

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

197C0044

SENATE CONCURRENT RESOLUTION NO.

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Introduced by: Senators Reedy, Benson, Brown (Arnold), Drake, Lange, Valandra, and Vitter
and Representatives Weber, Jaspers, Lockner, and Wetz at the request of the
Interim Agriculture Committee

1 A CONCURRENT RESOLUTION, Supporting a change in federal regulations and definitions

2 for beginning farmer bonds.

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

4 WHEREAS, South Dakota can prosper through the agriculture industry's ability to expand

5 value-added processing; and

6 WHEREAS, broader-scoped financing programs would afford help to beginning farmers and

7 value-added projects, and

8 WHEREAS, present Internal Revenue Service definitions and Farm Service Agency rules

9 prohibit and restrict the use of certain bonds for the financing and support of value-added

10 agriculture; and

11 WHEREAS, beginning farmer bonds issued result in a reduction in the state's federal tax

12 exempt bonding authority volume cap:

13 NOW, THEREFORE, BE IT RESOLVED, by the Senate of the Seventy-fourth Legislature

14 of the State of South Dakota, the House of Representatives concurring therein, that the South

15 Dakota Legislature supports amending Section 144 of the Internal Revenue Service definitions

1 to include language specifically recognizing processing agricultural products through animal
2 utilization as an eligible project and thereby allowing tax-exempt bonds to finance projects; and

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

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