

AMENDMENT TO RULES COMMITTEE PRINT

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OFFERED BY MS. BUDZINSKI OF ILLINOIS

At the end of subtitle D of title XII, add the following:

1 **SEC. ____ . NEW PRODUCER ECONOMIC SECURITY PRO-**
2 **GRAM.**

3 (a) **DEFINITIONS.**—In this section:

4 (1) **AUTHORIZED LEGAL ENTITY.**—The term
5 “authorized legal entity” means any corporation,
6 business trust, estate, trust, partnership, limited li-
7 ability company, association, joint venture, public
8 corporation, cooperative, pension or investment fund,
9 or any other legal or commercial entity organized or
10 created under the laws of any State that meets each
11 of the following requirements:

12 (A) The entity is not a subsidiary of, or
13 owned in any part by, a multilayered subsidiary
14 entity.

15 (B) The shareholders, partners, members,
16 or beneficial owners of the entity do not exceed
17 25 individuals.

1 (C) The shareholders, partners, members,
2 or beneficial owners of the entity are all natural
3 persons who—

4 (i) regularly and frequently make, or
5 take an important part in making, man-
6 agement decisions substantially contrib-
7 uting to or affecting the operation of a
8 farm or forest; or

9 (ii) perform physical work that signifi-
10 cantly contributes to cultivation, steward-
11 ship, crop or livestock production, or food
12 production.

13 (2) COVERED PROJECT.—The term “covered
14 project” means a project described in subsection (e).

15 (3) ELIGIBLE ENTITY.—

16 (A) IN GENERAL.—The term “eligible enti-
17 ty” means an entity that—

18 (i) has demonstrated experience in
19 serving qualified beneficiaries; and

20 (ii) is—

21 (I) a State, local, or territorial
22 government;

23 (II) an Indian Tribe or Tribal or-
24 ganization (as those terms are defined
25 in section 4 of the Indian Self-Deter-

1 mination and Education Assistance
2 Act (25 U.S.C. 5304));

3 (III) a Native community devel-
4 opment financial institution certified
5 by the Secretary of the Treasury;

6 (IV) a community development
7 financial institution (as defined in sec-
8 tion 103 of the Community Develop-
9 ment Banking and Financial Institu-
10 tions Act of 1994 (12 U.S.C. 4702))
11 certified by the Secretary of the
12 Treasury, acting through the Director
13 of the Community Development Fi-
14 nancial Institutions Fund established
15 under section 104(a) of that Act (12
16 U.S.C. 4703(a));

17 (V) an organization described in
18 paragraph (2) or (3) of section 501(c)
19 of the Internal Revenue Code of 1986
20 and exempt from tax under section
21 501(a) of such Code;

22 (VI) a foundation;

23 (VII) a cooperative entity;

24 (VIII) an institution of higher
25 education (as defined in section 101

1 of the Higher Education Act of 1965
2 (20 U.S.C. 1001));

3 (IX) a financial institution de-
4 scribed in section 1.7(b)(1)(B) of the
5 Farm Credit Act of 1971 (12 U.S.C.
6 2015(b)(1)(B)); and

7 (X) any other appropriate part-
8 ner, as determined by the Secretary.

9 (B) EXCLUSION.—The term “eligible enti-
10 ty” does not include a corporation that is for-
11 eign-based or foreign-owned.

12 (4) ELIGIBLE LAND.—

13 (A) IN GENERAL.—The term “eligible
14 land” means—

15 (i) agricultural land;

16 (ii) private land;

17 (iii) urban land;

18 (iv) public land, including Federal,
19 State, and municipally owned or managed
20 land;

21 (v) lands held in common that are
22 controlled and managed by groups of indi-
23 viduals;

24 (vi) lands held in trust;

1 (vii) multiple parcels of land described
2 in any of clauses (i) through (vi) that are
3 noncontiguous; and

4 (viii) public or private shoreline or
5 intertidal zone areas, which may be wholly
6 or partially underwater.

7 (B) EXCLUSION.—The term “eligible land”
8 does not include a natural area (as defined in
9 section 650.23(a) of title 7, Code of Federal
10 Regulations (or successor regulations)).

11 (5) PROGRAM.—The term “program” means
12 the New Producer Economic Security Program es-
13 tablished under subsection (b).

14 (6) QUALIFIED BENEFICIARY.—

15 (A) IN GENERAL.—The term “qualified
16 beneficiary” means a farmer, a rancher, or a
17 forest owner who—

18 (i) is a natural person;

19 (ii) is—

20 (I) a shareholder in an author-
21 ized legal entity;

22 (II) an officer, director, or em-
23 ployee of an authorized legal entity;

24 (III) a member or manager of an
25 authorized legal entity;

1 (IV) a partner in an authorized
2 legal entity;

3 (V) a beneficiary or trustee of an
4 authorized legal entity; or

5 (VI) any other individual who—

6 (aa) regularly and frequently
7 makes, or takes an important
8 part in making, management de-
9 cisions substantially contributing
10 to or affecting the operation of a
11 farm or forest; or

12 (bb) performs physical work
13 that significantly contributes to
14 cultivation, stewardship, crop or
15 livestock production, or food pro-
16 duction; and

17 (iii)(I) has never operated, or has not
18 operated for more than 10 consecutive
19 years, a farm or a ranch;

20 (II) operates only on rented or leased
21 land;

22 (III) has an income that is at or
23 below 200 percent of the national poverty
24 level or half of the median household in-

1 come of the county in which the natural
2 person is located; or

3 (IV) is economically disadvantaged, as
4 determined by the Secretary.

