

§212. Bond of officers handling money

The secretary or treasurer, and all other officers who have charge of moneys and securities of such corporations, shall, before entering upon the discharge of their duties, give such bond for the faithful performance of their duties, as is required and approved by the board of directors. The bond of the treasurer shall not be less than ten thousand dollars.

§213. Terms defined

In this Chapter whenever the word "corporation" is used, "agricultural credit corporation" as organized under this Chapter is meant; and whenever the words "borrower" or "member" are used, they shall include persons, co-partnerships, or corporations owning stock in the corporation.

§214. Construction of conflicting laws

Provisions of law, which are in conflict with this Chapter shall be construed as not applying to any corporation created hereunder nor to the rights, powers, privileges, and immunities granted herein to corporations nor to the manner in which the corporations are authorized to make and secure loans.

§215. Application to existing corporations

A corporation organized under prior statutes may be brought under the provisions of this Chapter by an amendment of its charter, in accordance with its provisions and the laws under which it was incorporated.

§216. Recording, publishing, and filing charter

The charter of each corporation, when executed, shall be recorded in the recorder's office of the parish of its domicile, and a certified copy thereof with certificate of its registry shall be published for a period of thirty days in a daily, or for six consecutive issues in a weekly, newspaper published in the parish, and be deposited for registry with the secretary of state, at Baton Rouge, Louisiana, who shall be paid as his fees for filing and registering thirty-five dollars.

Acts 1989, No. 70, §1.

CHAPTER 3-A. FAMILY FARM CREDIT

§§251 - 259. *Repealed by Acts 1989, No. 662, §8, eff. July 7, 1989.*

CHAPTER 3-B. LOUISIANA AGRICULTURAL FINANCE ACT

§261. Short title

A. This Chapter shall be known and may be referred to as the "Louisiana Agricultural Finance Act."

Added by Acts 1983, No. 96, § 1, eff. July 23, 1983.

§262. Legislative findings

A. The legislature hereby finds and declares that there exists in the state of Louisiana a serious shortage of capital and credit available for investment in agriculture, for domestic and export purposes, at interest rates within the financial means of persons engaged in agricultural production and agricultural exports. In conjunction with the financial problems associated with the agricultural industry there exists a need to provide economic assistance to those individuals who wish to convert their farming operation to the development of aquacultural products of a seafood nature for domestic and export purposes. In addition, there exists a need to provide economic assistance to persons who wish to engage in mariculture projects.

This shortage of available capital and credit is severe throughout the state, has persisted for a number of years, and constitutes a grave threat to the agricultural industry and to the health, welfare, safety, and prosperity of all residents of the state.

B. The legislature hereby finds and declares further that private enterprise and existing federal and state governmental programs have not adequately alleviated the severe shortage of capital and credit available at affordable interest rates for investment in agriculture or in the conversion to aquaculture or for investment in mariculture projects.

C. The legislature hereby finds and declares that it is a matter of grave public necessity that the Louisiana Agricultural Finance Authority be created and empowered to alleviate the severe shortage of capital and credit available at affordable interest rates for investment in agriculture, including buildings and related facilities used by the Department of Agriculture and Forestry to promote and assist agriculture and forestry within this state, and for the export of agricultural products, commodities, and services, and for capital investment in converting to aquacultural farming, and for capital investment in mariculture projects by providing such capital and credit at interest rates within the financial means of persons and businesses engaged in agriculture and agricultural exports.

D. The legislature hereby finds that in order to convert Louisiana from an exporter of raw agricultural products into an exporter of processed products of high added value and to expand the state's economic base, it is necessary that the state encourage and support the development of agricultural plants to process products in this state. It is necessary for the state to develop and enhance its capacity to process agricultural products in Louisiana including providing financial assistance to any person who owns, leases, or operates, or is seeking to own, lease, or operate an agricultural plant in this state.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983. Acts 1987, No. 502, §1; Acts 1987, No. 856, §1, eff. July 20, 1987; Acts 2003, No. 230, §1, eff. June 5, 2003; Acts 2009, No. 510, §1, eff. July 10, 2009.

§263. Definitions

As used in this Chapter, the following terms shall have the following meanings:

(1) "Agribusiness" means a person, other than an agricultural producer, who engages in agriculture or provides support activities, products, or services to an agricultural producer and such products or services that are directly related to the planting, growing, production, or harvesting of crops and livestock.

(2) "Agricultural loan" means a loan made to any person for the purpose of financing: land acquisition or improvement for agricultural or agribusiness purposes; conversion to aquacultural production; soil conservation; construction of levees and ponds; irrigation; water well drilling; construction, renovation, or expansion of buildings and facilities for agricultural or agribusiness purposes; purchase of farm fixtures, livestock, poultry, fish of any kind; crustaceans and mollusks; seeds; fertilizers; pesticides; feeds; agricultural or agribusiness machinery; equipment; containers or supplies employed in the production, cultivation, harvesting, storage, marketing, distribution, or export of agricultural products, or for the purpose of financing agricultural products.

(3) "Agricultural plant" means any facility which receives raw agricultural products for the purpose of rendering them suitable for wholesale or retail marketing.

(4) "Agricultural producer" means a person engaged in agriculture for the planting, growing, harvesting, or production of an agricultural product in its natural state and who primarily assumes the production and market risks associated with such activities.

(5) "Agricultural product" means any agronomic, aquacultural, floricultural, horticultural, maricultural, silvicultural, or viticultural crop, livestock, or product.

(6) "Agriculture" means the commercial planting, growing, harvesting, production, storage, processing, marketing, distribution, or export of any agricultural product, including but not limited to farm products, livestock and livestock products, poultry and poultry products, milk and dairy products, fruit and other horticultural products, and seafood and aquacultural products.

(7) "Aquaculture" means the commercial production, storage, processing, marketing, distribution, or export of any seafood including but not limited to catfish, trout, crustaceans, and mollusks.

(8) "Authority" means the Louisiana Agricultural Finance Authority created by this Chapter.

