

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 2702

(SENATE AUTHORS: SPARKS, Koenen, Dahms and Jensen)

DATE	D-PG	OFFICIAL STATUS
03/14/2016	5034	Introduction and first reading Referred to Capital Investment
03/23/2016	5239	Author added Jensen

A bill for an act
relating to capital investment; appropriating money for Rural Finance Authority
agricultural loan programs; authorizing the sale and issuance of state bonds.
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **RURAL FINANCE AUTHORITY.**

Subdivision 1. **Appropriation.** For the purposes set forth in the Minnesota
Constitution, article XI, section 5, paragraph (h), \$35,000,000 is appropriated from the
bond proceeds fund to the Rural Finance Authority to purchase participation interests in
or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B.
This appropriation is for the beginning farmer program under Minnesota Statutes, section
41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the
seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural
improvement loan program under Minnesota Statutes, section 41B.043; and the livestock
expansion loan program under Minnesota Statutes, section 41B.045. All debt service on
bond proceeds used to finance this appropriation must be repaid by the Rural Finance
Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced
to provide full interest and principal coverage and a reserve for potential losses. Priority
for loans must be given first to basic beginning farmer loans, second to seller-sponsored
loans, and third to agricultural improvement loans.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the
bond proceeds fund, the commissioner of management and budget shall sell and issue
bonds of the state in an amount up to \$35,000,000 in the manner, upon the terms, and with

2.1 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
2.2 Minnesota Constitution, article XI, sections 4 to 7.

2.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.