

115TH CONGRESS
2D SESSION

S. 3117

To require the Secretary of Agriculture to grant farm numbers to individuals with certain documentation, to amend the Consolidated Farm and Rural Development Act to include qualified intermediaries as recipients of farm ownership loans, to provide for a study of farmland tenure, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 21, 2018

Mr. JONES (for himself and Mr. SCOTT) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To require the Secretary of Agriculture to grant farm numbers to individuals with certain documentation, to amend the Consolidated Farm and Rural Development Act to include qualified intermediaries as recipients of farm ownership loans, to provide for a study of farmland tenure, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Fair Access for Farm-
5 ers and Ranchers Act of 2018”.

1 **SEC. 2. DEFINITION OF SECRETARY.**

2 In this Act, the term “Secretary” means the Sec-
3 retary of Agriculture.

4 **SEC. 3. ELIGIBILITY FOR OPERATORS ON HEIRS PROPERTY**
5 **LAND TO OBTAIN A FARM NUMBER.**

6 (a) DEFINITIONS.—In this section:

7 (1) ELIGIBLE DOCUMENTATION.—The term
8 “eligible documentation”, with respect to land for
9 which a farm operator seeks assignment of a farm
10 number under subsection (b)(1), includes—

11 (A) in States that have adopted a statute
12 consisting of an enactment or adoption of the
13 Uniform Partition of Heirs Property Act, as ap-
14 proved and recommended for enactment in all
15 States by the National Conference of Commis-
16 sioners on Uniform State Laws in 2010—

17 (i) a court order verifying the land
18 meets the definition of heirs property (as
19 defined in that Act); or

20 (ii) a certification from the local re-
21 corder of deeds that the recorded owner of
22 the land is deceased and not less than 1
23 heir of the recorded owner of the land has
24 initiated a procedure to retitle the land in
25 the name of the rightful heir;

(B) a fully executed, unrecorded tenancy-in-common agreement that sets out ownership rights and responsibilities among all of the owners of the land that—

(i) has been approved by a majority of the ownership interests in that property;

(ii) has given a particular owner the right to manage and control any portion or all of the land for purposes of operating a farm or ranch; and

(iii) was validly entered into under the authority of the jurisdiction in which the land is located;

(C) the tax return of a farm operator farming a property with undivided interests for each of the 5 years preceding the date on which the farm operator submits the tax returns as eligible documentation under subsection (b);

(D) self-certification that the farm operator has control of the land for purposes of operating a farm or ranch; and

(E) any other documentation identified by the Secretary under subsection (c).

(2) FARM NUMBER.—The term “farm number” has the meaning given the term in section 718.2 of

1 title 7, Code of Federal Regulations (as in effect on
2 the date of enactment of this Act).

3 (b) FARM NUMBER.—

4 (1) IN GENERAL.—The Secretary shall provide
5 for the assignment of a farm number to any farm
6 operator who provides any form of eligible docu-
7 mentation for purposes of demonstrating that the
8 farm operator has control of the land for purposes
9 of defining that land as a farm.

10 (2) ELIGIBILITY.—Any farm number provided
11 under paragraph (1) shall be sufficient to satisfy
12 any requirement of the Secretary to have a farm
13 number to participate in a program of the Secretary.

14 (c) ELIGIBLE DOCUMENTATION.—The Secretary
15 shall identify alternative forms of eligible documentation
16 that a farm operator may provide in seeking the assign-
17 ment of a farm number under subsection (b)(1).

18 **SEC. 4. LOANS TO PURCHASERS OF LAND WITH UNDIVIDED**
19 **INTEREST AND NO ADMINISTRATIVE AU-**
20 **THORITY.**

21 (a) REAUTHORIZATION OF BEGINNING FARMER AND
22 RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT
23 PROGRAM.—Section 333B(h) of the Consolidated Farm
24 and Rural Development Act (7 U.S.C. 1983b(h)) is
25 amended by striking “2018” and inserting “2024”.

1 (b) PILOT PROGRAM.—Subtitle D of the Consolidated
2 Farm and Rural Development Act (7 U.S.C. 1981 et seq.)
3 is amended by inserting after section 333D the following:

4 **“SEC. 333E. FARMER LOAN PILOT PROJECTS.**

5 “(a) IN GENERAL.—The Secretary may conduct pilot
6 projects of limited scope and duration that are consistent
7 with subtitles A, B, C, and this subtitle to evaluate proc-
8 esses and techniques that may improve the efficiency and
9 effectiveness of the programs carried out under subtitle
10 A, B, C, and this subtitle.

11 “(b) NOTIFICATION.—The Secretary shall—

12 “(1) not less than 60 days before the date on
13 which the Secretary initiates a pilot project under
14 subsection (a), submit notice of the proposed pilot
15 project to the Committee on Agriculture of the
16 House of Representatives and the Committee on Ag-
17 riculture, Nutrition, and Forestry of the Senate; and

18 “(2) consider any recommendations or feedback
19 provided to the Secretary in response to the notice
20 provided under paragraph (1).”.

21 (c) RELENDING PROGRAM.—Subtitle A of title III of
22 the Consolidated Farm and Rural Development Act (7
23 U.S.C. 1922 et seq.) is amended by adding at the end
24 the following:

1 **“SEC. 310I. RELENDING PROGRAM TO RESOLVE OWNER-**
 2 **SHIP AND SUCCESSION ON FARMLAND.**

3 “(a) IN GENERAL.—The Secretary may make or
 4 guarantee loans to eligible entities described in subsection
 5 (b) using amounts made available for farm ownership
 6 loans under this subtitle so that the eligible entities may
 7 relend the funds to individuals and entities for the pur-
 8 poses described in subsection (c).

