

HCS HB 1238 -- AGRICULTURAL BUSINESS DEVELOPMENT LOAN GUARANTY

SPONSOR: Myers (Munzlinger)

COMMITTEE ACTION: Voted "do pass" by the Committee on Agriculture by a vote of 24 to 0 with 2 present.

Currently, the Missouri Agricultural and Small Business Development Authority issues certificates of guaranty covering a first loss guarantee up to 25% of an Agricultural Business Development Loan, up to \$250,000. This substitute increases the guarantee to up to 50% of a loan.

The substitute also decreases from 40% to 20% the immediate redemption amount of the outstanding loans guaranteed by way of the Agricultural Product Utilization and Business Development Loan Guarantee Fund.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill reduces a bank's exposure to loss and allows greater utilization of the program by young farmers lacking the resources to fully capitalize their loans.

Testifying for the bill were Representative Munzlinger; Department of Agriculture; Agricultural and Small Business Development Authority; Missouri Corn Growers Association; Missouri Soybean Association; and Missouri Farm Bureau.

OPPOSERS: There was no opposition voiced to the committee.

Roland Tackett, Legislative Analyst