

1

**Agricultural Amendments**

2026 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jennifer Dailey-Provost**

Senate Sponsor:

2

**LONG TITLE**

3

**General Description:**

4

This bill addresses funding for agricultural land.

5

**Highlighted Provisions:**

6

This bill:

7

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

8

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

9

- for the purpose of a down payment; and
- to purchase equipment or cover an operational cost related to developing or maintaining agricultural land;

10

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

11

▶ 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

12

▶ makes technical and conforming changes.

13

**Money Appropriated in this Bill:**

14

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.

15

**Other Special Clauses:**

16

None

17

**Utah Code Sections Affected:**

18

**AMENDS:**

19

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

20

**ENACTS:**

21

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

31

---

---

32 *Be it enacted by the Legislature of the state of Utah:*33       Section 1. Section **4-18-106** is amended to read:34       **4-18-106 . Agriculture Resource Development Fund -- Contents -- Use of fund**  
35       **money -- Advisory board.**

36       (1) As used in this section:

37           (a) "Disaster" means an extraordinary circumstance, including a flood, drought, or fire,  
38           that results in:  
39              (i) the president of the United States declaring an emergency or major disaster in the  
40              state;  
41              (ii) the governor declaring a state of emergency under Title 53, Chapter 2a, Part 2,  
42              Disaster Response and Recovery Act; or  
43              (iii) the chief executive officer of a local government declaring a local emergency  
44              under Title 53, Chapter 2a, Part 2, Disaster Response and Recovery Act.45           (b) "Fund" means the Agriculture Resource Development Fund created in this section.  
46           (c) "Local government" means the same as that term is defined in Section 53-2a-602.47       (2) There is created a revolving loan fund known as the "Agriculture Resource  
48              Development Fund."

49       (3) The fund shall consist of:

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

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

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

65 (f) a hydroponic or aquaponic system, including a hydroponic fodder production system;  
66 (g) a project or program to improve water quality;  
67 (h) a project to address other environmental issues;  
68 (i) small farm assistance as described in Section 4-18-110;  
69 [~~(i)~~] (j) subject to Subsection (5), a disaster relief program designed to aid the  
70 sustainability of agriculture during and immediately following a disaster; or  
71 [~~(j)~~] (k) subject to Subsection (6), authorized for temporary water shortage emergencies  
72 as provided in Title 73, Chapter 3d, Part 4, Compensation.

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

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

79 (c)(i) Until December 31, 2024, the department is authorized to borrow up to  
80 \$3,000,000 of General Fund appropriations from the Agricultural Water  
81 Optimization Account created in Section 73-10g-204 to be used in making loans  
82 through a disaster relief program described in Subsection [~~(4)(i)~~] (4)(j).

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

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

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

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

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

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

99 **4-18-110 . Small farm assistance program -- Loans -- Grants -- Commission**  
100

100 **duties.**

101 (1) As used in this section:

102 (a) "Active farm" means agricultural land in an urban or rural area that:

103 (i) has produced a commercial agricultural product within three years of application  
104 for assistance from the small farm assistance program; or  
105 (ii) an individual purchased or loaned under the small farm assistance program.

106 (b) "Agricultural land" means land used to cultivate plants and animals for commercial  
107 production with a reasonable expectation of profit.

108 (c) "Fund" means the Agriculture Resource Development Fund created Section 4-18-106.

109 (d) "Small farm assistance program" means the program for awarding loans and grants  
110 to small farmers described in this section.

111 (e) "Small farmer" means an individual that owns or leases a single active farm no larger  
112 than 20 acres.

113 (2) The commission may:

114 (a) approve and make:

115 (i) a loan from the fund to a small farmer to obtain or expand an active farm,  
116 including:  
117 (A) taking security for the loan through a mortgage, trust deed, pledge, or other  
118 security device;  
119 (B) purchasing a promissory note, real estate contract, mortgage, trust deed, or  
120 other instrument or evidence of indebtedness;  
121 (C) collecting, compromising, canceling, or adjusting a claim or obligation arising  
122 out of the small farm assistance program; and  
123 (D) requiring a small farmer to pay a penalty for selling a property subject to a  
124 promissory note, real estate contract, mortgage, trust deed, or other instrument  
125 of indebtedness under the small farm assistance program;

126 (ii) a grant from the fund to a small farmer for the purpose of a down payment to:

127 (A) obtain agricultural land no larger than 20 acres; or  
128 (B) expand an active farm to no larger than 20 acres; and

129 (iii) a loan or grant from the fund to a small farmer to purchase equipment or cover  
130 an operational cost related to developing or maintaining an agricultural land;

131 (b) purchase or otherwise obtain property in which the department has acquired an  
132 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:

20,000,000

## 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.