Warnock 1st degree #11

AMENDMENT NO.________ Calendar No.______

Purpose: To modify a provision relating to resolving ownership and succession issues relating to farmland.

IN THE SENATE OF THE UNITED STATES—119th Cong., 2d Sess.

S. ____

To provide for the reform and continuation of agricultural and other programs of the Department of Agriculture through fiscal year 2031, and for other purposes.

Referred to the Committee on ____________________ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. WARNOCK

Viz:

Strike section 5207 and insert the following:

SEC. 5207. SUPPORT FOR RESOLVING OWNERSHIP AND SUCCESSION ISSUES RELATING TO FARMLAND.

(a) REAUTHORIZATION OF THE HEIRS PROPERTY INTERMEDIARY RELENDING PROGRAM.—Section 310I of the Consolidated Farm and Rural Development Act (7 U.S.C. 1936c) is amended—

(1) in subsection (a)—

(A) by striking "so that the eligible entities may" and inserting "to enable such eligible entities to";

(B) by striking the subsection designation and heading and all that follows through "The Secretary" and inserting the following:

"(a) AUTHORITY.—

"(1) LENDING AUTHORITY.—The Secretary"; and

(C) by adding at the end the following:

"(2) OTHER AUTHORITY.—In addition to any loans provided under paragraph (1), the Secretary shall provide support for—

"(A) administrative costs incurred by eligible entities in connection with the making of and managing such loans; and

"(B) the provision of qualified technical assistance related to such loans, which may be provided directly by the eligible entities or through their partner organizations, as described in subsection (g).";

(2) in subsection (b)—

(A) in paragraph (3), by striking "(3) the" and inserting the following:

"(C) have the";

(B) in paragraph (2)—

(i) by striking “or limited” and inserting “, limited”;

(ii) by inserting “, veteran (as defined in section 101 of title 38, United States Code) farmers and ranchers,” before “rural businesses,”; and

(iii) by striking “(2) experience” and inserting the following:

“(B) have experience”;

(C) in paragraph (1), by striking “(1) certification” and inserting the following:

“(A)(i) have a certification”;

(D) in the matter preceding subparagraph (A) (as so designated)—

(i) by striking “with” and inserting “that”; and

(ii) by striking “Entities” and inserting the following:

“(1) IN GENERAL.—Entities”;

(E) in paragraph (1)(A) (as so designated), by adding at the end the following:

“(ii) have a certification under section 1.7(b)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2015(b)(1)) or section 614.4540 of title

12, Code of Federal Regulations (or successor regulations); or

"(iii) subject to paragraph (2)—

"(I) have submitted a complete application for certification under—

"(aa) section 1805.201 of title 12, Code of Federal Regulations (or successor regulations);

"(bb) section 1.7(b)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2015(b)(1)); or

"(cc) section 614.4540 of title 12, Code of Federal Regulations (or successor regulations); and

"(II) are actively pursuing that certification in good standing, as determined by the Secretary;"; and

(F) by adding at the end the following:

"(2) ENTITIES PURSUING CERTIFICATION.—

"(A) IN GENERAL.—Eligibility under paragraph (1)(A)(iii) shall be temporary and shall terminate upon—

"(i) final denial of the certification application;

"(ii) withdrawal or abandonment of the certification application; or

"(iii) failure to obtain certification within 2 years after the date on which the application was submitted, unless the Secretary determines that an extension is warranted due to administrative delay beyond the control of the applicant.

"(B) ADDITIONAL REQUIREMENTS.—The Secretary may impose such additional reporting, compliance, or progress requirements as the Secretary determines necessary to ensure that applicants are making demonstrable and timely progress toward certification.";

(3) in subsection (c)—

(A) by inserting "or forest land" after "farmland";

(B) by striking "The proceeds" and inserting the following:

"(1) IN GENERAL.—The proceeds"; and

(C) by adding at the end the following:

"(2) TECHNICAL ASSISTANCE AND ADMINISTRATIVE COSTS.—The Secretary shall provide additional, separate funding and support for technical assistance and administrative costs.";

(4) in subsection (e)—

(A) in paragraph (2), by striking ‘‘shall be’’ in the matter preceding subparagraph (A) and all that follows through ‘‘clearly’’ in subparagraph (B) and inserting ‘‘shall be clearly’’; and

(B) by adding at the end the following:

‘‘(4) A borrower receiving a loan under this section shall agree, as a condition of such loan, to complete and submit a succession plan within a timeframe established by the lender. The lender may approve and disburse loan funds prior to the completion or submission of the succession plan, so long as the borrower remains in compliance with the applicable succession-plan requirements and deadlines established by the lender.

‘‘(5) Borrowers with approved loans under an Heirs’ Property Relending Program or Highly Fractionated Indian Land Loan Program application are deemed eligible for a Farm Service Agency Direct Ownership Loan to acquire surrounding land, or a Farm Service Agency Direct Operating Loan to finance production, without another application, if needed to ensure a viable farm operation.’’;

(5) in subsection (f), by striking ‘‘enactment of this section’’ and inserting ‘‘enactment of the Agricultural Act of 2026, an annually thereafter’’;

(6) in subsection (g)—

(A) by striking ‘‘$10,000,000’’ and inserting ‘‘$50,000,000’’; and

(B) by striking ‘‘2023’’ and inserting ‘‘2031’’;

(7) by redesignating subsection (g) as subsection (h); and

(8) by inserting after subsection (f) the following:

‘‘(g) ADMINISTRATIVE AND TECHNICAL ASSISTANCE EXPENSES.—

‘‘(1) IN GENERAL.—In addition to any loan provided under this subsection, the Secretary shall provide to an eligible entity an amount that is not less than the de minimis rate and not more than 30 percent of the loan amount for administrative costs and technical assistance expenses relating to—

‘‘(A) operating the relending program; and

‘‘(B) planning for and addressing heirs property issues, including providing and assisting heirs with transitioning to or maintaining the land in agricultural production.