(9) "Bonds" means the bonds, notes, renewal notes, refunding bonds, interim certificates, certificates of indebtedness, debentures, warrants, commercial paper, or other obligations or evidences of indebtedness authorized to be issued by the Authority pursuant to the provisions of this Chapter.

(10) "Commissioner" means the Louisiana Commissioner of Agriculture and Forestry.

(11) "Department" means the Louisiana Department of Agriculture and Forestry.

(12) "Federal government" means the United States of America and any agency or instrumentality, corporate or otherwise, of the United States of America.

(13) "Lending institution" means any bank, bank or trust company, federal land bank, production credit association, bank for cooperatives, building and loan association, homestead, insurance company, investment banker, mortgage banker or company, pension or retirement fund, savings bank or savings and loan association, small business investment company, credit union, or any other financial institution authorized to do business in Louisiana or operating under the supervision of any federal agency or any "Edge Act Corporation" or agreement corporation organized or operating pursuant to Section 25 of the Federal Reserve Act.

(14) "Livestock" means any animal except dogs and cats, bred, kept, maintained, raised, or used for profit, that is used in agriculture, aquaculture, agritourism, competition, recreation, or silviculture, or for other related purposes or used in the production of crops, animals, or plant or animal products for market. This definition includes but is not limited to cattle, buffalo, bison, oxen, and other bovine; horses, mules, donkeys, and other equine; goats; sheep; swine; chickens, turkeys, and other poultry; domestic rabbits; imported exotic deer and antelope, elk, farm-raised white-tailed deer, farm-raised ratites, and other farm-raised exotic animals; fish, turtles, and other animals identified with aquaculture which are located in artificial reservoirs or enclosures that are both on privately owned property and constructed so as to prevent, at all times, the ingress and egress of fish life from public waters; any commercial crawfish from any crawfish pond; and any hybrid, mixture, or mutation of any such animal.

(15) "Mariculture" means aquaculture which is practiced in brackish or saline water and includes hatchery breeding, spawning, transportation, implantation, propagation, growout, and harvesting of domesticated fish and other domesticated aquatic species.

(16) "Persons" means any individual, partnership, firm, corporation, company, cooperative, association, society, trust, limited liability company, or any other business unit or entity, including any state or federal agency.

(17) "Processing or process" means any action that will enhance any raw agricultural product's value or render a raw agricultural product suitable for further refinement or introduction at a marketing level.

(18) "State" means the state of Louisiana or any agency or instrumentality thereof.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983. Acts 1987, No. 502, §1; Acts 2009, No. 510, §1, eff. July 10, 2009.

§264. Louisiana Agricultural Finance Authority

A. The Louisiana Agricultural Finance Authority is hereby created within the Department of Agriculture.

B. The authority shall be composed of nine members. The commissioner of agriculture and forestry shall serve ex officio with the same rights and privileges, including voting rights, as other members. The chair of the Senate Committee on Agriculture, Forestry, Aquaculture and Rural Development or his designee, the chair of the House Committee on Agriculture, Forestry, Aquaculture and Rural Development or his designee, and the secretary of the Department of Economic Development or his designee, shall serve in an

advisory capacity, without voting rights, to the authority, and shall not be counted for the purpose of constituting a quorum for the transaction of official business. The other eight members shall be appointed by the governor in the following manner:

(1) Two members appointed from a list of six persons nominated by the Louisiana Farm Bureau Federation.

(2) One member appointed from a list of six persons nominated by the Louisiana Bankers Association.

(3) Two members appointed from a list of six persons nominated by the president of the Senate.

(4) Two members appointed from a list of six persons nominated by the speaker of the House of Representatives.

(5) One member appointed from a list of six persons nominated by the Community Bankers of Louisiana.

C. The appointed members shall serve for terms concurrent with the terms of the governor making the appointment. Each appointment by the governor shall be submitted to the Senate for confirmation. The appointed members shall take and subscribe to the oath of office required of public officials. Appointed members shall serve until their successors are appointed and sworn into office.

D. Vacancies in the offices of any appointed members of the Authority shall be filled in the same manner as the original appointments for the unexpired portion of the office vacated. No vacant office shall be included in the determination of a quorum. No vacancy in office shall impair the rights of the members to conduct official business of the Authority.

E. The domicile of the Authority shall be East Baton Rouge Parish.

F. A majority of the members shall constitute a quorum for the transaction of official business. All official actions of the Authority shall require a majority vote of the members present and voting at any meeting.

G. Members of the Authority shall not receive any salary for the performance of their duties as members. Appointed members may receive a per diem not to exceed forty dollars for attendance at meetings of the Authority or subcommittees thereof and may be reimbursed for mileage expenses incurred in the performance of their duties. The mileage allowance shall be fixed by the Authority in an amount not to exceed the mileage allowance authorized under state travel regulations.

H. The Authority shall meet at least four, but not more than twelve, times a year upon call.

I. The Authority may delegate to one or more of its members, officers, employees, or agents such powers and duties as it may deem proper.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983; Acts 1999, No. 18, §1, eff. May 21, 1999; Acts 2003, No. 116, §1, eff. May 28, 2003; Acts 2003, No. 230, §1, eff. June 5, 2003; Acts 2003, No. 774, §1; Acts 2009, No. 510, §1, eff. July 10, 2009; Acts 2010, No. 495, §1, eff. June 24, 2010.

§265. Officers and employees; administration of Chapter

A. The members of the Authority shall annually elect a chairman, a vice chairman, and such officers as they may deem advisable. All officers shall be members of the Authority.

B. The Authority, subject to the approval of the commissioner, may appoint a director and an assistant director and a director of the agriculture loan program and an assistant director of the agriculture loan program who shall be in the unclassified service of the state.

C. The commissioner shall administer and enforce this Chapter in accordance with rules and regulations promulgated by the Authority. The commissioner may employ such personnel as may be necessary to administer and enforce the provisions of this Chapter. All employees shall be under the supervision of the commissioner.

