

First Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 21-0887.01 Richard Sweetman x4333

SENATE BILL 21-248

SENATE SPONSORSHIP

Donovan and Simpson,

HOUSE SPONSORSHIP

(None),

Senate Committees

Agriculture & Natural Resources

House Committees

A BILL FOR AN ACT

101 CONCERNING ASSISTANCE FOR AGRICULTURE IN COLORADO, AND, IN
102 CONNECTION THEREWITH, ESTABLISHING A LOAN PROGRAM IN
103 THE DEPARTMENT OF AGRICULTURE AND TRANSFERRING MONEY
104 FROM THE GENERAL FUND TO A NEW AGRICULTURAL FUTURE
105 LOAN PROGRAM CASH FUND TO BE USED FOR THE LOAN
106 PROGRAM.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill creates the Colorado agricultural future loan program

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

1 UNLESS THE CONTEXT OTHERWISE REQUIRES:

2 (1) "AGRICULTURAL PROCESSING" MEANS THE TRANSFORMING,
3 PACKAGING, SORTING, OR GRADING OF COLORADO LIVESTOCK, LIVESTOCK
4 PRODUCTS, AGRICULTURAL COMMODITIES, PLANTS, OR PLANT PRODUCTS.

5 (2) "AGRICULTURE" HAS THE SAME MEANING AS SET FORTH IN
6 SECTION 35-1-102 (1).

7 (3) "COMMISSIONER" MEANS THE COMMISSIONER OF
8 AGRICULTURE.

9 (4) "DEPARTMENT" MEANS THE DEPARTMENT OF AGRICULTURE
10 CREATED IN SECTION 35-1-103.

11 (5) "ELIGIBLE BUSINESS" MEANS A BUSINESS THAT:

12 (a) EARNS A MAJORITY OF ITS REVENUE FROM AGRICULTURAL
13 PROCESSING; AND

14 (b) IN THE JUDGMENT OF THE DEPARTMENT:

15 (I) HAS MANAGERS AND EMPLOYEES WHO POSSESS SUFFICIENT
16 EDUCATION, TRAINING, AND EXPERIENCE TO OPERATE THE BUSINESS; AND

17 (II) PROVIDES AN ECONOMIC BENEFIT TO COLORADO FARMERS OR
18 RANCHERS.

19 (6) "ELIGIBLE FARMER OR RANCHER" MEANS AN INDIVIDUAL WHO:

20 (a) IS AT LEAST EIGHTEEN YEARS OF AGE;

21 (b) IS A RESIDENT OF COLORADO;

22 (c) IS AN OWNER OR OPERATOR IN FACT OF A FARM OR RANCH; AND

23 (d) IN THE JUDGMENT OF THE DEPARTMENT:

24 (I) POSSESSES SUFFICIENT EDUCATION, TRAINING, AND EXPERIENCE
25 TO OPERATE THE FARM OR RANCH; AND

26 (II) POSSESSES OR HAS ACCESS TO SUFFICIENT WORKING CAPITAL,
27 FARM MACHINERY, LIVESTOCK, OR LAND TO OPERATE THE FARM OR

1 RANCH.

2 (7) (a) "FARM-TO-MARKET INFRASTRUCTURE LOAN" MEANS A
3 LOAN FROM THE LOAN PROGRAM, WHICH LOAN IS USED FOR THE PURPOSE
4 OF AGRICULTURAL PROCESSING.

5 (b) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JANUARY 2,
6 2023.

7 (8) "FUND" MEANS THE COLORADO AGRICULTURAL FUTURE LOAN
8 PROGRAM CASH FUND CREATED IN SECTION 35-1.2-105.

9 (9) "LIVESTOCK" HAS THE SAME MEANING AS SET FORTH IN
10 SECTION 35-1-102 (6).

11 (10) "LOAN PROGRAM" MEANS THE COLORADO AGRICULTURAL
12 FUTURE LOAN PROGRAM CREATED IN SECTION 35-1.2-103.

13 **35-1.2-103. Colorado agricultural future loan program -**
14 **created - application - criteria - awards - rules - repeal.** (1) THERE IS
15 HEREBY CREATED IN THE DEPARTMENT THE COLORADO AGRICULTURAL
16 FUTURE LOAN PROGRAM TO PROVIDE LOANS AS DESCRIBED IN THIS
17 SECTION. THE DEPARTMENT SHALL ADMINISTER THE LOAN PROGRAM AND,
18 BEGINNING ON OR BEFORE JANUARY 1, 2022, SHALL AWARD LOANS FROM
19 THE LOAN PROGRAM AS PROVIDED IN THIS ARTICLE 1.2. LOANS SHALL BE
20 PAID OUT OF THE FUND.

