

# HOUSE BILL NO. 2041

## 100TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE SHARPE (4).

4670H.011

DANA RADEMAN MILLER, Chief Clerk

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### AN ACT

To repeal section 348.500, RSMo, and to enact in lieu thereof one new section relating to family farms.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 348.500, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 348.500, to read as follows:

348.500. 1. This section shall be known and may be cited as the "Family Farms Act".

2. As used in this section, "small farmer" means a farmer who is a Missouri resident and who has less than ~~two hundred fifty~~ **five hundred** thousand dollars in gross sales per year.

3. The agricultural and small business development authority shall establish a family farm breeding livestock loan program for small farmers for the purchase of beef cattle, dairy cattle, sheep and goats, and swine only.

4. To participate in the loan program, a small farmer shall first obtain approval for a family farm livestock loan from a lender as defined in section 348.015. Each small farmer shall be eligible for only one family farm livestock loan per family and for only one type of livestock.

5. The maximum amount of the family farm livestock loan for each type of livestock shall be as follows:

(1) Seventy-five thousand dollars for beef cattle;

(2) Seventy-five thousand dollars for dairy cattle;

(3) Thirty-five thousand dollars for swine; and

(4) Thirty thousand dollars for sheep and goats.

6. Eligible borrowers under the program:

(1) Shall use the proceeds of the family farm loan to acquire breeding livestock;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 (2) Shall not finance more than ninety percent of the anticipated cost of the purchase of  
19 such livestock through the family farm livestock loan; and

20 (3) Shall not be charged interest by the lender, as defined in section 348.015, for the first  
21 year of the qualified family farm livestock loan.

22 7. Upon approval of the family farm livestock loan by a lender under subsection 4 of this  
23 section, the loan shall be submitted for approval by the agricultural and small business  
24 development authority. The authority shall promulgate rules establishing eligibility under this  
25 section, taking into consideration:

26 (1) The eligible borrower's ability to repay the family farm livestock loan;

27 (2) The general economic conditions of the area in which the farm is located;

28 (3) The prospect of a financial return for the small farmer for the type of livestock for  
29 which the family farm livestock loan is sought; and

30 (4) Such other factors as the authority may establish.

31 8. For eligible borrowers participating in the program, the authority shall be responsible  
32 for reviewing the purchase price of any livestock to be purchased by an eligible borrower under  
33 the program to determine whether the price to be paid is appropriate for the type of livestock  
34 purchased. The authority may impose a one-time loan review fee of one percent which shall be  
35 collected by the lender at the time of the loan and paid to the authority.

36 9. Nothing in this section shall preclude a small farmer from participating in any other  
37 agricultural program.

38 10. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
39 created under the authority delegated in this section shall become effective only if it complies  
40 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.  
41 This section and chapter 536 are nonseverable and if any of the powers vested with the general  
42 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and  
43 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and  
44 any rule proposed or adopted after August 28, 2006, shall be invalid and void.

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