D. The Authority may employ legal, financial and technical experts and consultants as it deems necessary on a contractual basis.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983; Acts 2009, No. 510, §1, eff. July 10, 2009.

§266. Powers of authority

The authority shall have all the powers necessary to give effect to and carry out the purposes and provisions of this Chapter, including, in addition to all other powers granted by other provisions of this Chapter, the powers to:

(1) Sue and be sued in its own name and in the name of any subsidiary corporation or entity which may be created pursuant to Paragraph (19) of this Section.

(2) Have a seal and alter the same at its pleasure.

(3) Adopt bylaws for the internal organization and government of the Authority.

(4) Adopt, promulgate, and amend rules and regulations for the administration of the Chapter in accordance with the Administrative Procedure Act (R.S. 49:950 et seq.), provided that such regulations shall require fair, impartial, uniform, and equitable treatment of all lending institutions and shall establish objective standards and criteria to control and govern access to and allocation of services and functions authorized by this Chapter.

(5) Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this Chapter with any federal or state governmental agency, public or private corporation, lending institution, or other entity or person.

(6) Accept, administer, and expend donations of movable or immovable property from any source, and receive, administer, and expend appropriations from the legislature and financial assistance, guarantees, insurance or subsidies from the federal or state government.

(7) Subject to the rights of holders of bonds of the Authority, to renegotiate, refinance or foreclose on any mortgage, security interest or lien; or commence any action to protect or enforce any right or benefit conferred upon the Authority by any law, mortgage, security interest, lien, contract or other agreement; and bid for and purchase property at any foreclosure or at any other sale or otherwise acquire or take possession of any property; and in any such event, the Authority may complete, administer, pay the principal of and interest on any obligation incurred in connection with such property, dispose of and otherwise deal with such property in such manner as may be necessary or desirable to protect the interest of the Authority or of holders of its bonds therein.

(8) Procure or provide for the procurement of insurance or reinsurance against any loss in connection with its property or operations, including but not limited to insurance, reinsurance, or other guarantees from any federal or state governmental agency or private insurance company for the payment of any bonds issued by the Authority, or bonds, notes or any other obligations or evidences of indebtedness issued or made by any subsidiary corporation or entity created pursuant to Paragraph (19) of this Section or by any lending institution or other entity or person, or insurance or reinsurance against loss with respect to agricultural loans, mortgages or mortgage loans, or any other type of loans, including the power to pay premiums on such insurance or reinsurance.

(9) Insure, co-insure, reinsure, or cause to be insured, co-insured, or reinsured, agricultural loans, mortgage loans or mortgages, or any other type of loans and pay or receive premiums on such insurance, co-insurance, or reinsurance, and establish reserves for losses, and participate in the insurance, co-insurance, or reinsurance of agricultural loans, mortgage loans or mortgages, or any other type of loans with the federal or state government or any private insurance company.

(10) Undertake and carry out or authorize the completion of studies and analyses of agricultural conditions and needs within the state and needs relating to the promotion of agricultural exports and ways

of meeting such needs, and make such studies and analyses available to the public and to the agricultural industry, and to engage in research or disseminate information on agriculture and agricultural exports.

(11) Accept federal, state, or private financial or technical assistance and comply with any conditions for such assistance, provided such conditions are not in conflict with the intent of this Chapter.

(12) Establish and collect fees and charges in connection with its loans, deposits, insurance commitments, and services, including but not limited to, reimbursement of costs of issuing bonds, origination and servicing fees, and insurance premiums.

(13) Make and guarantee agricultural loans and purchase or sell agricultural loans.

(14) Acquire or contract to acquire from any person, firm, corporation, municipality, federal or state agency, by grant, purchase, or otherwise, movable or immovable property or any interest therein; own, hold, clear, improve, lease, construct, or rehabilitate, and sell, invest, assign, exchange, transfer, convey, lease, mortgage, or otherwise dispose of or encumber the same, subject to the rights of holders of the bonds of the Authority, at public or private sale, in compliance with public bidding requirements set forth in Part II of Chapter 10 of Title 38 of the Louisiana Revised Statutes of 1950.

(15) Borrow money, issue bonds, and provide for the rights of the lenders or holders thereof and purchase, discount, sell, negotiate and guarantee, insure, coinsure and reinsure notes, drafts, checks, bills of exchange, acceptances, bankers acceptances, cable transfers, letters of credit and other evidence of indebtedness.

(16) Subject to the rights of holders of the bonds of the Authority, consent to any modification with respect to the rate of interest, time, payment of any installment of principal or interest, security, or any other term or condition of any loan, contract, mortgage, mortgage loan, or commitment therefor or agreement of any kind to which the Authority is a party or beneficiary.

(17) Maintain an office at such place or places as the Authority shall determine.

(18) Serve as the beneficiary of any public trust heretofore or hereafter created pursuant to the provisions of R.S. 9:2341 et seq.

(19) With the prior approval of the House and Senate committees on agriculture, forestry, aquaculture, and rural development, to create such subsidiary corporations or entities as may be necessary to make agricultural loans, borrow money for agricultural loans, insure or reinsure agricultural loans, or issue bonds in the international financial market.

(20) Issue revenue bonds for the purpose of acquiring, constructing, renovating, and equipping buildings and related facilities for use by the Department of Agriculture and Forestry in connection with the promotion and assistance of agriculture and forestry within this state. The bonds shall be authorized and issued by one or more resolutions adopted by a majority vote of the members of the authority and shall be payable solely from the income and revenues as set forth in the resolution authorizing the issuance of the bonds.

(21) Notwithstanding any other law, supervise and utilize public employees, equipment, and material in carrying out public work, including public work in furtherance of Formosan termite suppression.

(22) Foster and support the development and enhancement of processing raw agricultural products in this state by participating in cooperative endeavors involving loans and loan guarantees to private business enterprises, nonprofit institutions and organizations, the state and political subdivisions thereof, the federal government, and other organizations or persons concerned with the development or enhancement of agricultural plants in this state. The authority shall participate only in cooperative endeavors which involve the creation of a significant number of new jobs in relation to the amount of participation by the authority.

