

**Agricultural Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jennifer Dailey-Provost**

Senate Sponsor:

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**LONG TITLE****General Description:**

This bill addresses funding for agricultural land.

**Highlighted Provisions:**

This bill:

▸ provides that the conservation commission (commission) may award loans and grants from the Agriculture Resource Development Fund to small farmers:

- to obtain an active farm no larger than 20 acres or expand an active farm up to 20 total acres;

- for the purpose of a down payment; and

- to purchase equipment or cover an operational cost related to developing or maintaining agricultural land;

- grants rulemaking authority to the commission related to the small farm assistance program;

- appropriates funding for the small farm assistance program;

- requires the Department of Agriculture and Food to report to a legislative committee on the status of the small farm assistance program; and

- makes technical and conforming changes.

**Money Appropriated in this Bill:**

This bill appropriates \$20,000,000 in business-like activities for fiscal year 2026, all of which is from the various sources as detailed in this bill.

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**4-18-106**, as last amended by Laws of Utah 2025, Chapter 91

ENACTS:

**4-18-110**, Utah Code Annotated 1953

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **4-18-106** is amended to read:

**4-18-106 . Agriculture Resource Development Fund -- Contents -- Use of fund money -- Advisory board.**

(1) As used in this section:

- (a) "Disaster" means an extraordinary circumstance, including a flood, drought, or fire, that results in:
  - (i) the president of the United States declaring an emergency or major disaster in the state;
  - (ii) the governor declaring a state of emergency under Title 53, Chapter 2a, Part 2, Disaster Response and Recovery Act; or
  - (iii) the chief executive officer of a local government declaring a local emergency under Title 53, Chapter 2a, Part 2, Disaster Response and Recovery Act.

(b) "Fund" means the Agriculture Resource Development Fund created in this section.

(c) "Local government" means the same as that term is defined in Section 53-2a-602.

(2) There is created a revolving loan fund known as the "Agriculture Resource Development Fund."

(3) The fund shall consist of:

- (a) money appropriated to the fund by the Legislature;
- (b) money received for the repayment of loans made from the fund;
- (c) money from a preferential user to reimburse the commission for loans made from the fund in accordance with Title 73, Chapter 3d, Part 4, Compensation;
- (d) money made available to the state for agriculture resource development or for a temporary water shortage emergency, as defined in Section 73-3d-101, from any source; and
- (e) interest earned on the fund.

(4) The commission may make loans from the fund for:

- (a) a rangeland improvement and management project;
- (b) a watershed protection or flood prevention project;
- (c) a soil and water conservation project;
- (d) a program designed to promote energy efficient farming practices;
- (e) an improvement program for agriculture product storage or program designed to protect a crop or animal resource;

- (f) a hydroponic or aquaponic system, including a hydroponic fodder production system;
- (g) a project or program to improve water quality;
- (h) a project to address other environmental issues;
- (i) small farm assistance as described in Section 4-18-110;

~~[(i)]~~ (j) subject to Subsection (5), a disaster relief program designed to aid the sustainability of agriculture during and immediately following a disaster; or  
~~[(j)]~~ (k) subject to Subsection (6), authorized for temporary water shortage emergencies as provided in Title 73, Chapter 3d, Part 4, Compensation.

(5)(a) Loans made through a disaster relief program described in Subsection ~~[(4)(i)]~~ (4)(j) may not comprise more than 10% of the funds appropriated by the Legislature to the fund.

(b) Notwithstanding Subsection (5)(a), the department may use the money appropriated to the fund by the Legislature or another source, without limitation, if the money is appropriated specifically for use in a disaster relief program.

(c)(i) Until December 31, 2024, the department is authorized to borrow up to \$3,000,000 of General Fund appropriations from the Agricultural Water Optimization Account created in Section 73-10g-204 to be used in making loans through a disaster relief program described in Subsection ~~[(4)(i)]~~ (4)(j).

(ii) If the department borrows from the Agricultural Water Optimization Account under Subsection (5)(c)(i), the department shall deposit the repayment of principal and interest on loans made through a disaster relief program, regardless of the source of the funds used to make those loans, into the Agricultural Water Optimization Account, with preference over the repayment of any other source of funds, until the Agricultural Water Optimization Account is repaid in full.

(6) The commission may not have at one time an aggregate amount of loans made under Subsection ~~[(4)(j)]~~ (4)(k) that exceeds \$5,000,000.

(7) The commission may appoint an advisory board to:

- (a) oversee the award process for loans, as described in this section;
- (b) approve loans; and
- (c) recommend policies and procedures for the fund that are consistent with statute.

(8) The department shall obtain an approved annual budget from the commission to use money from the fund to pay for the costs of administering the fund and loans made from the fund.

Section 2. Section **4-18-110** is enacted to read:

**4-18-110 . Small farm assistance program -- Loans -- Grants -- Commission duties.**

(1) As used in this section:

- (a) "Active farm" means agricultural land in an urban or rural area that:
  - (i) has produced a commercial agricultural product within three years of application for assistance from the small farm assistance program; or
  - (ii) an individual purchased or loaned under the small farm assistance program.
- (b) "Agricultural land" means land used to cultivate plants and animals for commercial production with a reasonable expectation of profit.
- (c) "Fund" means the Agriculture Resource Development Fund created Section 4-18-106.
- (d) "Small farm assistance program" means the program for awarding loans and grants to small farmers described in this section.
- (e) "Small farmer" means an individual that owns or leases a single active farm no larger than 20 acres.