9 “(b) ELIGIBLE ENTITIES.—Entities eligible for loans
 10 and loan guarantees described in subsection (a) are co-
 11 operatives, credit unions, and nonprofit organizations
 12 with—

13 “(1) certification under section 1805.201 of
 14 title 12, Code of Federal Regulations (or successor
 15 regulations) to operate as a lender;

16 “(2) experience assisting socially disadvantaged
 17 farmers and ranchers (as defined in section 2501(e)
 18 of the Food, Agriculture, Conservation, and Trade
 19 Act of 1990 (7 U.S.C. 2279(e))) or limited resource
 20 or new and beginning farmers and ranchers, rural
 21 businesses, cooperatives, or credit unions, including
 22 experience in making and servicing agricultural and
 23 commercial loans; and

24 “(3) the ability to provide adequate assurance
 25 of the repayment of a loan.

1 “(c) ELIGIBLE PURPOSES.—The proceeds from loans
 2 made or guaranteed by the Secretary pursuant to sub-
 3 section (a) shall be relend by eligible entities for projects
 4 that assist heirs with undivided ownership interests to re-
 5 solve ownership and succession on farmland that has mul-
 6 tiple owners.

7 “(d) PREFERENCE.—In making loans under sub-
 8 section (a), the Secretary shall give preference to eligible
 9 entities—

10 “(1) with not less than 10 years of experience
 11 serving socially disadvantaged farmers and ranchers;
 12 and

13 “(2) in States that have adopted a statute con-
 14 sisting of an enactment or adoption of the Uniform
 15 Partition of Heirs Property Act, as approved and
 16 recommended for enactment in all States by the Na-
 17 tional Conference of Commissioners on Uniform
 18 State Laws in 2010, that relend to owners of heirs
 19 property (as defined in that Act).

20 “(e) LOAN TERMS AND CONDITIONS.—The following
 21 terms and conditions shall apply to loans made or guaran-
 22 teed under this section:

23 “(1) The interest rate at which intermediaries
 24 may borrow funds under this section shall be equal

1 to the rate at which farm ownership loans under this
 2 subtitle are made.

3 “(2) The rates, terms, and payment structure
 4 for borrowers to which intermediaries lend shall
 5 be—

6 “(A) determined by the intermediary in an
 7 amount sufficient to cover the cost of operating
 8 and sustaining the revolving loan fund; and

9 “(B) clearly and publicly disclosed to quali-
 10 fied ultimate borrowers.

11 “(3) Borrowers to which intermediaries lend
 12 shall be—

13 “(A) required to complete a succession
 14 plan as a condition of the loan; and

15 “(B) be offered the opportunity to borrow
 16 sufficient funds to cover costs associated with
 17 the succession plan under subparagraph (A)
 18 and other associated legal and closing costs.

19 “(f) REPORT.—Not later than 1 year after the date
 20 of enactment of this section, the Secretary shall submit
 21 to the Committee on Agriculture of the House of Rep-
 22 resentatives and the Committee on Agriculture, Nutrition,
 23 and Forestry of the Senate a report describing the oper-
 24 ation and outcomes of the program under this section,
 25 with recommendations on how to strengthen the program.

1 “(g) FUNDING.—The Secretary shall carry out this
 2 section using funds otherwise made available to the Sec-
 3 retary.”.

4 **SEC. 5. FARMLAND OWNERSHIP DATA COLLECTION.**

5 (a) IN GENERAL.—The Secretary shall collect and,
 6 not less frequently than once every 5 years report, data
 7 and analysis on farmland ownership, tenure, transition,
 8 and entry of beginning farmers and ranchers (as defined
 9 in section 343(a) of the Consolidated Farm and Rural De-
 10 velopment Act (7 U.S.C. 1991(a))) and socially disadvan-
 11 tagged farmers and ranchers (as defined in section 2501(e)
 12 of the Food, Agriculture, Conservation, and Trade Act of
 13 1990 (7 U.S.C. 2279(e))).

14 (b) REQUIREMENTS.—In carrying out subsection (a),
 15 the Secretary shall, at a minimum—

16 (1) collect and distribute comprehensive report-
 17 ing of trends in farmland ownership, tenure, transi-
 18 tion, barriers to entry, profitability, and viability of
 19 beginning farmers and ranchers and socially dis-
 20 advantaged farmers and ranchers;

21 (2) develop surveys and report statistical and
 22 economic analysis on farmland ownership, tenure,
 23 transition, barriers to entry, profitability, and viabil-
 24 ity of beginning farmers and ranchers, including a
 25 regular follow-on survey to each Census of Agri-

1 culture with results of the follow-on survey made
 2 public not later than 3 years after the previous Cen-
 3 sus of Agriculture; and

4 (3) require the National Agricultural Statistics
 5 Service—

6 (A) to include in the Tenure, Ownership,
 7 and Transition of Agricultural Land survey
 8 questions relating to—

9 (i) the extent to which non-farming
 10 landowners are purchasing and holding
 11 onto farmland for the sole purpose of real
 12 estate investment;

13 (ii) the impact of these farmland own-
 14 ership trends on the successful entry and
 15 viability of beginning farmers and ranchers
 16 and socially disadvantaged farmers and
 17 ranchers;

18 (iii) the extent to which farm and
 19 ranch land with undivided interests and no
 20 administrative authority identified have
 21 farms or ranches operating on that land;
 22 and

23 (iv) the impact of land tenure pat-
 24 terns, categorized by—

1 (I) race, gender, and ethnicity;
2 and
3 (II) region; and
4 (B) to include in the report of each Ten-
5 ure, Ownership, and Transition of Agricultural
6 Land survey the results of the questions under
7 subparagraph (A).

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