(23) Establish, administer, and supervise programs to promote the purchase of Louisiana agricultural products.

(24) Establish, administer, and supervise programs to promote agricultural workforce development within the state.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983. Acts 1987, No. 856, §1, eff. July 20, 1987; Acts 1999, No. 18, §1, eff. May 21, 1999; Acts 2003, No. 116, §1, eff. May 28, 2003; Acts 2003, No. 230, §1, eff. June 5, 2003; Acts 2008, No. 117, §1; Acts 2009, No. 510, §1, eff. July 10, 2009; Acts 2011, No. 330, §1, eff. June 29, 2011; Acts 2015, No. 5, §1; Acts 2020, 2nd Ex. Sess., No. 23, §1, eff. Oct. 28, 2020.

§267. Purchases and sales of agricultural loans

The Authority may purchase or contract to purchase and sell or contract to sell agricultural loans made by lending institutions, at such prices and upon such terms and conditions as it shall determine in accordance with rules or regulations adopted pursuant to the Administrative Procedure Act (R.S. 49:950 et seq.). All lending institutions are hereby authorized to purchase and sell agricultural loans to the Authority in accordance with the provisions of this Chapter and the rules and regulations of the Authority. To the extent that any provisions of this Section may be inconsistent with any provision of law governing lending institutions, the provisions of this Section shall control.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§268. Loans to and deposits with lending institutions

The Authority may make, or contract to make, loans to and deposits with lending institutions at such interest rates, terms and conditions as it shall determine in accordance with rules or regulations adopted pursuant to the Administrative Procedure Act (R.S. 49:950 et seq.). All lending institutions are hereby authorized to borrow funds and accept deposits from the Authority in accordance with the provisions of this Chapter and the rules and regulations of the Authority. The Authority shall require that all proceeds of its loans to or deposits with lending institutions, or an equivalent amount, shall be used by such lending institutions to make agricultural loans, subject to such terms and conditions as the Authority may prescribe. To the extent that any provisions of this Section may be inconsistent with any provision of the law governing lending institutions, the provisions of this Section shall control.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§269. Insurance of agricultural loans

A. The Authority is hereby authorized to insure and reinsure agricultural loans made by lending institutions, subject to the terms, conditions, limitations, collateral and security provisions, and reserve requirements as shall be determined by the Authority in accordance with the rules and regulations adopted by the Authority pursuant to the Administrative Procedure Act (R.S. 49:950 et seq.).

B. Unless otherwise determined by the Authority, insurance of agricultural loans shall be in the amount of one hundred percent of the unpaid principal and interest on each loan.

C. An insured agricultural loan shall be in default when the holder of such loan makes application to the Authority for payment of insurance on such loan stating that such loan is in default in accordance with the terms of any agreement with respect to such insurance executed pursuant to this Section.

D. The Authority may enter into agreements with any person, lending institution, or holder of an insured agricultural loan upon such terms as may be agreed upon between the Authority and such person, lending institution, or holder, to provide for the administration, applications therefor, repayment thereof, and to establish the conditions for payment of insurance by the Authority, and the servicing, suit upon, or foreclosure of insured agricultural loans.

E. The aggregate value of all agricultural loans insured by the Authority and outstanding at any one time shall not exceed twenty times the total value of funds, investments, properties, and other assets of the Authority except that this insurance may be further expanded by use of federal, state, or private loan insurance, reinsurance, or guarantees of which the Authority is or shall become the beneficiary.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§270. Bonds of the authority

A. The authority is hereby authorized and empowered to issue from time to time bonds, notes, renewal notes, refunding bonds, interim certificates, certificates of indebtedness, debentures, warrants, commercial paper, or other obligations or evidences of indebtedness, hereinafter collectively referred to as "bonds", to provide funds for and to fulfill and achieve its authorized public functions or corporate purposes, as set forth in this Chapter, including but not limited to the purchase of agricultural loans from lending institutions, the making of loans to or deposits with lending institutions, the acquisition, construction, renovation, and equipping buildings and related facilities for use by the Department of Agriculture and Forestry in connection with promoting and assisting agriculture and forestry within this state, the payment of interest on bonds of the authority, the establishment of reserves to secure such bonds, the establishment of reserves with respect to the insurance of agricultural loans, and all other purposes and expenditures of the authority incident to and necessary or convenient to carry out its public functions or corporate purposes.

B. Except as may otherwise be provided by the Authority, all bonds issued by the Authority shall be negotiable instruments and may be general obligations of the Authority, secured by the full faith and credit of the Authority and payable out of any money, assets or revenues of the Authority or from any other sources whatsoever that may be available to the Authority.

C. Bonds shall be authorized, issued, and sold by a resolution or resolutions of the Authority adopted as provided in this Chapter. Such bonds may be of such series, bear such date or dates, mature at such time or times, bear interest at such rate or rates including variable, adjustable, or zero interest rates, be payable at such time or times, be in such denominations, be sold at such price or prices, at public or private negotiated sale, after advertisement as is provided for in R.S. 3:1421, et seq., be in such form, carry such registration and exchangeability privileges, be payable at such place or places, be subject to such terms of redemption, and be entitled to such priorities on the income, revenue and receipts of, or available to, the Authority as may be provided by the Authority in the resolution or resolutions providing for the issuance and sale of the bonds of the Authority.

D. The bonds of the Authority shall be signed by such members or officers of the Authority, by either manual or facsimile signatures, as shall be determined by resolution or resolutions of the Authority, and shall have impressed or imprinted thereon the seal of the Authority, or a facsimile thereof. The coupons attached to coupon bonds of the Authority shall bear the facsimile signature of such member or officer of the Authority as shall be determined by resolution or resolutions of the Authority.

E. Any bonds of the Authority may be validly issued, sold, and delivered, notwithstanding that one or more of the members or officers of the Authority signing such bonds, or whose facsimile signature or signatures may be on the bonds or on coupons, shall have ceased to be such member or officer of the Authority at the time such bonds shall actually have been delivered.