21 (2) (a) (I) BEGINNING ON OR BEFORE JANUARY 1, 2022, AND UNTIL
22 JANUARY 1, 2023, THE DEPARTMENT SHALL AWARD FARM-TO-MARKET
23 INFRASTRUCTURE LOANS FROM THE LOAN PROGRAM TO APPLICANTS WHO
24 SATISFY THE REQUIREMENTS ESTABLISHED BY RULES PROMULGATED BY
25 THE COMMISSIONER PURSUANT TO SUBSECTION (8) OF THIS SECTION.

26 (II) THIS SUBSECTION (2)(a) IS REPEALED, EFFECTIVE JANUARY 2,
27 2023.

1 (b) BEGINNING ON OR BEFORE JANUARY 1, 2022, THE DEPARTMENT
2 SHALL AWARD LOW-INTEREST LOANS FROM THE LOAN PROGRAM TO
3 ELIGIBLE FARMERS OR RANCHERS AND ELIGIBLE BUSINESSES THAT SATISFY
4 THE REQUIREMENTS ESTABLISHED BY RULES PROMULGATED BY THE
5 COMMISSIONER PURSUANT TO SUBSECTION (8) OF THIS SECTION.

6 (3) IN ADMINISTERING THE LOAN PROGRAM, THE DEPARTMENT, TO
7 THE EXTENT PRACTICABLE, SHALL ATTEMPT TO AWARD:

8 (a) (I) A TOTAL OF AT LEAST FIVE MILLION DOLLARS BUT NO MORE
9 THAN TEN MILLION DOLLARS IN THE FORM OF FARM-TO-MARKET
10 INFRASTRUCTURE LOANS BY JUNE 30, 2022.

11 (II) THIS SUBSECTION (3)(a) IS REPEALED, EFFECTIVE JULY 1, 2022.

12 (b) (I) A TOTAL OF AT LEAST TEN MILLION DOLLARS BUT NO MORE
13 THAN TWENTY MILLION DOLLARS IN THE FORM OF LOW-INTEREST LOANS
14 TO ELIGIBLE FARMERS OR RANCHERS AND ELIGIBLE BUSINESSES BY
15 DECEMBER 31, 2022.

16 (II) THIS SUBSECTION (3)(b) IS REPEALED, EFFECTIVE JANUARY 1,
17 2023.

18 (4) THE DEPARTMENT MAY CONTRACT WITH A NONPROFIT
19 ORGANIZATION FOR THE PURPOSE OF HELPING THE DEPARTMENT
20 ADMINISTER THE LOAN PROGRAM. IF THE DEPARTMENT CONTRACTS WITH
21 A NONPROFIT ORGANIZATION PURSUANT TO THIS SUBSECTION (4), THE
22 DEPARTMENT SHALL PROMPTLY NOTIFY THE AGRICULTURE AND NATURAL
23 RESOURCES COMMITTEE OF THE SENATE AND THE AGRICULTURE,
24 LIVESTOCK, AND WATER COMMITTEE OF THE HOUSE OF REPRESENTATIVES,
25 OR ANY SUCCESSOR COMMITTEES, OF SUCH FACT.

26 (5) IN ADMINISTERING THE LOAN PROGRAM, THE DEPARTMENT
27 SHALL:

1 (a) ACCEPT LOAN APPLICATIONS FROM APPLICANTS AT ALL TIMES
2 DURING THE YEAR; EXCEPT THAT THE DEPARTMENT IS REQUIRED TO
3 ACCEPT WRITTEN APPLICATIONS ONLY DURING REGULAR OFFICE HOURS;

4 (b) ON AND AFTER JANUARY 1, 2023, TO THE EXTENT
5 PRACTICABLE, PRIORITIZE THE PROVISION OF LOANS TO ELIGIBLE FARMERS
6 OR RANCHERS WHO APPLY FOR LOANS FROM THE LOAN PROGRAM AND
7 WHO:

8 (I) HAVE OWNED OR OPERATED A FARM OR RANCH FOR LESS THAN
9 TEN YEARS; OR

10 (II) REPRESENT A POPULATION THAT IS UNDERSERVED OR
11 UNDERREPRESENTED IN COLORADO AGRICULTURE.

12 (6) TO RECEIVE A LOAN, AN APPLICANT MUST SUBMIT AN
13 APPLICATION TO THE DEPARTMENT IN THE FORM ESTABLISHED BY THE
14 COMMISSIONER PURSUANT TO SUBSECTION (8)(a) OF THIS SECTION.

15 (7) THE DEPARTMENT SHALL REVIEW APPLICATIONS RECEIVED
16 PURSUANT TO THIS SECTION. IN AWARDING LOANS, THE DEPARTMENT
17 SHALL CONSIDER ANY CRITERIA ESTABLISHED PURSUANT TO RULES
18 PROMULGATED BY THE COMMISSIONER PURSUANT TO SUBSECTION (8) OF
19 THIS SECTION.