"(2) REQUIREMENT.—Amounts provided under this subsection shall not—

"(A) be considered part of the loan principle or loan proceeds; or

"(B) reduce the amount otherwise available to the eligible entity under the loan.".

(b) COOPERATIVE AGREEMENTS FOR HEIRS PROPERTY RESOLUTION THROUGH DIRECT PUBLIC INTEREST LEGAL SERVICES.—Title V of the Rural Development Act of 1972 (7 U.S.C. 2661 et seq.) is amended by adding at the end the following:

"SEC. 509. COOPERATIVE AGREEMENTS FOR HEIRS PROPERTY RESOLUTION THROUGH DIRECT PUBLIC INTEREST LEGAL SERVICES.

"(a) IN GENERAL.—The Secretary shall enter into cooperative agreements with eligible entities to provide legal or accounting services to underserved heirs, at no cost to the underserved heirs, to assist in resolving undivided ownership interests on farmland or forest land, or land transitioning to farmland or forest land, that has multiple owners. Such a cooperative agreement must be for any of the following purposes:

"(1) To assist with transitioning land to agricultural production.

"(2) To maintain land in agricultural production.

"(3) To increase access to programs administered by the Secretary through the resolution of real property claims in order to allow real property owners to meet land ownership eligibility requirements for participation in a program administered by the Secretary.

"(b) ADMINISTRATION OF COOPERATIVE AGREEMENTS.—

"(1) DURATION.—

"(A) IN GENERAL.—A cooperative agreement under subsection (a) shall be in effect for not more than 4 years, subject to subparagraph (B).

"(B) SPECIAL RULE.—The Secretary may extend a cooperative agreement or re-enter into a cooperative agreement with the same or a different eligible entity to provide continued services for heirs if—

"(i) property ownership is not resolved within the initial term of the original cooperative agreement; and

"(ii) the entity certifies that the entity understands that the cooperative agreement is not guaranteed to be funded for more than 4 years after the commencement of the original cooperative agreement.

"(2) MANAGEMENT OF PERFORMANCE.—

"(A) ANNUAL REPORTS.—An eligible entity must provide annual reports to the Secretary summarizing the progress made during each fiscal year towards achieving the goals of the cooperative agreement for the heirs for whom services are provided under the cooperative agreement.

"(B) INFORMATION AND DATA.—The Secretary may require an eligible entity to provide the Secretary with such information or data as the Secretary deems necessary to determine that the eligible entity is making acceptable progress. The data may not include personally identifiable information.

"(C) EFFECT OF FAILURE TO DEMONSTRATE SUCCESS.—If an eligible entity providing services under such a cooperative agreement does not demonstrate success, as determined by the Secretary, in resolving or reasonably attempting to resolve the property claims of an heir, the Secretary may terminate the agreement.

"(3) IMPLEMENTATION.—The Secretary may utilize requests for public input or the formal rule-making process to effectuate this section. At a minimum, the Secretary shall make publicly available the criteria for selecting an eligible entity to enter into an agreement to provide services, the administrative and performance requirements for cooperative agreements under this section, as well as codify within its internal policy its implementation process.

"(4) HEIRS PROPERTY NOT IN FARMING.—On a limited basis, and when determined by the Secretary to meet the purposes of a program administered by the Secretary and to expand access to such a program, the Secretary may allow an eligible entity to provide services at no cost to an heir who is not an underserved heir if—

"(A) the land with respect to which the services are to be provided is not farmland or in agricultural production, but could be viably productive for agricultural, conservation, or forestry purposes;

"(B) the heir satisfies all other requirements of the definition of 'underserved heir';

"(C) the heir can provide proof to substantiate that the heir is in control of the real property; and

"(D) the heir certifies to the Secretary that the heir intends to apply for, and make a good faith effort to enroll the land in, a program administered by the Secretary once property claims to the land are resolved through services provided under a cooperative agreement entered into under this section.

"(c) DEFINITIONS.—In this section:

"(1) ELIGIBLE ENTITY.—The term 'eligible entity' means a nonprofit organization that—

"(A) provides legal or accounting services to an underserved heir at no cost to the underserved heir to resolve property ownership issues; and

"(B) has demonstrated experience in resolving issues related to ownership and succession on farmland or forest land that has multiple owners.

"(2) LIMITED RESOURCE HEIR.—An heir shall be considered a limited resource heir for purposes of this section if—

"(A) the total household income of the heir is at or below the national poverty level for a family of 4, or less than 50 percent of the county median household income for the 2 immediately preceding calendar years, as determined annually using data of the Department of Commerce; or

"(B) the property of the heir for which legal services are provided pursuant to a cooperative agreement entered into under this section is in a persistent poverty community, as determined annually on the basis of data from the Department of Commerce, or a socially vulnerable area, as designated by the Centers for Disease Control and Prevention.

"(3) UNDERSERVED HEIR.—The term 'underserved heir' means an heir with an undivided ownership interest in farmland or forest land that has multiple owners, who is—

"(A) a limited resource heir;

"(B) a member of a socially disadvantaged group (as defined in section 2501(a) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279(a))); or

"(C) a veteran (as defined in section 101(2) of title 38, United States Code).

"(d) ANNUAL REPORTS TO CONGRESS.—Within 1 year after the date of the enactment of this section, and annually thereafter, the Secretary shall prepare, make public, and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a written report on the activities carried out under this section in the year covered by the report.

"(e) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there is authorized to be appropriated to the Secretary $20,000,000 for each of fiscal years 2027 through 2031.".