F. Bonds of the Authority may be sold in such manner and from time to time as may be determined by the Authority to be most beneficial, and the Authority may pay all expenses, premiums, fees, or commissions which it may deem necessary or advantageous in connection with the issuance and sale thereof, subject to the provisions of this Chapter.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983. Acts 1987, No. 856, §1, eff. July 20, 1987; Acts 2003, No. 230, §1, eff. June 5, 2003.

§271. Statutory pledge

Any pledge made by the Authority shall be valid and binding from time to time when the pledge is made. The money, assets, or revenues of the Authority so pledged and thereafter received by the Authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Authority, irrespective of whether such parties have notice thereof. Neither

the resolution nor any other instrument by which a pledge is created need be recorded or filed in order to establish and perfect a lien or security interest in the property so pledged by the Authority.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§272. Refunding bonds

Subject to the rights of the holders of the bonds of the Authority, the Authority is hereby authorized and empowered to issue from time to time its bonds for the purpose of refunding any bonds of the Authority then outstanding, together with the payment of any redemption premiums thereon and interest accrued or to accrue to the date of redemption of such outstanding bonds. All such refunding bonds of the Authority shall be issued, sold, or exchanged, and delivered, shall be secured, and shall be subject to the provisions of this Chapter in the same manner and to the same extent as any other bonds issued by the Authority pursuant to this Chapter, unless otherwise determined by resolution of the Authority. Refunding bonds issued by the Authority as herein provided may be sold or exchanged for outstanding bonds of the Authority and, if sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption, or payment of such outstanding bonds.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§273. Purchase of bonds by Authority

Subject to the rights of holders of bonds, the Authority shall have the power out of any funds available therefor, to purchase bonds of the Authority, which shall thereupon be cancelled, at a price not exceeding:

(1) If the bonds are then subject to optional redemption, the optional redemption price then applicable plus accrued interest to the next interest payment date thereon; or

(2) If the bonds are not then subject to optional redemption, the optional redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to optional redemption plus accrued interest to such date.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§274. Approval of issuance of bonds by State Bond Commission

The approval of the State Bond Commission shall be obtained prior to the issuance of any bonds of the Authority. However, before the Authority shall make application to the State Bond Commission for the issuance of any bonds in the amount of five million dollars or more, it shall first seek the approval of the Joint Legislative Committee on the Budget for such borrowing. No notice to, or consent or approval by any other governmental body or public officer shall be required as a prerequisite to the issuance, sale, or delivery of any bonds of the Authority, or to the making of any loans or deposits by the Authority to lending institutions, or to the purchase or sale of agricultural loans by the Authority, or to the insurance by the Authority of any agricultural loan, or to the exercise of any other public function or corporate power of the Authority, except as is expressly provided in this Chapter.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983; Acts 2009, No. 510, §1, eff. July 10, 2009.

§275. Exemption from taxes

It is hereby determined that the creation of the Authority and the carrying out of its public functions and corporate purposes is, in all respects, a public and governmental purpose for the benefit of the people of the state, and for the improvement of their health, safety, welfare, prosperity, and security, and that said functions and purposes are public purposes and that the Authority will be performing an essential governmental function in the exercise of the powers conferred upon it by this Chapter. The money, assets, revenues, and operations of the Authority shall be exempt from all taxation by the state or any of its political subdivisions. The Authority shall not be required to pay any recording fee or transfer tax of any kind on account of instruments recorded by it or on its behalf. All bonds authorized to be issued by the Authority pursuant to

the provisions of this Chapter, together with interest thereon, income therefrom, and gain upon the sale thereof shall be exempt from all state and local taxes.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§276. Covenant of state

In consideration of the acceptance of and payment for the bonds of the Authority by the holders thereof, the state does hereby pledge to and agree with the holders of any bonds of the Authority issued pursuant to the provisions of this Chapter, that the state will not impair, limit, or alter the rights hereby vested in the Authority to fulfill the terms of any agreements made with the holders of the bonds of the Authority, or in any way impair the rights or remedies of such holders thereof, until such bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, are fully met and discharged. The Authority is authorized to include this pledge and agreement of the state in any agreement with the holders of bonds of the Authority.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§277. Trust funds

Subject to the exceptions contained in Article VII, Section 9 of the Constitution of Louisiana, all funds received by the authority shall be deposited immediately upon receipt in the state treasury and shall be credited to the Bond Security and Redemption Fund. After a sufficient amount is allocated from the fund to pay all obligations secured by the full faith and credit of the state which become due and payable within any fiscal year, the state treasurer, prior to placing the remaining funds in the state general fund, shall pay an amount equal to the total amount of funds paid into the state treasury by the authority into a special fund which is hereby created in the state treasury and designated as the Louisiana Agricultural Finance Authority Fund. The monies in the Louisiana Agricultural Finance Authority Fund shall be used solely for the programs and purposes of the authority and only in the amount appropriated each year to the authority by the legislature. All unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund. The monies in the fund shall be invested by the state treasurer in the same manner as monies in the state general fund. All interest earned from the investment of the monies in the Louisiana Agricultural Finance Authority Fund shall be deposited in that fund.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983; Acts 1985, No. 68, §1

§278. Bonds as legal investment and security for public deposits

The state and all public officers, any parish, municipality, or other subdivision or instrumentality of the state, any bank, banker, trust company, savings bank and institution, building and loan association, savings and loan association, investment company or any person carrying on a banking or investment business, any insurance company or business, insurance associations, and any person carrying on an insurance business, and any executor, administrator, curator, trustee, and other fiduciary, and retirement system or pension fund may legally invest any sinking funds, monies or other funds belonging to them or within their control in any bonds issued by the Authority pursuant to the provisions of this Chapter, and such bonds shall be authorized security for all public deposits. It is the purpose of this Section to authorize such persons, firms, corporations, associations, political subdivisions and officers, or other entities, public or private, to use any funds owned or controlled by them, including, but not limited to, sinking, insurance, investment, retirement, compensation, pension and trust funds, and funds held on deposit for the purchase of any such bonds of the Authority, and that any such bonds shall be authorized security for all public deposits. However, nothing contained in this Section with regard to legal investments or security for public deposits shall be construed as relieving any such person, firm, or corporation or other entity from any duty of exercising reasonable care in selecting securities.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§279. Account and audits

A. Subject to the provisions of any contract with the holders of its bonds, the Authority shall establish a system of accounts.

