

By the Committee on Agriculture; and Senator Albritton

575-03192-19

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1                   A bill to be entitled  
2           An act relating to emergency loans for agricultural  
3           producers; transferring, renumbering, and amending s.  
4           570.82, F.S.; renaming the Agricultural Economic  
5           Development Program for disaster loans as the  
6           Agricultural Economic Development and Disaster Loans  
7           Program; transferring administration of the program  
8           from the Department of Agriculture and Consumer  
9           Services to the Division of Emergency Management  
10          within the Executive Office of the Governor; revising  
11          authorized uses of loan funds; revising eligibility  
12          requirements for loans; increasing the total loan  
13          limit and deleting the minimum limit; revising loan  
14          requirements; requiring borrowers to pay closing  
15          costs; specifying a limit on such costs and providing  
16          that such costs may be paid directly or be financed;  
17          specifying loan limits for certain crops; requiring  
18          the division to work with borrowers in evaluating the  
19          need to extend loan terms under certain circumstances;  
20          specifying the minimum and maximum allowable extension  
21          term; redefining the terms "losses" and "essential  
22          physical property" and defining the term "direct input  
23          costs"; revising eligible crops; defining the terms  
24          "commercial fishing" and "industrial crops"; deleting  
25          requirements for farm plans and participation in  
26          certain training programs; revising loan application  
27          requirements; providing that farm assets may be used  
28          as collateral; revising requirements for loan  
29          repayment; authorizing remedies for the division

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30 relating to loan defaults; specifying requirements for  
 31 the division in administering the program; deleting a  
 32 provision requiring the department to establish a  
 33 certain grant program; amending s. 201.25, F.S.;  
 34 conforming a provision to changes made by the act;  
 35 providing an effective date.

36  
 37 Be It Enacted by the Legislature of the State of Florida:

38  
 39 Section 1. Section 570.82, Florida Statutes, is  
 40 transferred, renumbered as section 252.65, Florida Statutes, and  
 41 amended, to read:

42 252.65 ~~570.82~~ Agricultural Economic Development and  
 43 Disaster Loans Program ~~disaster loans and grants and aid.~~

44 (1) USE OF LOAN FUNDS AND LOAN TERMS.

45 (a) The division shall use funds appropriated for the  
 46 program to make loans ~~Loan funds~~ to agricultural producers who  
 47 have experienced losses from a natural disaster or a  
 48 catastrophic weather ~~socioeconomic condition or event.~~ Such  
 49 loans may be used to:

50 1. Restore or replace essential physical property or remove  
 51 debris on farmland or from essential physical property.

52 2. Pay all or part of production costs associated with the  
 53 disaster year, including direct input costs.

54 3. Pay the deductible to repair or replace insured farm or  
 55 irrigation equipment ~~essential family living expenses.~~

56 4. Restructure farm debts.

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

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59 ~~(e)~~ A loan must be zero-interest and in an amount of not  
60 Funds may be issued as direct loans, or as loan guarantees for  
61 up to 90 percent of the total loan, in amounts not less than  
62 \$30,000 nor more than \$500,000 ~~\$300,000~~. The borrower shall pay  
63 closing costs, which may not be more than 1 percent of the loan.  
64 The closing costs may be paid directly by the borrower or may be  
65 financed as part of the loan ~~Applicants must provide at least 10~~  
66 ~~percent equity.~~

67 (c) The following loan limits apply per federal employer  
68 identification number:

- 69 1. For timber, up to \$500 per acre.
- 70 2. For cotton, up to \$275 per acre.
- 71 3. For peanuts, up to \$125 per acre.

72 (d) The term of the loan is 10 years. If a subsequent  
73 natural disaster or catastrophic weather event affects the same  
74 property for which a borrower has an outstanding loan made under  
75 this section and that loan is still within its original term,  
76 the division must work with the borrower to evaluate the  
77 necessity of extending the term of the loan. The evaluation must  
78 include, but need not be limited to, a review of the borrower's  
79 financial condition, the availability of other financial  
80 resources or programs, and consistency with the administration  
81 of the program under subsection (8). If the division determines  
82 it necessary to extend the term of the loan, the extension may  
83 be for up to an additional 5 years but must be for at least 1  
84 year.

