

SENATE CONCURRENT RESOLUTION NO. 2

A CONCURRENT RESOLUTION, Supporting a change in federal regulations and definitions for beginning farmer bonds.

WHEREAS, agriculture is the foundation of South Dakota's economy; and

WHEREAS, South Dakota can prosper through the agriculture industry's ability to expand value-added processing; and

WHEREAS, broader-scoped financing programs would afford help to beginning farmers and value-added projects, and

WHEREAS, present Internal Revenue Service definitions and Farm Service Agency rules prohibit and restrict the use of certain bonds for the financing and support of value-added agriculture; and

WHEREAS, beginning farmer bonds issued result in a reduction in the state's federal tax exempt bonding authority volume cap:

NOW, THEREFORE, BE IT RESOLVED, by the Senate of the Seventy-fourth Legislature of the State of South Dakota, the House of Representatives concurring therein, that the South Dakota Legislature supports amending Section 144 of the Internal Revenue Service definitions to include language specifically recognizing processing agricultural products through animal utilization as an eligible project and thereby allowing tax-exempt bonds to finance projects; and

BE IT FURTHER RESOLVED, that the South Dakota Legislature supports changing the Farm Service Agency's rules to allow the Farm Service Agency to guaranty farmer bonds and thereby allowing a beginning farmer with greater financial risk to be eligible to participate in the guarantee programs; and

BE IT FURTHER RESOLVED, that the South Dakota Legislature supports federal legislation to allow beginning farmer bonds to be issued without deriving the bonds from the federally allocated tax-exempt state bonding authority.

Adopted by the Senate,
Concurred in by the House of Representatives,

January 19, 1999
February 18, 1999

Carole Hillard
President of the Senate

Patricia Adam
Secretary of the Senate

Roger Hunt
Speaker of the House

Karen Gerdes
Chief Clerk of the House