B. The Authority shall be subject to audit by the legislative auditor. The Authority may cause an independent audit to be prepared annually. Any such independent audit shall be subject to the authority of the legislative auditor to prescribe and approve the terms and conditions of such audit as provided in R.S. 24:513.

C. Within six months after the end of each fiscal year, the Authority shall submit to the governor and to both houses of the legislature an annual report on the operations of the Authority. Within sixty days after receipt thereof, the Authority shall submit to the governor and to both houses of the legislature a copy of the report of every audit of the books and accounts of the Authority.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§280. Cooperation of state agencies

All state officers and agencies are authorized to render such services to the Authority within their respective functions as may be requested by the Authority.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§281. Suits to determine validity of bonds

Any suit to determine the validity of bonds of the Authority shall be brought only in accordance with R.S. 13:5121 et seq.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§282. Construction of Chapter

This Chapter, being necessary for the welfare of the state and its residents, shall be liberally construed to effect the purposes thereof.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§283. Termination of the Authority

In the event of the termination of the Authority, all of its rights, money, assets, and revenues in excess of its obligations shall be deposited in the state general fund.

Added by Acts 1983, No. 96, §1, eff. July 23, 1983.

§283.1. Transfer; State Market Commission

A. All employees of the office of marketing and agro-economic development are transferred to the office of management and finance.

B. All funds appropriated to the State Market Commission shall be transferred to the Louisiana Agricultural Finance Authority.

C. Any appropriation for Fiscal Year 2009 - 2010 to the office of marketing and agro-economic development shall be deemed to be appropriated to the office of management and finance within the Department of Agriculture and Forestry.

D. All property and facilities owned and operated by, leased by or for the State Market Commission are transferred to the Louisiana Agricultural Finance Authority.

E. All unfinished business of the State Market Commission shall be completed by, all references in laws and refer to, and all obligations of that office shall be administered by the Louisiana Agricultural Finance Authority. All legal proceedings of the State Market Commission shall be continued in the name of the State

Market Commission and further proceedings shall be in the name of Louisiana Agricultural Finance Authority without the necessity for amendment of any document.

Acts 2009, No. 24, §1, eff. June 12, 2009.

§283.2. Loans and guarantees for agricultural plants

A. As part of the authority's participation in cooperative endeavors, the authority may:

(1) Loan funds to any person to be expended to acquire, construct, furnish, equip, make necessary improvements to, or purchase land for any agricultural plant which will be occupied by that person, under rules and regulations adopted by the authority. The loan shall not exceed seventy-five percent of the value of the property offered as security pursuant to a first mortgage. The minimum execution requirement by the borrower of a note is to be secured by a first mortgage on the property being acquired or constructed and payable to the authority within the time and under the terms and conditions together with additional endorsements as may be required by the authority.

(2) Loan to any person funds for operating capital, market development, and product inventories under rules and regulations adopted by the authority. The loan shall not exceed seventy-five percent of the value of the property offered as security pursuant to a first mortgage. The minimum execution requirement by the borrower of a note or notes is to be secured by a first mortgage on property, including product inventories and accounts receivable from the sale of inventories, under the terms and conditions as may be required by the authority.

(3) Guarantee funds, on an interim or long-term basis, for an amount to be expended to acquire, construct, furnish, equip, make necessary improvements to, or purchase land for, any agricultural plant for any loan made by any lending institution to any person approved by the authority, provided that whenever the authority guarantees the payment of the loan, the authority shall make and enter into a guarantee agreement with the lending institution and the borrower setting forth the terms and conditions under which the authority is obligated and the extent to which repayment of the loan is guaranteed and secured. Each loan guaranteed by the authority shall be secured by a first mortgage on property. Whenever the authority enters into a loan guarantee agreement, the authority may impose and collect an origination fee not to exceed one percent of the amount of the loan guaranteed.

(4) Guarantee funds, on an interim or long-term basis, to any person for operating capital, market development, and product inventories, under rules and regulations adopted by the authority. The minimum execution requirement by the borrower of a note or notes is to be secured by a first mortgage on property, including product inventories and accounts receivable from the sale of inventories, under the terms and conditions as may be required by the authority.

(5) Renegotiate, refinance, or foreclose on any mortgage or commence any action to protect or enforce any right or benefit conferred by any law, mortgage, contract, or other agreement and bid for and purchase such property at any foreclosure or at any other sale or otherwise to acquire or take possession of the property. In such event, the authority may complete, administer, pay the principal of and interest on any obligation incurred in connection with the property, and dispose of and otherwise deal with such property in such manner as may be desirable or necessary to protect the interest of the authority.

B. The aggregate of loans and loan guarantees made by the authority under this Section shall not exceed twenty million dollars at any one time.

C. The authority shall:

(1) Give priority to persons who utilize Louisiana agricultural products to the maximum extent possible.

(2) Fix the rate of interest to be charged on every loan at a rate not less than the base federal reserve discount rate.

(3) Keep records showing from whom any money is received and for what purpose and to whom any money is paid and for what purpose.

(4) Keep vouchers and receipts for all money disbursed.

D. The authority shall not loan or guarantee any loan:

(1) For any applicant who fails to submit all information required by this Section or by rules and regulations of the authority.

(2) If the amount loaned would result in the property offered as security being burdened with indebtedness in excess of seventy-five percent of the appraised value of the property.

(3) For any person with any pending or outstanding charge or liability relating to failure or inability to pay promissory notes or other evidence of indebtedness.

(4) For any person who has presently pending, at the federal, state, or local level, any proceeding concerning the denial or revocation of a necessary license or permit.

