

Dairy Farm Preservation Act

Linked Loan Program

Chapter 310 Section 1 and Section 11 of Chapter 306

Summary: Farm Linked Loan Program: establishes a farm loan program in the Department of Agricultural Resources (DAR) that offers low-interest four-year loans of up to \$500,000 to eligible farms for eligible projects.

SECTION 1. Chapter 20 of the General Laws, as appearing in the 2006 Official Edition, is hereby amended by adding the following 5 sections [Editorial note: only the sections relevant to the Linked Loan Program are included here. Three other sections, Sections 27, 30, and 31 were added to Chapter 20 of the General Laws.]:-

Section 28. (a) For the purposes of this section and section 29, the following words and phrases shall have the following meanings:-

“Agriculture”, farming in all of its branches and the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of any agricultural, aquacultural, floricultural or horticultural commodities, the growing and harvesting of forest products upon forest land, the raising of livestock including horses, the keeping of horses as a commercial enterprise, the keeping and raising of poultry, swine, cattle and other domesticated animals used for food purposes, bees, fur-bearing animals, and any forestry or lumbering operations, performed by a farmer.

“Eligible borrower”, any farmer who is a resident of the commonwealth and is at least 18 years of age. A borrower who is otherwise eligible shall not be eligible if such borrower is party to a pending legal or administrative action, including a contested case proceeding, related to an alleged violation involving animal feeding or care as regulated by the department of agricultural resources, whether the pending action is brought by the department or the attorney general.

“Eligible project”, a project on a farm that will improve the economic viability of Massachusetts farms, retain or create private sector jobs, improve Massachusetts farm productivity and competitiveness, expand farm facilities as part of a modernization plan, support environmental projects on farms or expand and support markets and infrastructure to strengthen the farming industry.

“Farm”, a body of land devoted to agriculture.

“Farmer”, a person engaged in agriculture as herein defined, or on a farm, as an incident to or in conjunction with, such agricultural operations, including preparations for market, delivery to storage, or to market, or to carriers for transportation to market.

(b) There shall be a linked loan program established by the department for the purposes of making linked loans to eligible borrowers. The commissioner shall administer the program and may, in consultation with the secretary of administration and finance, promulgate rules and regulations governing loan applications and the use of program

funds for eligible borrowers. In implementing the program, the commissioner shall utilize linked investments with farm credit institutions or linked deposits with other approved commercial bank agricultural lenders. The commissioner shall enter into agreements and place investments with approved lenders to carry out the purposes of the program. The term of the linked investment and linked loan shall be for a period of not more than 4 years. The commissioner shall have the discretion to determine the amount of the loan available to an eligible borrower but no linked loan shall exceed \$500,000. The total amount available for the linked loan program shall not exceed \$25,000,000 over the life of the program. The commissioner shall disseminate information regarding the linked loan program to eligible borrowers.

Section 29. There shall be established and set upon the books of the commonwealth a separate fund to be known as the Farm Capital Linked Loan Fund, consisting of revenues received under subsection (b) of section 28, including any interest or investment earnings on such monies and all other monies credited or transferred thereto from any other fund or source pursuant to law. Any unexpended balance in the fund at the end of the fiscal year shall not revert to the General Fund but shall remain available for expenditure in subsequent fiscal years. No expenditure made from the fund shall cause the fund to become deficient at any point during a fiscal year.

The fund shall be held and applied by the commissioner to make qualified linked loans pursuant to said subsection (b) of said section 28. The books and records of the Farm Preservation Linked Loan Fund shall be subject to an annual audit by the state auditor.

The Governor disapproved Section 13 of Chapter 310 because he had already signed into law Section 11 of Chapter 306 that contained nearly the same language as Section 13. Section 11 of Chapter 306 is as follows:

Chapter 306 of the Acts of 2008

SECTION 11. Chapter 182 of the acts of 2008 is hereby amended by striking out section 89 and inserting in place thereof the following section:-

Section 89. (a) Notwithstanding any general or special law to the contrary, after complying with clause (a) of section 5C of chapter 29 of the General Laws the comptroller shall dispose of the consolidated net surplus in the budgetary funds for fiscal year 2008 as follows: (1) if the consolidated net surplus is \$25,000,000 or less, the comptroller shall transfer said amount to the Massachusetts Life Sciences Investment Fund established by section 6 of chapter 23I of the General Laws; or (2) if the consolidated net surplus is \$41,000,000 or greater, the comptroller shall transfer said amount as follows: (a) \$25,000,000 shall be transferred to said Massachusetts Life Sciences Investment Fund; (b) \$3,000,000 shall be transferred to the Workforce Competitiveness Trust Fund, established in section 2WWW of chapter 29 of the General Laws; (c) \$2,000,000 shall be transferred to the Massachusetts Science, Technology, Engineering, and Mathematics Grant Fund established in section 2MMM of said chapter 29, as so appearing; (d) \$4,000,000 shall be transferred to the Endowment Incentive

Holding Fund established in section 7; provided, however, that \$2,000,000 from the Endowment Incentive Holding Fund shall be allocated to University of Massachusetts campuses; provided further, that \$1,000,000 from the Endowment Incentive Holding Fund shall be allocated to state college campuses; and provided further, that \$1,000,000 from said Endowment Incentive Holding Fund shall be allocated to community college campuses; (e) \$5,000,000 shall be transferred to the Farm Capital Linked Loan Fund established pursuant to section 29 of chapter 20 of the General Laws; (f) \$2,000,000 shall be transferred to the Rose Fitzgerald Kennedy Greenway Conservancy, Inc. for the purpose of operating, managing, improving and maintaining the Rose Fitzgerald Kennedy Greenway in the city of Boston; provided that upon any transfer made pursuant to this clause, the Massachusetts Turnpike Authority shall have no further obligation to pay any costs related to the operation, management, improvement or maintenance of the greenway and the other open space parcels; and (g) any amount remaining after the transfers pursuant to clause (a) to (f), inclusive, shall be transferred to the Commonwealth Stabilization Fund established pursuant to section 2H of chapter 29 of the General Laws. If the amount remaining after the designations in said clause (a) of said section 5C of said chapter 29 of the General Laws is greater than \$25,000,000 but less than \$41,000,000, then after making the transfer required in clause (a) of this section, the comptroller shall proportionately reduce the transfers required in clauses (b) to (f), inclusive; and provided further, that allocations from the Endowment Incentive Holding Fund pursuant to clause (d) shall also be proportionately reduced.

(b) All transfers specified in this section shall be made from the undesignated fund balances in the budgetary funds proportionally from the undesignated fund balances, but no such transfer shall cause a deficit in any of the funds.