

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0887.01 Richard Sweetman x4333

SENATE BILL 21-248

SENATE SPONSORSHIP

Donovan and Simpson,

HOUSE SPONSORSHIP

McCormick and Holtorf,

Senate Committees

Agriculture & Natural Resources
Appropriations

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, 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, AND MAKING AN APPROPRIATION.**

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.

(loan program) in the department of agriculture (department) to provide:

- Farm-to-market infrastructure loans to eligible applicants; and
- Low-interest loans to eligible farmers or ranchers and eligible businesses in Colorado.

The department shall administer the loan program and provide loans from the Colorado agricultural future loan program cash fund (fund), which is also created in the bill.

In administering the loan program, the department, to the extent practicable, shall attempt to award:

- A total of at least \$5 million but no more than \$10 million in the form of farm-to-market infrastructure loans by June 30, 2022; and
- A total of at least \$10 million but no more than \$20 million in the form of low-interest loans to eligible farmers or ranchers and eligible businesses by December 31, 2022.

In administering the loan program on and after January 1, 2023, to the extent practicable, the department shall prioritize the provision of loans to eligible farmers or ranchers who apply for loans from the loan program and who have owned or operated a farm or ranch for less than 10 years or represent a population that is underserved or underrepresented in Colorado agriculture.

The commissioner of agriculture is required to promulgate rules to implement the loan program, and the department is required to submit an annual report to the general assembly concerning the loan program.

The bill requires the state treasurer to transfer \$30 million from the general fund to the fund for use by the department to implement and administer the loan program. The money in the fund is continuously appropriated to the department to expend for the loan program.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 1.2 to title
3 35 as follows:

4 **ARTICLE 1.2**

5 **Colorado Agricultural Future Loan Program**

6 **35-1.2-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 1.2 IS
7 THE "COLORADO AGRICULTURAL FUTURE LOAN PROGRAM ACT".

8 **35-1.2-102. Definitions - repeal.** AS USED IN THIS ARTICLE 1.2,

1 UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

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

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

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

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

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

15 (b) IN THE JUDGMENT OF THE DEPARTMENT:

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

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

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

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

22 (b) IS A RESIDENT OF COLORADO;

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

24 (d) IN THE JUDGMENT OF THE DEPARTMENT:

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

27 (II) POSSESSES OR HAS ACCESS TO SUFFICIENT WORKING CAPITAL,

1 FARM MACHINERY, LIVESTOCK, OR LAND TO OPERATE THE FARM OR
2 RANCH.

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

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

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

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

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

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

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

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

1 2023.

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

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

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

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

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

17 (II) THIS SUBSECTION (3)(b) IS REPEALED, EFFECTIVE JANUARY 1,
18 2023.

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

27 (5) IN ADMINISTERING THE LOAN PROGRAM, THE DEPARTMENT

1 SHALL:

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

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

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

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

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

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

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

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

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

27 (c) CRITERIA FOR THE DEPARTMENT TO USE IN CONSIDERING

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

16 **35-1.2-104. Report.** NOTWITHSTANDING SECTION 24-1-136

17 (11)(a)(I), ON OR BEFORE DECEMBER 15, 2021, AND ON OR BEFORE

18 DECEMBER 15 EACH YEAR THEREAFTER, THE DEPARTMENT SHALL SUBMIT

19 A SUMMARIZED REPORT TO THE AGRICULTURE AND NATURAL RESOURCES

20 COMMITTEE OF THE SENATE AND THE AGRICULTURE, LIVESTOCK, AND

21 WATER COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY

22 SUCCESSOR COMMITTEES, CONCERNING THE LOAN PROGRAM.

23 **35-1.2-105. Colorado agricultural future loan program cash**

24 **fund - created.** (1) THE COLORADO AGRICULTURAL FUTURE LOAN

25 PROGRAM CASH FUND IS HEREBY CREATED IN THE STATE TREASURY. THE

26 FUND CONSISTS OF:

- 27 (a) MONEY CREDITED TO THE FUND PURSUANT TO SECTION

1 35-1.2-106;

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

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

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

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

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

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

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

22 **SECTION 2. Appropriation.** For the 2021-22 state fiscal year,
23 \$165,890 is appropriated to the department of law. This appropriation is
24 from reappropriated funds received from the department of agriculture
25 from the Colorado agricultural future loan program cash fund created in
26 section 35-1.2-105 (1), C.R.S., and is based on an assumption that the
27 department of law will require an additional 0.9 FTE. To implement this

1 act, the department of law may use this appropriation to provide legal
2 services for the department of agriculture.

3 **SECTION 3. Safety clause.** The general assembly hereby finds,
4 determines, and declares that this act is necessary for the immediate
5 preservation of the public peace, health, or safety.