(5) If the proceeds of the loan are to be, or may be, used for consolidation of existing, previous financial obligations.

(6) To a person in excess of fifty percent of the total funds for loans or guarantees under this Section.

E. The authority shall not:

(1) Subordinate its interest, if such subordination shall result in any risk to the authority's security position.

(2) Enter into any cooperative endeavor, unless the cooperative endeavor involves the creation of a significant number of new jobs in relation to the amount of participation by the authority.

F. When requested by the authority, the commissioner may contract with consulting engineers, architects, attorneys, accountants, construction experts, financial experts, and such other persons as may be necessary to carry out the purpose of this Section. Contracts entered into under this Section shall be subject to the provisions of R.S. 38:2310 et seq.

G. The authority shall transmit, at the end of each fiscal year, reports to the House and Senate committees on agriculture, forestry, aquaculture, and rural development, the House Committee on Appropriations and the Senate Committee on Finance. The reports shall set forth the cooperative endeavors approved and rejected, the terms, conditions, and status of each loan guarantee entered into in the fiscal year covered by the report, and the status of all loans and guarantees entered into in previous fiscal years.

H. Repealed by Acts 2012, No. 834, §13, eff. July 1, 2012.

Acts 2009, No. 510, §1, eff. July 10, 2009; Acts 2012, No. 834, §13, eff. July 1, 2012.

§284. Louisiana Buy Local Purchase Incentive Program

A. Title; creation. There is hereby created the Louisiana Buy Local Purchase Incentive Program, hereinafter referred to as the "program", within the Louisiana Department of Agriculture and Forestry, to be administered and supervised by the Louisiana Agricultural Finance Authority, in order to grant incentive payments to Louisiana restaurant establishments for purchases of Louisiana agricultural products.

B. Declaration of purpose. The Legislature of Louisiana hereby finds and declares that the health, safety, and welfare of the people of this state are dependent upon the continued encouragement, development, growth, and expansion of Louisiana farmers and agricultural products. Louisiana residents rely on Louisiana farmers and agricultural processors as their primary source of safe, nutritional, and affordable food. Furthermore, agricultural industries are a major source of employment for Louisiana residents. Therefore, it is declared to be the purpose of this Act to encourage and promote the consumption of Louisiana agricultural products by providing incentive payments to certain Louisiana restaurants for the purchase of Louisiana agricultural products.

C. Definitions. For purposes of this Chapter, the following terms shall have the meanings hereinafter ascribed to them, unless the context clearly indicates otherwise:

(1) "LAFA" means the Louisiana Agricultural Finance Authority.

(2) "Louisiana agricultural products" means the following products produced in Louisiana: agronomic, aquacultural, floricultural, horticultural, silvicultural, and viticultural products, including but not limited to: plants, crops, livestock, dairy products, and fruits; crawfish, catfish, other fish, shrimp, oysters, crabs, underutilized species, and any other seafood and freshwater food; and all meat and meat products including beef, veal, pork, mutton, poultry, and products made therefrom.

(3) "Louisiana coastal waters" shall have the same meaning as provided for in R.S. 49:214.23(4) in the coastal zone law.

(4) "Louisiana coastal zone" shall have the same meaning as provided for in R.S. 49:214.23(5).

(5)(a) "Produced in Louisiana" means manufactured, planted, cultivated, grown, caught, or harvested in Louisiana, including in Louisiana coastal waters, the Louisiana coastal zone, and in the territorial waters of the state.

(b) "Produced in Louisiana" shall also mean, in regard to seafood, caught or harvested in waters seaward of the territorial waters of the state by the holder of a Louisiana commercial fisherman's license who transports and sells his catch to a licensed Louisiana wholesale/retail seafood dealer located within the state of Louisiana.

(6) "Restaurant establishment" means any establishment which has a special Class "R" restaurant permit issued pursuant to R.S. 26:73(B) in the Alcohol Beverage and Tobacco law, or any establishment which meets the definition of "restaurant establishment" as defined in R.S. 26:73(C)(1).

D. Fund. (1) There is hereby established a special fund in the state treasury to be known as the Louisiana Buy Local Purchase Incentive Program Fund, hereinafter referred to as the "fund".

(2) After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, any public or private grants, gifts, and donations received by the state or the Department of Agriculture and Forestry for the purposes of this Section shall be credited to the fund. No state general fund monies shall be appropriated to the fund.

(3)(a) Subject to appropriation by the legislature, monies in the fund shall be used solely to provide grants to eligible restaurant establishments for purchases of Louisiana agricultural products all as defined in Subsection C of this Section and for all ordinary and necessary operating and administrative costs and expenses associated with implementation of this Section, provided that the ordinary and necessary operating and administrative costs and expenses shall not exceed five percent of monies appropriated from the fund. The Louisiana Agricultural Finance Authority shall have the authority to determine the grant recipients and the amount of the grant awards as well as other eligible expenses to be paid with monies appropriated each fiscal year.

(b) The monies in the fund shall be invested by the state treasurer in the same manner as monies in the state general fund. All interest earned from the investment of the monies in the fund shall be deposited in and remain in the fund. All unexpended and unencumbered money in the fund at the end of the year shall remain in the fund.

E. Program. (1) The amount of the incentive payment pursuant to this Section shall be four percent of the total costs of the Louisiana agricultural products purchased by the eligible restaurant establishment during a fiscal year.

(2) An application for an incentive payment pursuant to this Section shall be provided by LAFA and shall be submitted by an interested restaurant establishment to LAFA within the application period set forth by LAFA based upon the restaurant establishment's purchases of Louisiana agricultural products within that fiscal year.

(3) In accordance with the Administrative Procedure Act, LAFA in cooperation with the commissioner of the Department of Agriculture and Forestry shall promulgate rules and regulations as are necessary to implement the provisions of this Section including but not limited to rules and regulations regarding the

period within which an application for the incentive shall be submitted in order to be eligible to receive an incentive payment, and the documentation required to be maintained and provided by a restaurant establishment applying for the incentive payment. The regulations may require producers of Louisiana agricultural products to obtain license numbers issued by LAFA evidencing the eligibility of the Louisiana agricultural products produced by them.

