

AGRICULTURAL DISASTER LOAN ORIGATION PROGRAM ACT (EXCERPT)
Act 111 of 2018

286.432 Definitions.

Sec. 2.

As used in this act:

(a) "Agricultural processing" means the enhancement or improvement of the overall value of an agricultural commodity or of an animal or plant product into a product of higher value, including, but not limited to, marketing, agricultural processing, transforming, or packaging.

(b) "Facility" means a plant designed for receiving or storing farm produce, a plant designed for value-added agricultural processing, or a retail sales establishment of a business engaged in making retail sales directly to farmers with 75% or more of its gross retail sales volume exempted from sales tax under section 4a(1)(e), (f), (g), and (h) of the general sales tax act, 1933 PA 167, MCL 205.54a.

(c) "Farm" means that term as it is defined in section 2 of the Michigan right to farm act, 1981 PA 93, MCL 286.472.

(d) "Financial institution" means a state or national bank, a state or federally chartered savings and loan association, a state or federally chartered savings bank, a state or federally chartered credit union, or other regulated lending institution that maintains a principal office or branch office in this state under the laws of this state or the United States, including, but not limited to, an entity of the federally chartered farm credit system.

(e) "Person" means an individual, partnership, corporation, association, governmental entity, or other legal entity.

(f) "Production of agricultural goods" means commercial farming, including, but not limited to, cultivation of the soil; growing and harvesting of an agricultural, horticultural, or floricultural commodity; dairying; raising of livestock, bees, fish, fur-bearing animals, or poultry; or turf or tree farming.

(g) "Program" means the qualified agricultural loan origination program established under this act.

(h) "Qualified agricultural loan" means a loan that is issued under the program and that meets all of the following conditions:

(i) The loan is made to 1 of the following:

(A) A person that is engaged in and intending to remain engaged in this state as an owner or operator of a farm in the production of agricultural goods that suffered a qualified loss of 25% or more in major enterprises or a qualified loss of 50% or more in production of any 1 crop on a farm located within this state.

(B) A person that is engaged and intending to remain engaged in this state in an agricultural business of buying, exchanging, processing, storing, or selling farm produce that suffered a 50% or greater qualified loss in volume of 1 commodity when compared with the average volume of that commodity that the business handled in the prior 3 years.

(C) The person is engaged in and intending to remain engaged in this state in the business of making retail sales directly to farmers with 75% or more of the person's gross retail sales volume exempted from sales tax under section 4a(1)(e), (f), (g), and (h) of the general sales tax act, 1933 PA 167, MCL 205.54a, that suffered a 50% or greater reduction in gross retail sales volume subject to the exemption under section 4a(1)(e), (f), (g), and (h) of the general sales tax act, 1933 PA 167, MCL 205.54a, when compared with the person's average retail sales volume subject to that exemption in the prior 3 years.

(ii) The loss described in subparagraph (i) is due to an agricultural disaster recognized by the governor.

(iii) The person receiving the loan under subparagraph (i) certifies in an affidavit that that person's loss satisfies the relevant requirements of subparagraph (i).

(i) "Qualified financial institution" means a financial institution that has a physical location in this state or whose principal office is located in this state, or both.

(j) "Qualified loss" means a reduction of gross revenue from any agricultural commodity after receipt of any insurance proceeds and other reimbursements as a result of the same crop loss.

History: 2018, Act 111, Imd. Eff. Apr. 25, 2018 ;-- Am. 2020, Act 52, Imd. Eff. Mar. 3, 2020