 of intent to issue bonds for agricultural development projects
10 to be issued from a regional allocation pool or the state
11 allocation pool are considered to have been received by the
12 division at the time it is determined by the division that the
13 agricultural development bond pool is unavailable to issue
14 confirmation for such agricultural development project.

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

22 Section 3. Section 159.804, Florida Statutes, is
23 amended to read:

24 159.804 Allocation of state volume limitation.--The
25 division shall annually determine the amount of private
26 activity bonds permitted to be issued in this state under the
27 Code and shall make such information available upon request to
28 any person or agency. The total amount of private activity
29 bonds authorized to be issued in this state pursuant to the
30 Code shall be initially allocated as follows on January 1 of
31 each year:

1 (1)(a) On January 1, 1993, the first \$75 million of
2 the state volume limitation shall be allocated to the
3 manufacturing facility pool established pursuant to s.
4 159.8081. This allocation shall be increased in subsequent
5 years in increments of \$7.5 million as follows: On January 1
6 of each year, if at least 75 percent of the preceding year's
7 allocation under this subsection was used to issue bonds by
8 November 15 of that year, the allocation to the pool for the
9 current year must equal the sum of the amount that was
10 allocated to the pool in the preceding year plus an additional
11 \$7.5 million. If, however, 75 percent of the preceding year's
12 allocation was not used to issue bonds by November 15, the
13 allocation to the pool for the current year must be the same
14 amount as that allocated to the pool in the preceding year.

15 (b) On January 1, 2000, the next \$10 million of the
16 state volume limitation must be allocated to the agricultural
17 development pool established under s. 159.8082. This
18 allocation must be increased in subsequent years in increments
19 of \$2 million as follows: on January 1 of each year, if at
20 least 75 percent of the preceding year's allocation under this
21 subsection was used to issue bonds by November 15 of that
22 year, the allocation to the pool for the current year must
23 equal the sum of the amount that was allocated to the pool in
24 the preceding year plus an additional \$2 million; if, however,
25 75 percent of the preceding year's allocation was not used to
26 issue bonds by November 15, the allocation to the pool for the
27 current year must be the same amount as that allocated to the
28 pool in the preceding year.

29 (c)~~(b)~~ If on January 1 of any year, under federal law,
30 bonds for manufacturing facilities or agricultural development
31 no longer require or are eligible for an allocation pursuant

1 to s. 146 of the Code or if a separate volume cap is
2 established for agricultural development bonds under federal
3 law, the allocation of the state volume limitation in the
4 manufacturing facility pool or agricultural development pool,
5 or both, if applicable shall be divided among the remaining
6 pools in the following manner: 50 percent to be shared by the
7 16 regions for use in the manner prescribed in subsection (2);
8 25 percent for use by the Florida Housing Finance Agency in
9 the manner prescribed in subsection (3); 5 percent for use in
10 the state allocation pool in the manner prescribed in
11 subsection (4); and 20 percent for use in the Florida First
12 Business allocation pool in the manner prescribed in
13 subsection (5).

14 (d)~~(c)~~ If the state volume limitation imposed on
15 private activity bonds under s. 146 of the Code is decreased,
16 the amount allocated to the manufacturing facility pool shall
17 be decreased in proportion to the percentage the state volume
18 limitation is decreased.

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

30 (b) The following regions are established for the
31 purposes of this allocation:

- 1 1. Region 1 consisting of Bay, Escambia, Holmes,
2 Okaloosa, Santa Rosa, Walton, and Washington Counties.
- 3 2. Region 2 consisting of Calhoun, Franklin, Gadsden,
4 Gulf, Jackson, Jefferson, Leon, Liberty, and Wakulla Counties.
- 5 3. Region 3 consisting of Alachua, Bradford, Columbia,
6 Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee,
7 Taylor, and Union Counties.
- 8 4. Region 4 consisting of Baker, Clay, Flagler,
9 Nassau, Putnam, and St. Johns Counties.
- 10 5. Region 5 consisting of Citrus, Hernando, Levy,
11 Marion, Pasco, and Sumter Counties.
- 12 6. Region 6 consisting of Brevard, Lake, Osceola,
13 Seminole, and Volusia Counties.
- 14 7. Region 7 consisting of DeSoto, Hardee, Highlands,
15 Manatee, Okeechobee, and Polk Counties.
- 16 8. Region 8 consisting of Charlotte, Collier, Glades,
17 Hendry, Lee, Monroe, and Sarasota Counties.
- 18 9. Region 9 consisting of Indian River, Martin, and
19 St. Lucie Counties.
- 20 10. Region 10 consisting of Broward County.
- 21 11. Region 11 consisting of Dade County.
- 22 12. Region 12 consisting of Duval County.
- 23 13. Region 13 consisting of Hillsborough County.
- 24 14. Region 14 consisting of Orange County.
- 25 15. Region 15 consisting of Palm Beach County.
- 26 16. Region 16 consisting of Pinellas County.
- 27 (3)(a) Twenty-five percent of the state volume
28 limitation remaining after the allocations ~~allocation~~ made
29 pursuant to subsection (1) shall be allocated to the Florida
30 Housing Finance Agency for use in connection with the issuance
31 of housing bonds of that agency or its assigns.

1 (b) The Florida Housing Finance Agency need not apply
2 to the division for an allocation of its volume limitation
3 granted under paragraph (a) for bonds it issues prior to July
4 1 of any year and is not subject to the fee required under s.
5 159.811. However, for bonds it intends to issue between July
6 1 and September 29 of any year, utilizing the allocation
7 granted under paragraph (a), the Florida Housing Finance
8 Agency must submit a notice of intent to issue to the division
9 not later than June 30 of such year, and a written
10 confirmation of allocation shall be granted if a sufficient
11 amount of that allocation is available.

12 (c) The Florida Housing Finance Agency, in its
13 discretion, may, prior to July 1 of each year, assign any
14 portion of the Florida Housing Finance Agency allocation to
15 any agency for the issuance of housing bonds, taking into
16 consideration the ability of the agency to timely issue such
17 bonds, the need and public purpose to be served by the issue,
18 and the ability of the agency to comply with the requirements
19 of federal and state law. Such assignment is not effective
20 until receipt by the division of notification of the
21 assignment. A separate allocation from the division is not
22 needed for bonds issued prior to July 1 utilizing such an
23 assignment. An agency that intends to utilize such an
24 assignment to issue housing bonds between July 1 and September
25 29 of any year must submit a notice of intent to issue to the
26 division for the amount of such assignment not later than June
27 30, and a written confirmation of allocation shall be granted
28 if a sufficient amount of the allocation under paragraph (a)
29 is available. Any amounts representing assignments of which
30 the division had been notified by the Florida Housing Finance
31 Agency but for which an issuance report or notice of intent to

1 issue pursuant to this subsection has not been received by the
2 division by June 30 of any year shall be reallocated to the
3 state allocation pool on July 1 of that year.

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

8 (5) Twenty percent of the state volume limitation
9 remaining after the allocations ~~allocation~~ made pursuant to
10 subsection (1) shall be allocated to the Florida First
11 Business allocation pool, to be used as provided in s.
12 159.8083.

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

15 159.809 Recapture of unused amounts.--

16 (3) On November 16 of each year, any portion of the
17 initial allocation, made pursuant to s. 159.804(1), s.
18 159.804(5), or subsection (1) or subsection (2), other than as
19 provided in ss. 159.8082 and ~~s. 159.8083~~, for which an
20 issuance report for bonds utilizing such an allocation has not
21 been received by the division prior to that date shall be
22 added to the state allocation pool.

23 Section 5. This act shall take effect July 1, 1999.
24
25
26
27
28
29
30
31

SENATE SUMMARY

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

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

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

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

Provides for additional beginning farmer and loan
assistance programs. Requires the authority to establish
and develop an agricultural loan assistance program.

1 Provides program criteria. Requires the authority to
2 create and develop alternative agriculture assistance
3 programs. Provides for the adoption of rules with respect
4 to enforcement of provisions relative to such programs.
5 Authorizes the authority to bring action for enforcement.
6
7 Establishes the agricultural development bond pool to
8 provide written confirmations for private activity bonds
9 to the authority to finance agricultural development.
10 Prescribes procedures for allocations from the pool.
11 Provides for future increases in the state volume
12 limitation allocated to the pool.
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31