

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

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 21-0887.01 Richard Sweetman x4333

SENATE BILL 21-248

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Senate Committees

Agriculture & Natural Resources
Appropriations

House Committees

Agriculture, Livestock, & Water
Appropriations

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.*

HOUSE
3rd Reading Unamended
June 3, 2021

HOUSE
Amended 2nd Reading
June 1, 2021

SENATE
3rd Reading Unamended
May 19, 2021

SENATE
Amended 2nd Reading
May 18, 2021

(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:

13 (a) A BUSINESS THAT:

14 (I) EARNS A MAJORITY OF ITS REVENUE FROM AGRICULTURAL
15 PROCESSING; AND

16 (II) IN THE JUDGMENT OF THE DEPARTMENT:

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

19 (B) PROVIDES AN ECONOMIC BENEFIT TO COLORADO FARMERS OR
20 RANCHERS; OR

21 (b) A RURAL SCHOOL IN A LARGE RURAL DISTRICT, AS DEFINED IN
22 SECTION 22-54-142 (1)(d), OR A SMALL RURAL DISTRICT, AS DEFINED IN
23 SECTION 22-54-142 (1)(f), WHICH SCHOOL CAN DEMONSTRATE A
24 RELATIONSHIP WITH ONE OR MORE COLORADO AGRICULTURAL PRODUCERS
25 WHEREBY THE AGRICULTURAL PRODUCER PROVIDES LIVESTOCK
26 PRODUCTS, AGRICULTURAL COMMODITIES, PLANTS, OR PLANT PRODUCTS
27 TO THE SCHOOL.

1 (6) "ELIGIBLE FARMER OR RANCHER" MEANS AN INDIVIDUAL WHO:
2 (a) IS AT LEAST EIGHTEEN YEARS OF AGE;
3 (b) IS A RESIDENT OF COLORADO;
4 (c) IS AN OWNER OR OPERATOR IN FACT OF A FARM OR RANCH; AND
5 (d) IN THE JUDGMENT OF THE DEPARTMENT:

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

8 (II) POSSESSES OR HAS ACCESS TO SUFFICIENT WORKING CAPITAL,
9 FARM MACHINERY, LIVESTOCK, OR LAND TO OPERATE THE FARM OR
10 RANCH.

11 (7) "FARM-TO-MARKET INFRASTRUCTURE GRANT" MEANS A GRANT
12 OF MONEY FROM THE FUND, WHICH MONEY IS USED FOR AGRICULTURAL
13 PROCESSING.

14 (8) (a) "FARM-TO-MARKET INFRASTRUCTURE LOAN" MEANS A
15 LOAN FROM THE LOAN PROGRAM, WHICH LOAN IS USED FOR THE PURPOSE
16 OF AGRICULTURAL PROCESSING.

17 (b) THIS SUBSECTION (8) IS REPEALED, EFFECTIVE JANUARY 2,
18 2023.

19 (9) "FINANCIAL ENTITY" MEANS A BANK, NONDEPOSIT COMMUNITY
20 DEVELOPMENT FINANCIAL INSTITUTION, BUSINESS DEVELOPMENT
21 CORPORATION, OR OTHER ENTITY WITH AGRICULTURAL LENDING
22 EXPERIENCE AND WITH WHICH THE DEPARTMENT CONTRACTS TO HELP
23 ADMINISTER THE LOAN PROGRAM.

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

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

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

3 **35-1.2-103. Colorado agricultural future loan program -**
4 **created - application - criteria - awards - rules - repeal.** (1) THERE IS
5 HEREBY CREATED IN THE DEPARTMENT THE COLORADO AGRICULTURAL
6 FUTURE LOAN PROGRAM TO PROVIDE LOANS AS DESCRIBED IN THIS
7 SECTION. THE DEPARTMENT SHALL ADMINISTER THE LOAN PROGRAM.
8 NOTHING IN THIS ARTICLE 1.2 MAY BE CONSTRUED AS PERMITTING THE
9 DEPARTMENT TO ENGAGE IN ANY DIRECT LENDING ACTIVITIES. _____

10 (2) (a) (I) BEGINNING ON OR BEFORE JANUARY 1, 2022, AND UNTIL
11 JANUARY 1, 2025, THE DEPARTMENT MAY DISTRIBUTE MONEY FROM THE
12 FUND TO FINANCIAL ENTITIES TO MAKE FARM-TO-MARKET
13 INFRASTRUCTURE LOANS FROM THE LOAN PROGRAM TO APPLICANTS WHO
14 SATISFY THE REQUIREMENTS ESTABLISHED BY RULES PROMULGATED BY
15 THE COMMISSIONER PURSUANT TO SUBSECTION (7) OF THIS SECTION. ■ ■

16 (II) THIS SUBSECTION (2)(a) IS REPEALED, EFFECTIVE JANUARY 2,
17 2025.