(2) The commission may:

- (a) approve and make:
  - (i) a loan from the fund to a small farmer to obtain or expand an active farm, including:
    - (A) taking security for the loan through a mortgage, trust deed, pledge, or other security device;
    - (B) purchasing a promissory note, real estate contract, mortgage, trust deed, or other instrument or evidence of indebtedness;
    - (C) collecting, compromising, canceling, or adjusting a claim or obligation arising out of the small farm assistance program; and
    - (D) requiring a small farmer to pay a penalty for selling a property subject to a promissory note, real estate contract, mortgage, trust deed, or other instrument of indebtedness under the small farm assistance program;
  - (ii) a grant from the fund to a small farmer for the purpose of a down payment to:
    - (A) obtain agricultural land no larger than 20 acres; or
    - (B) expand an active farm to no larger than 20 acres; and
  - (iii) a loan or grant from the fund to a small farmer to purchase equipment or cover an operational cost related to developing or maintaining an agricultural land;
- (b) purchase or otherwise obtain property in which the department has acquired an interest on account of a mortgage, trust deed, lien, pledge, assignment, judgment, or

- 133           other means at any execution or foreclosure sale; and
- 134           (c) if necessary to protect the department's investment, operate or lease property in
- 135           which the department has an interest, or sell or otherwise dispose of the property.
- 136       (3)(a) The commission may not make a loan under this section for a period exceeding 10
- 137           years.
- 138           (b) The commission may renew a loan made under this section.
- 139       (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 140           commission shall make rules regarding:
- 141           (a) the criteria for awarding a grant under Subsection (2)(a)(ii) or (2)(a)(iii);
- 142           (b) loans and loan renewals;
- 143           (c) the methods of loan repayment; and
- 144           (d) the interest rates charged, consistent with the requirements of Subsection (6).
- 145       (5) In fixing interest rates, the commission shall consider:
- 146           (a) the current applicable interest rate or rates being charged by the USDA Farm Service
- 147           Agency on similar loans;
- 148           (b) the current prime rate charged by leading lending institutions; and
- 149           (c) any other pertinent economic data.
- 150       (6) The commission may appoint an advisory board for the small farm assistance program
- 151           to:
- 152           (a) oversee the award process for loans and grants, as described in this section; and
- 153           (b) recommend policies and procedures for the fund that are consistent with statute.
- 154       (7)(a) Before October 30, 2026, the department shall report to the Natural Resources,
- 155           Agriculture, and Environment Interim Committee on the status of the small farm
- 156           assistance program.
- 157           (b) The report shall include:
- 158           (i) a current balance of the funds appropriated for the small farm assistance program;
- 159           (ii) a summary of how the funds have been expended, including the amounts used for
- 160           loans and grants;
- 161           (iii) details of the small farmers assisted by the program, including:
- 162           (A) where the small farms are located;
- 163           (B) the types of agricultural production; and
- 164           (C) the sizes of the agricultural operations;
- 165           (iv) information about the interest rate or rates set by the commission; and
- 166           (v) recommendations, if any, for extending and improving the small farm assistance

program.

### Section 3. **FY 2026 Appropriations.**

The following sums of money are appropriated for the fiscal year beginning July 1, 2025, and ending June 30, 2026. These are additions to amounts previously appropriated for fiscal year 2026.

#### Subsection 3(a). **Business-like Activities**

The Legislature has reviewed the following proprietary funds. Under the terms and conditions of Utah Code 63J-1-410, for any included Internal Service Fund, the Legislature approves budgets, full-time permanent positions, and capital acquisition amounts as indicated, and appropriates to the funds, as indicated, estimated revenue from rates, fees, and other charges. The Legislature authorizes the State Division of Finance to transfer amounts between funds and accounts as indicated.

ITEM 1 To Department of Agriculture and Food - Agriculture Resource Development Fund  
From Transportation Infrastructure General Fund

|                           |            |
|---------------------------|------------|
| Support Subfund, One-time | 20,000,000 |
|---------------------------|------------|

#### Schedule of Programs:

|                                       |            |
|---------------------------------------|------------|
| Agriculture Resource Development Fund | 20,000,000 |
|---------------------------------------|------------|

The Legislature intends that the Department of Agriculture and Food use the funds under this item for the following:

(1) no less than \$10,000,000 for grants to small farmers:

(a) for a down payment described in Subsection 4-18-110(2)(a)(ii); and  
(b) to purchase equipment or cover an operational expense under Subsection 4-18-110(2)(a)(iii);  
and

(2) no more than \$10,000,000 for loans to small farmers described in Subsections 4-18-110(2)(a)(i) and 4-18-110(2)(a)(iii).

### Section 4. **Effective Date.**

This bill takes effect on May 6, 2026.