20 (8) PURSUANT TO ARTICLE 4 OF TITLE 24, THE COMMISSIONER
21 SHALL PROMULGATE SUCH RULES AS ARE REQUIRED IN THIS ARTICLE 1.2
22 AND SUCH ADDITIONAL RULES AS MAY BE NECESSARY TO IMPLEMENT THE
23 LOAN PROGRAM. AT A MINIMUM, THE RULES MUST SPECIFY:

24 (a) THE FORM OF THE LOAN PROGRAM APPLICATION;

25 (b) THE TIME FRAMES FOR DISTRIBUTING LOAN MONEY;

26 (c) CRITERIA FOR THE DEPARTMENT TO USE IN CONSIDERING
27 APPLICATIONS AND AWARDING LOANS;

- 1 (d) THE MAXIMUM AMOUNT OF A LOAN FROM THE LOAN PROGRAM;
- 2 (e) INTEREST RATES ON LOANS;
- 3 (f) REPAYMENT TERMS OF LOANS; AND
- 4 (g) PERMISSIBLE USES OF MONEY AWARDED AS LOW-INTEREST
- 5 LOANS TO ELIGIBLE FARMERS OR RANCHERS AND ELIGIBLE BUSINESSES,
- 6 WHICH USES MAY INCLUDE:
 - 7 (I) THE ACQUISITION OF PROPERTY AND EQUIPMENT;
 - 8 (II) PAYING COSTS ASSOCIATED WITH PURCHASING BREEDING
 - 9 LIVESTOCK;
 - 10 (III) VALUE-ADDED IMPROVEMENTS TO REAL OR PERSONAL
 - 11 PROPERTY ON A FARM OR RANCH;
 - 12 (IV) OPERATING EXPENSES;
 - 13 (V) CONSERVATION PROJECTS; AND
 - 14 (VI) SUCH OTHER USES AS THE COMMISSIONER MAY IDENTIFY.

15 **35-1.2-104. Report.** NOTWITHSTANDING SECTION 24-1-136
16 (11)(a)(I), ON OR BEFORE DECEMBER 15, 2021, AND ON OR BEFORE
17 DECEMBER 15 EACH YEAR THEREAFTER, THE DEPARTMENT SHALL SUBMIT
18 A SUMMARIZED REPORT TO THE AGRICULTURE AND NATURAL RESOURCES
19 COMMITTEE OF THE SENATE AND THE AGRICULTURE, LIVESTOCK, AND
20 WATER COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY
21 SUCCESSOR COMMITTEES, CONCERNING THE LOAN PROGRAM.

22 **35-1.2-105. Colorado agricultural future loan program cash**
23 **fund - created.** (1) THE COLORADO AGRICULTURAL FUTURE LOAN
24 PROGRAM CASH FUND IS HEREBY CREATED IN THE STATE TREASURY. THE
25 FUND CONSISTS OF:

- 26 (a) MONEY CREDITED TO THE FUND PURSUANT TO SECTION
- 27 35-1.2-106;

1 (b) MONEY RECEIVED AS LOAN PAYMENTS ON LOANS ISSUED FROM
2 THE LOAN PROGRAM, INCLUDING INTEREST; AND

3 (c) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
4 APPROPRIATE OR TRANSFER TO THE FUND.

5 (2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
6 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
7 FUND TO THE FUND.

8 (3) ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING
9 IN THE FUND AT THE END OF A FISCAL YEAR REMAINS IN THE FUND.

10 (4) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO
11 THE DEPARTMENT TO EXPEND FOR THE PURPOSES OF THIS ARTICLE 1.2.

12 **35-1.2-106. Funding for loan program - repeal.** (1) WITHIN
13 THREE DAYS AFTER THE EFFECTIVE DATE OF THIS ARTICLE 1.2, THE STATE
14 TREASURER SHALL TRANSFER THIRTY MILLION DOLLARS FROM THE
15 GENERAL FUND TO THE FUND TO IMPLEMENT AND ADMINISTER THE LOAN
16 PROGRAM. THE DEPARTMENT MAY USE UP TO ONE AND ONE-HALF PERCENT
17 OF THE MONEY TO SET UP THE LOAN PROGRAM AND UP TO ONE PERCENT OF
18 THE MONEY TO PAY THE DIRECT AND INDIRECT COSTS THAT THE
19 DEPARTMENT INCURS IN ADMINISTERING THE LOAN PROGRAM.

20 (2) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2022.

21 **SECTION 2. Safety clause.** The general assembly hereby finds,
22 determines, and declares that this act is necessary for the immediate
23 preservation of the public peace, health, or safety.