85 ~~(e)(d)~~ As used in ~~For purposes of~~ this subsection, the  
86 term:

- 87 1. "Direct input costs" means costs incurred for:

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a. Seed;  
b. A boll weevil eradication program under part I of chapter 593;  
c. Fertilizer, lime, or other soil amendment;  
d. Chicken litter;  
e. Chemicals;  
f. Custom application;  
g. Hand weeding;  
h. Crop scouting;  
i. Fuel and lube;  
j. Repairs and maintenance;  
k. Irrigation;  
l. Labor;  
m. Insurance;  
n. Land rent;  
o. Interest on operating capital;  
p. Drying and cleaning; or  
q. Marketing and fees.  
~~3.1.~~ "Losses" means loss or damage to crops; agricultural products; agricultural facilities; farm, ranch, or dairy infrastructure; or irrigation equipment ~~farmworker housing~~.  
 2. "Essential physical property" means fences; equipment; structural production facilities such as shade houses and greenhouses; other agricultural facilities; farm, ranch, or dairy infrastructure; or irrigation equipment ~~farmworker housing~~.  
 (2) ELIGIBLE AGRICULTURAL PRODUCERS CROPS. Agricultural producers of the following crops are eligible for the emergency loan program ~~Crops eligible for the emergency loan program~~

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117 ~~include:~~

118 (a) Crops grown for human consumption.

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

121 (c) Crops grown for fiber, ~~except for trees.~~

122 (d) Specialty crops, such as seafood and aquaculture,  
123 including, but not limited to, the products of shellfish or  
124 oyster cultivation and harvesting, ornamental fish farming, and  
125 commercial fishing; floricultural or ornamental nursery crops;  
126 Christmas trees; turf for sod; industrial crops; and seed crops  
127 used to produce eligible crops. As used in this paragraph, the  
128 term "commercial fishing" means the activity of catching fish or  
129 other seafood for commercial profit. As used in this paragraph,  
130 the term "industrial crops" means crops that provide materials  
131 for industrial processes and products, such as soybeans, cotton  
132 lint and cottonseed, flax, or tobacco.

133 (3) FARMING INFORMATION.—A borrower must keep complete and  
134 acceptable farm records and present them as proof of production  
135 levels. ~~A borrower must operate in accordance with a farm plan~~  
136 ~~that he or she develops and that is approved by the~~  
137 ~~commissioner.~~ A borrower may be required to ~~participate in a~~  
138 ~~financial management training program and obtain crop insurance~~  
139 as a risk management tool.

140 (4) LOAN APPLICATION.—In order to qualify for a loan under  
141 this section, an applicant must:

142 (a) Submit an application to the division ~~department~~ within  
143 1 year ~~90 days~~ after the date the natural disaster or  
144 catastrophic weather ~~socioeconomic condition or~~ event occurs ~~or~~  
145 ~~the crop damage becomes apparent.~~

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146 (b) Be ~~An applicant must be~~ a citizen of the United States  
147 and a bona fide resident of this ~~the~~ state, ~~and must also~~  
148 demonstrate the need for economic assistance, ~~and demonstrate~~  
149 that he or she has the ability to repay the loan. Only one loan  
150 may be issued per federal employer identification number.

151 (c) Provide sufficient evidence to the division that he or  
152 she used crop insurance as a risk management tool, if available,  
153 at the time of the natural disaster or catastrophic weather  
154 event.

155 (d) Be approved by the division.

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

162 (6) LOAN REPAYMENT.—A borrower shall repay the loan  
163 ~~Repayment of loans for crops, livestock, and non-real-estate~~  
164 ~~losses shall normally be made within 10 7 years or, except a~~  
165 borrower who received an extension of a loan as provided in  
166 paragraph (1) (d) shall repay the loan by the expiration of the  
167 extension in special circumstances, within 20 years. Loans for  
168 ~~physical losses to real estate and buildings shall not exceed 30~~  
169 years. A loan may not be extended or repaid beyond 15 years.  
170 Borrowers are expected to return to conventional credit sources  
171 when they are financially able. Loans are a temporary source of  
172 credit, and borrowers must be reviewed periodically to determine  
173 whether they can return to conventional credit.

174 (7) LOAN DEFAULT.—In the event of a default by a borrower,

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175 the division may bring suit to enforce its interest, in addition  
176 to any other remedy provided by law.

177 (8) ADMINISTRATION.—The division shall administer the  
178 program in a manner consistent with federal disaster relief,  
179 prioritizing the maximization of federal aid. All loan  
180 repayments must be returned to the fund from which the  
181 appropriation for the program was made.

182 ~~(7) GRANTS AND AID.—The department shall establish a grant~~  
183 ~~program to provide aid to agribusinesses to assist in market~~  
184 ~~development.~~

185 Section 2. Subsection (2) of section 201.25, Florida  
186 Statutes, is amended to read:

187 201.25 Tax exemptions for certain loans.—There shall be  
188 exempt from all taxes imposed by this chapter:

189 (2) Any loan made by the Agricultural Economic Development  
190 and Disaster Loans Program pursuant to s. 252.65 ~~s. 570.82~~.

191 Section 3. This act shall take effect upon becoming a law.