

By Senator Albritton

26-02031A-19

20191804__

1 A bill to be entitled
2 An act relating to emergency loans for agricultural
3 producers; transferring the Agricultural Economic
4 Development Program from the Department of Agriculture
5 and Consumer Services to the Division of Emergency
6 Management within the Executive Office of the Governor
7 by a type two transfer; transferring, renumbering, and
8 amending s. 570.82, F.S.; revising eligibility
9 requirements for the Agricultural Economic Development
10 Program; increasing the maximum amounts of program
11 loans; providing the terms of the loans; requiring the
12 division to make an effort to extend the loan terms
13 under certain circumstances; redefining the term
14 "essential physical property" to include irrigation
15 systems; requiring certain applicants to submit an
16 application within a specified timeframe; requiring
17 the division to administer the program; amending s.
18 201.25, F.S.; conforming a cross-reference; providing
19 a directive to the Division of Law Revision; providing
20 an effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Pursuant to section 20.06(2), Florida Statutes,
25 the Agricultural Economic Development Program is transferred by
26 a type two transfer from the Department of Agriculture and
27 Consumer Services to the Division of Emergency Management within
28 the Executive Office of the Governor.

29 Section 2. Section 570.82, Florida Statutes, is

26-02031A-19

20191804__

30 transferred, renumbered as section 252.65, Florida Statutes, and
 31 amended, to read:

32 252.65 ~~570.82~~ Agricultural Economic Development Program
 33 disaster loans and grants and aid.—

34 (1) USE OF LOAN FUNDS.—

35 (a) Loan funds to agricultural producers who have
 36 experienced losses from a natural disaster or a socioeconomic
 37 condition or event may be used to:

38 1. Restore or replace essential physical property or remove
 39 debris from essential physical property.

40 2. Pay all or part of production costs associated with the
 41 disaster year.

42 3. Pay essential family living expenses.

43 4. Restructure farm debts.

44 ~~(b) To be eligible, agricultural producers must have a~~
 45 ~~parcel or parcels of land in production not exceeding 300 acres.~~

46 (b)(e) Funds may be issued as zero-interest direct loans,
 47 ~~or as loan guarantees for up to 90 percent of the total loan~~, in
 48 amounts of at least not less than \$30,000 but not more than
 49 \$500,000 \$300,000. Applicants are responsible for closing costs
 50 ~~must provide at least 10 percent equity~~.

51 (c) For a loan made under this section after the effective
 52 date of this act, the term of the loan is 10 years. If another
 53 natural disaster affects the same property for which the
 54 applicant received such a loan within the original term of the
 55 loan, the division must make an effort to appropriately extend
 56 the term.

57 (d) For purposes of this subsection, the term:

58 1. "Losses" means loss or damage to crops, agricultural

26-02031A-19

20191804__

59 products, agricultural facilities, infrastructure, or farmworker
60 housing.

61 2. "Essential physical property" means fences, equipment,
62 structural production facilities such as shade houses and
63 greenhouses, other agricultural facilities, infrastructure,
64 irrigation systems, or farmworker housing.

65 (2) ELIGIBLE CROPS.—Crops eligible for the emergency loan
66 program include:

67 (a) Crops grown for human consumption.

68 (b) Crops planted and grown for livestock consumption,
69 including, but not limited to, grain, seed, and forage crops.

70 (c) Crops grown for fiber, except for trees.

71 (d) Specialty crops, such as seafood and aquaculture,
72 including, but not limited to, the products of shellfish
73 cultivation and harvesting, ornamental fish farming, and
74 commercial fishing; floricultural or ornamental nursery crops;
75 Christmas trees; turf for sod; industrial crops; and seed crops
76 used to produce eligible crops.

77 (3) FARMING INFORMATION.—A borrower must keep complete and
78 acceptable farm records and present them as proof of production
79 levels. A borrower must operate in accordance with a farm plan
80 that he or she develops and that is approved by the
81 commissioner. A borrower may be required to participate in a
82 financial management training program and obtain crop insurance.

83 (4) LOAN APPLICATION.—

84 (a) In order to qualify for a loan under this section, an
85 applicant must:

86 1. Submit an application to the division ~~department~~ within
87 90 days after the date the natural disaster or socioeconomic

26-02031A-19

20191804__

88 condition or event occurs or the crop damage becomes apparent;~~-~~

89 2. An applicant must Be a citizen of the United States and
90 a bona fide resident of the state and must also demonstrate the
91 need for economic assistance and demonstrate that he or she has
92 the ability to repay the loan. Only one loan may be issued per
93 federal employer identification number; and

94 3. Be approved by the division.

95 (b) An applicant who had an established farm before October
96 7, 2018, and who experienced losses due to Hurricane Michael
97 during the 2018 hurricane season shall submit an application to
98 the division within 60 days after the effective date of this
99 act.

100 (5) LOAN SECURITY REQUIREMENTS.—All loans must be secured.
101 A first lien is required on all property or product acquired,
102 produced, or refinanced with loan funds. The specific type of
103 collateral required may vary depending upon the loan purpose,
104 repayment ability, and the particular circumstances of the
105 applicant. Farm assets may be used as collateral.

106 (6) LOAN REPAYMENT.—Repayment of the loans ~~for crops,~~
107 ~~livestock, and non-real-estate losses~~ shall normally be made
108 within 10 7 years ~~or, in special circumstances, within 20 years.~~
109 ~~Loans for physical losses to real estate and buildings shall not~~
110 ~~exceed 30 years.~~ Borrowers are expected to return to
111 conventional credit sources when they are financially able.
112 Loans are a temporary source of credit, and borrowers must be
113 reviewed periodically to determine whether they can return to
114 conventional credit.

115 (7) ADMINISTRATION.—The division shall administer this
116 program in a manner consistent with federal disaster relief,

26-02031A-19

20191804__

117 prioritizing the maximization of federal aid.

118 ~~(7) GRANTS AND AID. The department shall establish a grant~~
119 ~~program to provide aid to agribusinesses to assist in market~~
120 ~~development.~~

121 Section 3. Subsection (2) of section 201.25, Florida
122 Statutes, is amended to read:

123 201.25 Tax exemptions for certain loans.—There shall be
124 exempt from all taxes imposed by this chapter:

125 (2) Any loan made by the Agricultural Economic Development
126 Program pursuant to s. 252.65 ~~s. 570.82~~.

127 Section 4. The Division of Law Revision is directed to
128 replace the phrase "the effective date of this act" wherever it
129 occurs in this act, with the date this act becomes a law.

130 Section 5. This act shall take effect upon becoming a law.