



353280

LEGISLATIVE ACTION

Senate

.
. .
. .
. .
. .

House

The Committee on Agriculture (Albritton) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

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

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

(1) USE OF LOAN FUNDS AND LOAN TERMS.



353280

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

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

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

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

4. Restructure farm debts.

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

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

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

1. For timber, up to \$500 per acre.

2. For cotton, up to \$275 per acre.

3. For peanuts, up to \$125 per acre.

(d) The term of the loan is 10 years. If a subsequent natural disaster or catastrophic weather event affects the same



353280

property for which a borrower has an outstanding loan made under
this section and that loan is still within its original term,
the division must work with the borrower to evaluate the
necessity of extending the term of the loan. The evaluation must
include, but need not be limited to, a review of the borrower's
financial condition, the availability of other financial
resources or programs, and consistency with the administration
of the program under subsection (8). If the division determines
it necessary to extend the term of the loan, the extension may
be for up to an additional 5 years but must be for at least 1
year.

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

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

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;



353280

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 ~~include:~~

(a) Crops grown for human consumption.

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

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

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



353280

lint and cottonseed, flax, or tobacco.

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

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

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

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

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

(d) Be approved by the division.

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



353280

applicant. Farm assets may be used as collateral.

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

(7) LOAN DEFAULT.—In the event of a default by a borrower,
the division may bring suit to enforce its interest, in addition
to any other remedy provided by law.

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

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

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

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

(2) Any loan made by the Agricultural Economic Development



353280

and Disaster Loans Program pursuant to s. 252.65 ~~s. 570.82~~.

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

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete everything before the enacting clause
and insert:

A bill to be entitled

An act relating to emergency loans for agricultural
producers; transferring, renumbering, and amending s.
570.82, F.S.; renaming the Agricultural Economic
Development Program for disaster loans as the
Agricultural Economic Development and Disaster Loans
Program; transferring administration of the program
from the Department of Agriculture and Consumer
Services to the Division of Emergency Management
within the Executive Office of the Governor; revising
authorized uses of loan funds; revising eligibility
requirements for loans; increasing the total loan
limit and deleting the minimum limit; revising loan
requirements; requiring borrowers to pay closing
costs; specifying a limit on such costs and providing
that such costs may be paid directly or be financed;
specifying loan limits for certain crops; requiring
the division to work with borrowers in evaluating the
need to extend loan terms under certain circumstances;
specifying the minimum and maximum allowable extension
term; redefining the terms "losses" and "essential
physical property" and defining the term "direct input



353280

costs"; revising eligible crops; defining the terms
"commercial fishing" and "industrial crops"; deleting
requirements for farm plans and participation in
certain training programs; revising loan application
requirements; providing that farm assets may be used
as collateral; revising requirements for loan
repayment; authorizing remedies for the division
relating to loan defaults; specifying requirements for
the division in administering the program; deleting a
provision requiring the department to establish a
certain grant program; amending s. 201.25, F.S.;
conforming a provision to changes made by the act;
providing an effective date.