5 (B) EXCLUSION.—The term “qualified
6 beneficiary” does not include a natural person
7 who solely provides capital to an authorized
8 legal entity that is not a qualified beneficiary
9 described in subparagraph (A).

10 (b) ESTABLISHMENT.—The Secretary shall establish
11 within the Farm Service Agency a competitive program,
12 to be known as the “New Producer Economic Security
13 Program”, to make grants to, enter into cooperative
14 agreements with, or provide other capital support to eligi-
15 ble entities to carry out covered projects in accordance
16 with subsection (e).

17 (c) PURPOSE.—The purposes of the program are—

18 (1) to strengthen the food systems security of
19 the United States by efficiently investing in commu-
20 nity-led solutions to increasing access to land, cap-
21 ital, and markets for qualified beneficiaries; and

22 (2) to support projects that—

23 (A) support farm establishment and long-
24 term farm business viability;

1 (B) support the financial viability of quali-
2 fied beneficiaries;

3 (C) support the physical and mental health
4 of qualified beneficiaries;

5 (D) increase land access;

6 (E) prevent land loss;

7 (F) establish innovative ways to make land
8 accessible to qualified beneficiaries;

9 (G) transition farmland from existing land-
10 owners to qualified beneficiaries; and

11 (H) provide appropriate technical assist-
12 ance related to permissible activities described
13 in subsection (e)(2).

14 (d) SELECTION.—

15 (1) APPLICATION REQUIREMENTS.—To be eligi-
16 ble to receive assistance under the program, an eligi-
17 ble entity shall submit to the Secretary an applica-
18 tion at such time, in such manner, and containing
19 such information as the Secretary may require, in-
20 cluding—

21 (A) information demonstrating that the
22 covered project the eligible entity seeks to carry
23 out is designed—

24 (i) to serve qualified beneficiaries; and

1 (ii) to meet the purposes of the pro-
2 gram described in subsection (c);

3 (B) a description of how project activities
4 will support the long-term financial viability of
5 qualified beneficiaries;

6 (C) a plan for notification and consultation
7 with local Tribal governments for the future
8 sale of land, if applicable;

9 (D) an analysis of anticipated benefits to
10 the community and the agricultural economy
11 within the project area; and

12 (E) a plan for evaluation, data manage-
13 ment, communication, and reporting of project
14 findings and results.

15 (2) EVALUATION AND SELECTION OF APPLICA-
16 TIONS.—

17 (A) EVALUATION PROCESS.—The Sec-
18 retary shall develop a process for evaluating
19 and selecting applications submitted under
20 paragraph (1) in collaboration with the stake-
21 holder committee established under subpara-
22 graph (B).

23 (B) STAKEHOLDER COMMITTEE.—

24 (i) IN GENERAL.—Not later than 180
25 days after the date of enactment of this

1 Act, the Secretary shall establish and con-
2 vene a stakeholder committee to provide
3 input on the distribution of funds and the
4 evaluation and selection of applications
5 submitted under paragraph (1).

6 (ii) CONSIDERATION.—The Secretary
7 shall ensure that the stakeholder com-
8 mittee established under clause (i) includes
9 perspectives reflecting—

10 (I) the complexity of the rural
11 and urban agricultural landscapes of
12 the United States; and

13 (II) the wide variety of agricul-
14 tural production models employed by
15 qualified beneficiaries.

16 (C) PRIORITY.—In selecting applications
17 submitted under paragraph (1), the Secretary
18 shall give priority to applications for covered
19 projects that—

20 (i) provide direct financial assistance
21 to qualified beneficiaries;

22 (ii) involve a substantial and effective
23 collaborative network or partnership of
24 public or private entities;

1 (iii) include a right of first refusal for
2 Tribal citizens or governments when land
3 becomes available on or near Tribal com-
4 munities;

5 (iv) involve mechanisms, such as a
6 deed restriction or conservation easement,
7 that restrict the resale value of eligible
8 land to protect the land for agricultural
9 use;

10 (v) support the voluntary transition of
11 agricultural land from existing producers
12 to qualified beneficiaries;

13 (vi) provide technical assistance, in-
14 cluding translation and interpretation serv-
15 ices;

16 (vii) include activities under sub-
17 section (e) designed to support farm-
18 workers; or

19 (viii) support long-term adoption of
20 conservation practices that are consistent
21 with conservation practice standards of the
22 Natural Resources Conservation Service
23 and designed to achieve conservation out-
24 comes.

