

HB 1349 -- Family Farms Act

Sponsor: Loehner

This bill establishes the Family Farms Act which will allow small farmers who have obtained a loan for the purchase of livestock a waiver of the interest payments for the first year. A small farmer will be eligible for one family farm loan, and the loan proceeds must be spent on one type of livestock. The maximum amount of a loan will be:

- (1) \$75,000 for beef cattle;
- (2) \$75,000 for dairy cattle;
- (3) \$35,000 for swine; and
- (4) \$30,000 for sheep and goats.

The Agricultural and Small Business Development Authority will administer the program and may charge a one-time fee of 1% of the loan amount. The bill will allow a lender to apply to the authority for a tax credit in an amount equal to the amount of interest which would have otherwise been paid in the first year by the small farmer. Upon approval, the authority will issue a tax credit for taxes otherwise due in the year the credit was issued. The credit may be used to satisfy quarterly tax obligations, and any unused portion may be carried forward up to three years.

The bill contains small farmer qualification requirements and specifies the duties of the authority in administering the program.