18 (b) BEGINNING ON OR BEFORE JANUARY 1, 2022, THE DEPARTMENT
19 MAY AWARD FARM-TO-MARKET INFRASTRUCTURE GRANTS DIRECTLY TO
20 ELIGIBLE FARMERS OR RANCHERS AND ELIGIBLE BUSINESSES THAT SATISFY
21 THE REQUIREMENTS ESTABLISHED BY RULES PROMULGATED BY THE
22 COMMISSIONER PURSUANT TO SUBSECTION (7) OF THIS SECTION. ■

23 (3) IN ADMINISTERING THE LOAN PROGRAM, THE DEPARTMENT, TO
24 THE EXTENT PRACTICABLE, SHALL ATTEMPT TO AWARD OR DISTRIBUTE:

25 (a) (I) A TOTAL OF AT LEAST FIVE MILLION DOLLARS BUT NO MORE
26 THAN TEN MILLION DOLLARS IN THE FORM OF FARM-TO-MARKET
27 INFRASTRUCTURE LOANS OR FARM-TO-MARKET INFRASTRUCTURE GRANTS

1 BY JUNE 30, 2022.

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

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

7 (II) THIS SUBSECTION (3)(b) IS REPEALED, EFFECTIVE JANUARY 1,
8 2023.

9 (4) WHEN THE DEPARTMENT CONTRACTS WITH ONE OR MORE
10 FINANCIAL ENTITIES PURSUANT TO THIS SECTION, THE DEPARTMENT SHALL
11 PROMPTLY NOTIFY THE AGRICULTURE AND NATURAL RESOURCES
12 COMMITTEE OF THE SENATE AND THE AGRICULTURE, LIVESTOCK, AND
13 WATER COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY
14 SUCCESSOR COMMITTEES, OF SUCH CONTRACT.

15 == ==

16 (5) TO RECEIVE A LOAN OR GRANT, AN APPLICANT MUST SUBMIT
17 AN APPLICATION TO THE DEPARTMENT IN THE FORM ESTABLISHED BY THE
18 COMMISSIONER PURSUANT TO SUBSECTION (7)(c)(I) OF THIS SECTION.

19 (6) THE DEPARTMENT SHALL REVIEW APPLICATIONS RECEIVED
20 PURSUANT TO THIS SECTION. IN AWARDING GRANTS AND DISTRIBUTING
21 MONEY TO FINANCIAL ENTITIES FOR AWARDING LOANS, THE DEPARTMENT
22 SHALL CONSIDER ANY CRITERIA ESTABLISHED PURSUANT TO RULES
23 PROMULGATED BY THE COMMISSIONER PURSUANT TO SUBSECTION (7) OF
24 THIS SECTION.

25 (7) PURSUANT TO ARTICLE 4 OF TITLE 24, THE COMMISSIONER
26 SHALL PROMULGATE SUCH RULES AS ARE REQUIRED IN THIS ARTICLE 1.2
27 AND SUCH ADDITIONAL RULES AS MAY BE NECESSARY TO IMPLEMENT THE

1 LOAN PROGRAM. AT A MINIMUM, THE RULES MUST:

2 (a) REQUIRE THE DEPARTMENT TO ACCEPT APPLICATIONS FROM

3 APPLICANTS AT ALL TIMES DURING THE YEAR; EXCEPT THAT THE

4 DEPARTMENT MAY BE REQUIRED TO ACCEPT WRITTEN APPLICATIONS ONLY

5 DURING REGULAR OFFICE HOURS;

6 (b) ON AND AFTER JANUARY 1, 2023, TO THE EXTENT

7 PRACTICABLE, PRIORITIZE THE PROVISION OF LOANS TO ELIGIBLE FARMERS

8 OR RANCHERS WHO APPLY FOR LOANS OR GRANTS FROM THE LOAN

9 PROGRAM AND WHO:

10 (I) HAVE OWNED OR OPERATED A FARM OR RANCH FOR LESS THAN

11 TEN YEARS; OR

12 (II) REPRESENT A POPULATION THAT IS UNDERSERVED OR

13 UNDERREPRESENTED IN COLORADO AGRICULTURE; AND

14 (c) SPECIFY:

15 (I) THE FORM OF THE LOAN PROGRAM APPLICATION;

16 (II) THE TIME FRAMES FOR DISTRIBUTING LOAN MONEY;

17 (III) CRITERIA FOR THE DEPARTMENT TO USE IN CONSIDERING

18 APPLICATIONS AND AWARDING LOANS;

19 (IV) THE MAXIMUM AMOUNT OF A LOAN FROM THE LOAN

20 PROGRAM;

21 (V) INTEREST RATES ON LOANS;

22 (VI) REPAYMENT TERMS OF LOANS; AND

23 (VII) PERMISSIBLE USES OF MONEY AWARDED AS LOW-INTEREST

24 LOANS TO ELIGIBLE FARMERS OR RANCHERS AND ELIGIBLE BUSINESSES,

25 WHICH USES MAY INCLUDE:

26 (A) THE ACQUISITION OF PROPERTY AND EQUIPMENT;

27 (B) PAYING COSTS ASSOCIATED WITH PURCHASING BREEDING

1 LIVESTOCK;

2 (C) VALUE-ADDED IMPROVEMENTS TO REAL OR PERSONAL
3 PROPERTY ON A FARM OR RANCH;

4 (D) OPERATING EXPENSES;

5 (E) CONSERVATION PROJECTS; AND

6 (F) SUCH OTHER USES AS THE COMMISSIONER MAY IDENTIFY.

7 **35-1.2-104. Report.** NOTWITHSTANDING SECTION 24-1-136
8 (11)(a)(I), ON OR BEFORE DECEMBER 15, 2021, AND ON OR BEFORE
9 DECEMBER 15 EACH YEAR THEREAFTER, THE DEPARTMENT SHALL SUBMIT
10 A SUMMARIZED REPORT TO THE AGRICULTURE AND NATURAL RESOURCES
11 COMMITTEE OF THE SENATE AND THE AGRICULTURE, LIVESTOCK, AND
12 WATER COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY
13 SUCCESSOR COMMITTEES, CONCERNING THE LOAN PROGRAM.

14 **35-1.2-105. Colorado agricultural future loan program cash**
15 **fund - created.** (1) THE COLORADO AGRICULTURAL FUTURE LOAN
16 PROGRAM CASH FUND IS HEREBY CREATED IN THE STATE TREASURY. THE
17 FUND CONSISTS OF:

18 (a) MONEY CREDITED TO THE FUND PURSUANT TO SECTION
19 35-1.2-106;

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

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

24 (2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
25 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
26 FUND TO THE FUND.

27 (3) ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING

1 IN THE FUND AT THE END OF A FISCAL YEAR REMAINS IN THE FUND.

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

4 **35-1.2-106. Funding for loan program - repeal.** (1) WITHIN
5 THREE DAYS AFTER THE EFFECTIVE DATE OF THIS ARTICLE 1.2, THE STATE
6 TREASURER SHALL TRANSFER THIRTY MILLION DOLLARS FROM THE
7 GENERAL FUND TO THE FUND FOR THE IMPLEMENTATION AND
8 ADMINISTRATION OF THE LOAN PROGRAM.

9 (2) (a) THE DEPARTMENT MAY USE UP TO ONE AND ONE-HALF
10 PERCENT OF THE MONEY TRANSFERRED PURSUANT TO SUBSECTION (1) OF
11 THIS SECTION TO SET UP THE LOAN PROGRAM.

12 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JANUARY 1,
13 2022.

14 (3) BEGINNING WITH THE 2021-22 STATE FISCAL YEAR, THE
15 DEPARTMENT MAY ANNUALLY USE UP TO ONE AND ONE-HALF PERCENT OF
16 THE MONEY TRANSFERRED PURSUANT TO SUBSECTION (1) OF THIS SECTION
17 TO PAY THE DIRECT AND INDIRECT COSTS THAT THE DEPARTMENT INCURS
18 IN ADMINISTERING THE LOAN PROGRAM; EXCEPT THAT NOTHING IN THIS
19 SUBSECTION (3) MAY BE CONSTRUED AS LIMITING THE AMOUNT THAT THE
20 DEPARTMENT MAY PROVIDE TO A FINANCIAL ENTITY AS COMPENSATION
21 FOR MAKING LOANS PURSUANT TO A CONTRACT DESCRIBED IN SECTION
22 35-1.2-103 (4).

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

1 department of law will require an additional 0.9 FTE. To implement this
2 act, the department of law may use this appropriation to provide legal
3 services for the department of agriculture.

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