

1 SB362  
2 158416-1  
3 By Senators Scofield, Dial, Fielding, Bussman, Reed, Williams,  
4 Bedford, Beason, Whatley, Allen, Ward and Marsh  
5 RFD: Agriculture, Conservation, and Forestry  
6 First Read: 13-FEB-14

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8 SYNOPSIS: This bill would create the Alabama Poultry  
9 Farm Revolving Loan Fund, administered by the  
10 Department of Agriculture and Industries, to allow  
11 individuals operating a poultry or egg farm to  
12 receive a loan to transition from the use of  
13 propane-fueled heating sources to wood-fueled  
14 heating sources.

15 This bill would authorize the Department of  
16 Agriculture and Industries to issue revenue bonds  
17 allocated for the capitalization of the revolving  
18 loan fund.

19  
20 A BILL  
21 TO BE ENTITLED  
22 AN ACT  
23

24 To create the Alabama Poultry Farm Revolving Loan  
25 Fund; to provide for the administration of the fund by the  
26 Department of Agriculture and Industries; to allow the  
27 department to establish loan application requirements and

1 criteria for borrowers; and to allow the department to issue  
2 revenue bonds.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. (a) There is established the Alabama  
5 Poultry Farm Revolving Loan Fund, which shall be maintained  
6 and operated by the Department of Agriculture and Industries  
7 for the purposes provided in this section.

8 (b) (1) Proceeds from revenue bonds issued pursuant  
9 to Section 2 allocated for the capitalization of the fund and  
10 loan principal and penalties and all other amounts at anytime  
11 required or permitted to be paid into the revolving loan fund  
12 shall be deposited therein. Proceeds from the bonds, funds  
13 appropriated by the state, loan principal payments, interest  
14 income, and all other funds shall be deposited with one or  
15 more banks designated by the department to act as depository  
16 or trustee with respect to the funds. The department may  
17 establish one or more accounts or sub-accounts in the  
18 revolving loan fund.

19 (2) Amounts in the revolving loan fund shall be  
20 expended in a manner consistent with terms and conditions of  
21 this section and may be used to provide loans to individuals  
22 operating a poultry or egg farm to transition from the use of  
23 propane-fueled heating sources to wood-fueled heating sources.

24 (3) Amounts on deposit in the revolving loan fund  
25 may be invested in permitted investments and all interest  
26 earned on such investments shall be credited to the revolving

1 loan fund and to one or more accounts or sub-accounts  
2 established by the department.

3 (c) The revolving loan fund shall be administered by  
4 the department. The department may establish procedures and  
5 adopt rules as required to administer the revolving loan fund  
6 program in accordance with applicable law and this section.  
7 The department shall provide an annual report on the revolving  
8 loan fund program to the Governor, which shall include a  
9 section detailing any amounts from the revolving loan fund  
10 used for administrative expenses of the department.

11 (d) (1) The department shall adopt rules that  
12 establish loan application requirements and criteria for  
13 evaluating loan qualifications for potential borrowers to  
14 cover costs associated with the transition from propane-fueled  
15 heating sources to wood-fueled heating sources, including a  
16 description of the plan to transition to wood-fueled heating  
17 sources and a declaration by the borrower that he or she will  
18 utilize wood products produced in this state.

19 (2) The rate of interest charged on a loan from the  
20 Alabama Poultry Farm Revolving Loan Fund shall be sufficient  
21 to recover any costs associated with the fund, including  
22 operational costs and the costs of repayment of principal,  
23 premium, if any, and interest on revenue bonds issued pursuant  
24 to Section 2.

25 Section 2. (a) The Department of Agriculture and  
26 Industries, from time to time, may issue revenue bonds, not  
27 exceeding 30 million dollars (\$30,000,000), in aggregate

1 principal amount, as the department may determine to be  
2 advisable, for the purpose of providing funds for the  
3 capitalization of the Alabama Poultry Farm Revolving Loan Fund  
4 established under Section 1. The principal of, premium, if  
5 any, and interest on any revenue bond, the proceeds of which  
6 are devoted to the Alabama Poultry Farm Revolving Loan Fund,  
7 shall be payable from loan principal and interest payments,  
8 interest income, and any other funds in the Alabama Poultry  
9 Farm Revolving Loan Fund.

