

**HB 3085 -1 STAFF MEASURE SUMMARY**  
**House Committee On Agriculture and Land Use**

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**Prepared By:** Laura Kentnesse, LPRO Analyst

**Sub-Referral To:** Joint Committee On Ways and Means

**Meeting Dates:** 3/14, 4/9

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**WHAT THE MEASURE DOES:**

Directs the Oregon Business Development Department (OBDD), in consultation with the Oregon Department of Agriculture (ODA), to create and operate a Family Farmer Loan Program (Loan Program) for the purpose of making loans directly to family farmers, including beginning family farmers. Specifies that the Loan Program is intended to supplement or serve as an alternative to the Beginning and Expanding Farmer Loan Program. Allows the loan proceeds to be used to purchase or refinance agricultural land, farming equipment, or livestock; to make permanent agricultural improvements to agricultural land; or to restructure operating debt carryover. Requires that OBDD establish Loan Program eligibility criteria, and specifies minimum criteria. Requires that OBDD develop a loan application, and specifies minimum application requirements. Requires that OBDD adopt specifications for the collateral required to secure loans. Establishes annual percentage rate limits and authorizes OBDD to charge the loan recipient for costs incurred by the department for loan administration. Establishes a maximum loan amount of \$500,000 for the applicant's lifetime. Specifies additional requirements for OBDD and for applicants. Adds legislative finding that a state-run program for providing low-interest direct loans to family farmers, including beginning family farmers, for land, equipment, livestock, and other related purposes will enhance the ability of family farmers to reverse a decline in family farm ownership. Changes existing Beginning and Expanding Farmer Loan Program Fund to the Farmer Loan Program Fund and directs moneys credited to the fund to be continuously appropriated by OBDD for the purpose of implementing and operating both the Family Farmer Loan Program and the Beginning and Expanding Farmer Loan Program. Becomes operative on January 1, 2020. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-1 Changes the agency responsible for the Family Farmer Loan Program creation and operation from OBDD to ODA. Clarifies that all moneys credited to the Farmer Loan Program Fund for the purpose of implementing and operating the Beginning and Expanding Farmer Loan Program are continuously appropriated to OBDD, whereas all moneys credited to the Fund for the purpose of implementing and operating the Family Farmer Loan Program are continuously appropriated to ODA. Includes ODA in all Fund provisions related to agencies.

*REVENUE: No revenue impact*

*FISCAL: May have fiscal impact, but no statement yet issued*

**BACKGROUND:**

In a 2011 survey of farmers and aspiring farmers conducted by the National Young Farmers' Coalition, the lack of capital, including the lack of access to credit was ranked the top challenge facing beginning farmers. Beginning farmers have difficulty accessing credit through traditional commercial loans because, by definition, they have never owned a farm and often have little experience. The 2013 legislature established the Beginning and Expanding Farmer Loan Program to facilitate loans for farmers and ranchers to finance acquisition of approved agricultural projects.

**HB 3085 -1 STAFF MEASURE SUMMARY**

House Bill 3085 would create a Family Farmer Loan Program for the purpose of making loans directly to family farmers, including beginning family farmers.