25 (e) COVERED PROJECTS.—

1 (1) REQUIRED USE OF FUNDS.—An eligible en-
2 tity that receives assistance under the program shall
3 provide direct assistance to qualified beneficiaries in
4 order to facilitate access to land, capital, and mar-
5 kets, which may include payments—

6 (A) to acquire real property (including air
7 rights, water rights, and other interests there-
8 in), including closing costs;

9 (B) to subsidize interest rates and mort-
10 gage principal amounts for qualified bene-
11 ficiaries;

12 (C) to provide down payment assistance to
13 decrease farm mortgages;

14 (D) to secure clear title on heirs' property;

15 (E) to conduct surveys and assessments of
16 eligible land;

17 (F) to improve or remediate land, water,
18 and soil;

19 (G) to construct or repair infrastructure;

20 (H) to support land use planning;

21 (I) to acquire succession planning assist-
22 ance;

23 (J) to carry out Tribal consultation;

24 (K) to support acquisition of a Department
25 of Agriculture farm number; and

1 (L) for any other activities, as determined
2 by the Secretary.

3 (2) PERMISSIBLE ACTIVITIES.—An eligible enti-
4 ty that receives assistance under the program may
5 use the funds—

6 (A) for activities associated with strength-
7 ening the economic security of qualified bene-
8 ficiaries by increasing access to markets and
9 capital;

10 (B) to provide direct assistance to qualified
11 beneficiaries in assessing, purchasing, acquir-
12 ing, or retaining eligible land;

13 (C) for activities designed to support farm
14 establishment and long-term viability;

15 (D) to establish a revolving loan fund or
16 other innovative financial mechanism designed
17 for the purpose of investing in covered projects
18 beyond the initial project timeline; and

19 (E) to provide technical assistance that
20 meets the specific needs of, and is accessible to
21 qualified beneficiaries, including—

22 (i) providing translation and interpre-
23 tation services;

- 1 (ii) developing and carrying out strat-
2 egies to identify unique needs and gaps in
3 access, knowledge, and services; and
- 4 (iii) specialized consultation, training,
5 coaching, capacity building, and mentoring
6 focused on—
- 7 (I) accessing, purchasing, acquir-
8 ing, or retaining eligible land;
- 9 (II) comprehension of, prepara-
10 tion to apply for, and complying with
11 Department of Agriculture programs;
- 12 (III) succession planning;
- 13 (IV) market planning and risk
14 analysis;
- 15 (V) cooperative development;
- 16 (VI) legal and tax issues;
- 17 (VII) developing business plans
18 and feasibility studies;
- 19 (VIII) financial planning and rec-
20 ordkeeping;
- 21 (IX) enterprise, business, and
22 labor management; and
- 23 (X) any other activities as deter-
24 mined by the Secretary.

1 (3) SUBCONTRACT.—An eligible entity may
2 subcontract with an organization to carry out a use
3 or activity under paragraph (1) or (2) if the services
4 of the subcontractor are necessary.

5 (4) FUNDING MECHANISM.—

6 (A) ELIGIBLE ENTITIES.—The Secretary
7 shall make funding available under the program
8 to eligible entities in the form of—

9 (i) grants;

10 (ii) cooperative agreements;

11 (iii) capitalization loans, in the case of
12 an activity described in paragraph (2)(D);

13 or

14 (iv) other means, as determined by
15 the Secretary.

16 (B) QUALIFIED BENEFICIARIES.—In car-
17 rying out covered projects under the program,
18 an eligible entity shall provide direct assistance
19 to qualified beneficiaries in the form of—

20 (i) grants;

21 (ii) loans (both long-term and in-
22 terim); or

23 (iii) other direct payments or assist-
24 ance, as determined by the Secretary.

1 (5) REPAYMENT OF FUNDS IN CASE OF NON-
2 COMPLIANCE.—An eligible entity that violates the
3 terms or conditions of assistance provided under the
4 program shall reimburse the Secretary for that as-
5 sistance.

6 (f) FUNDING.—

7 (1) AUTHORIZATION OF APPROPRIATIONS.—
8 There are authorized to be appropriated to the Sec-
9 retary such sums as are necessary to carry out this
10 section.

11 (2) AGENCY CONTRIBUTION ACCOUNT.—In ad-
12 dition to amounts otherwise made available under
13 paragraph (1), the Secretary may use funds avail-
14 able through 1 or more contribution accounts estab-
15 lished under section 1241(f)(1) of the Food Security
16 Act of 1985 (16 U.S.C. 3841(f)(1)).

17 (3) ADMINISTRATION.—Of the amounts made
18 available to carry out the program, the Secretary
19 may use an appropriate amount for the costs of im-
20 plementing and administering the program.

21 (4) DISTRIBUTION OF FUNDS.—

22 (A) LIMITATION.—An eligible entity that
23 receives assistance under the program shall ob-
24 ligate the amounts for a covered project by not
25 later than 5 years after the date on which the

1 funds are made available to the eligible entity,
2 unless the Secretary determines otherwise.

3 (B) EXCLUSION.—In the case of a covered
4 project to support qualified beneficiaries in as-
5 sessing, purchasing, acquiring, or retaining eli-
6 gible land for a period longer than the 5-year
7 period described in subparagraph (A), section
8 200.311 of title 2, Code of Federal Regulations
9 (or a successor regulation) shall not apply.