10 (b) The revenue bonds authorized under subsection  
11 (a) shall be in such forms and denominations and of such tenor  
12 and maturities, either serial or term or a combination  
13 thereof, provided that no revenue bond may have a specified  
14 maturity date later than 30 years after its date of issuance.  
15 The revenue bonds shall bear the rate or rates of interest  
16 payable and evidenced in such manner, and may contain other  
17 provisions not inconsistent with this section, all as may be  
18 provided in the order or orders of the Commissioner of the  
19 Department of Agriculture and Industries.

20 (c) The commissioner of the department, in  
21 connection with the issuance of revenue bonds pursuant to this  
22 section, may do any of the following:

23 (1) Provide by order for places of payment, either  
24 in this state or another state.

25 (2) Establish registration provisions.

26 (3) Establish exchange privileges.

27 (4) Specify the method of delivery.

1           (5) Execute contracts with banks and trust companies  
2 located in this state or another state to act as registrars,  
3 paying agents, transfer agents, depositories for safekeeping,  
4 agents for the delivery and payment of bonds, authenticating  
5 agents, or otherwise.

6           (6) Provide for covenants for the security and  
7 better marketability of the revenue bonds.

8           (d) The department, in the order or orders of the  
9 commissioner under which any of the revenue bonds are issued,  
10 may retain an option to redeem all or any of the bonds at a  
11 redemption price or prices and after notice or notices and on  
12 the terms and conditions and at such time or times as may be  
13 set forth in the order or orders and as may be briefly recited  
14 on the revenue bonds with respect to which option of  
15 redemption is retained.

16           (e) The revenue bonds and refunding bonds shall be  
17 signed by the commissioner of the department. A facsimile of  
18 the signature of the commissioner may be printed or otherwise  
19 reproduced on any of the revenue bonds in lieu of their being  
20 manually signed. The seal of the department shall be impressed  
21 on the revenue bonds, provided that a facsimile of the seal  
22 may be printed or otherwise reproduced on any of the revenue  
23 bonds in lieu of being manually impressed on the bond.

24           (f) The revenue bonds shall not be general  
25 obligations of the state but shall be payable solely out of  
26 revenues of the Alabama Poultry Farm Revolving Loan Fund. As  
27 security for the payment of the principal of, premium, if any,

1 and interest on the revenue bonds issued under this section,  
2 the department may pledge for payment of the principal,  
3 premium, if any, and interest all or any part of the Alabama  
4 Poultry Farm Revolving Loan Fund revenues. All contracts made  
5 and all revenue bonds issued by the department pursuant to  
6 this section shall be solely and exclusively obligations of  
7 the department and are not an obligation or debt of the state.  
8 The revenue bonds, except while registered, shall be construed  
9 to be negotiable instruments although payable solely from a  
10 specified source as provided in this section.

11 (g) The department shall pay out of the proceeds  
12 from the sale of any of the revenue bonds all expenses that  
13 the commissioner may deem necessary or advantageous in  
14 connection with the sale and issuance of the revenue bonds,  
15 including any discount reflected in the purchase price paid to  
16 the department, including fees and disbursements of attorneys,  
17 accountants, financial advisors, consulting engineers, and  
18 other consultants, fees and disbursements of trustees and  
19 escrow agents, bond insurance premiums, printing costs, and  
20 other customary bond issuance expenses. Proceeds of any of the  
21 revenue bonds may also be applied to pay the costs of any  
22 surety bonds or bonds that the department may deposit in a  
23 reserve account to further secure the payment of principal of,  
24 premium, if any, and interest on any revenue bonds. The  
25 proceeds of the revenue bonds remaining after paying the  
26 expenses of their sale and issuance and the costs of any  
27 surety bond or bonds shall be deposited by the department in

1 the Alabama Poultry Farm Revolving Loan Fund established under  
2 Section 1.

3 Section 3. This act shall become effective on the  
4 first day of the third month following its passage and  
5 approval by the Governor, or its otherwise becoming law.