(4) A restaurant establishment applying for the incentive payment authorized pursuant to this Section shall be required to provide and maintain sufficient documentation evidencing the amount of purchases of Louisiana agricultural products and eligibility to claim the incentive payment as determined by LAFA in regulations issued pursuant to Paragraph (3) of this Subsection.

(5) If there is insufficient money in the fund to fully satisfy all timely filed applications for incentive payments, then incentive payments shall be distributed to the applicants on a pro-rated basis based upon the proportion of Louisiana agricultural products purchased by the applicant to the total amount of such purchases by all applicants.

(6) The aggregate amount of incentive payments for the purchase of Louisiana agricultural products issued to restaurant establishments pursuant to this Section shall not exceed seven million dollars, in the aggregate, per fiscal year.

F. Termination of program. The program created pursuant to this Section shall terminate on December 31, 2014. Therefore, no rebate payments authorized according to the provisions of this Section shall be granted after December 31, 2014.

Acts 2011, No. 330, §1, eff. June 29, 2011; Acts 2014, No. 646, §1, eff. June 12, 2014.

§285. Louisiana Agricultural Workforce Development Program

A. Title; creation. There is hereby created the Louisiana Agricultural Workforce Development Program, hereinafter referred to as the "program", within the Louisiana Department of Agriculture and Forestry, to be administered and supervised by the Louisiana Agricultural Finance Authority, in order to grant incentive payments to Louisiana agricultural businesses to encourage the creation and employment of internships.

B. Declaration of purpose. The Legislature of Louisiana hereby finds and declares that the health, safety, and welfare of the people of this state are dependent upon the continued encouragement, development, growth, and expansion of the Louisiana agriculture industry and rural areas. Furthermore, agricultural industries are a major source of employment for Louisiana residents and more programs are needed to encourage interest in and provide the necessary training for a wide range of agricultural jobs. Therefore, it is declared to be the purpose of this Section to ensure the continuation of a quality workforce for the agricultural industry and assist in the expansion of agricultural jobs by providing incentive payments to Louisiana agricultural businesses to encourage the creation and employment of internships.

C. Definitions. For purposes of this Section, the following terms shall have the meanings hereinafter ascribed to them, unless the context clearly indicates otherwise:

(1) "Agricultural business" means an agricultural producer, or a person or legal entity who engages in agriculture or provides support activities, products, or services to an agricultural producer and such products or services that are directly related to the planting, growing, production, harvesting, or processing of Louisiana agricultural products.

(2) "Director" means the director of the Louisiana Agricultural Finance Authority.

(3) "Immediate family member" means the spouse, parent, sibling, or child of the owner, manager, chief executive officer, or president of an agricultural business; a person to whom the owner, manager, chief executive officer, or president stands as legal guardian or tutor; or any other person living in the household of the owner, manager, chief executive officer, or president of an agricultural business by blood or marriage.

(4) "Intern" means an individual who is a student enrolled at a Louisiana secondary or postsecondary institution or a young and beginning farmer or rancher employed by an agricultural business pursuant to the program.

D. Program. (1) In accordance with the Administrative Procedure Act, the authority, in cooperation with the commissioner, shall promulgate rules and regulations, subject to oversight by the House and Senate Committees on Agriculture, Forestry, Aquaculture, and Rural Development, as are necessary to implement the provisions of this Section including but not limited to rules and regulations regarding the following:

(a) Criteria for selecting agricultural businesses for participation in the program, including the ability of a business to effectively supervise an intern and offer the intern an opportunity to obtain meaningful work experience through the business.

(b) Criteria for an internship to qualify under the program, including requirements that the internship provide an intern with at least one hundred thirty hours of work experience, not exceed one year in duration per intern, and pay an intern an hourly wage rate that is no less than the minimum wage rate pursuant to the Fair Labor Standards Act of 1938.

(c) Criteria for an agricultural business to use in selecting qualified interns provided that an immediate family member shall not be eligible to qualify as an intern.

(d) The process and timetable for selecting qualified agricultural businesses and qualified interns.

(e) Accounting requirements for tracking internship costs.

(f) The process for an agricultural business to seek reimbursement.

(2) Subject to appropriations by the legislature or receipt of other monies, the authority, on behalf of the department, may reimburse a participating agricultural business in an amount not to exceed fifty percent of the actual cost to the business of participating in the program. Actual cost includes the wages paid to an intern, reasonable allocation of fixed overhead expenses, and all incidental costs directly related to the internship. Based on the annual appropriation or monies received from other sources for the program, the director, in consultation with the commissioner, shall determine how many internships may be approved, the amount of reimbursement per internship, and whether an agricultural business may be reimbursed for more than one intern in the same fiscal year; provided that an agricultural business shall not be reimbursed for more than three internships in the same fiscal year.

E. Reporting. The department shall submit annually by August thirty-first to the appropriate legislative oversight committees, a report on the effectiveness of the program in achieving the purpose. The report shall include program information deemed relevant by the director in addition to the following specific informational items for each fiscal year:

(1) The total number of approved agricultural businesses to participate in the program.

(2) The total number of agriculture businesses participating in the program.

(3) The total number of interns and hours worked.

(4) The total amount of incentives granted under the program.

(5) The total amount of income earned by interns under the program.

(6) The total number of internships that led to permanent employment with a Louisiana agricultural business.

Acts 2020, 2nd Ex. Sess., No. 23, §1, eff. Oct. 28, 2020.

CHAPTER 3-C. LOUISIANA AGRICULTURAL DEVELOPMENT ACT

§291. Legislative findings and purpose

Louisiana residents rely on Louisiana farmers and agricultural processors as their primary source of safe, nutritional, and affordable food. Furthermore, agriculture and aquaculture industries are a major source of employment for Louisiana residents. The financial survival of these industries in Louisiana is dependent on