

**TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION**

Control: 108

Department or Agency Alabama Agricultural Development Agency

Rule No. 108-1-2

Rule Title: Definitions

X New                     Amend                     Repeal                     Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety?            No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare?            Yes

Is there another, less restrictive method of regulation available that could adequately protect the public?            No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree?            No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule?            N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public?            Yes

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Does the proposed rule have an economic impact?            No

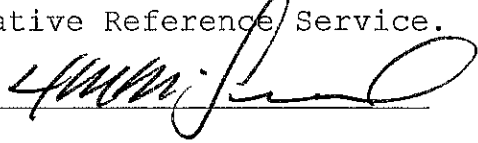
If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

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Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer



Date

6 January 2017

(DATE FILED)

(STAMP)

**ALABAMA AGRICULTURAL DEVELOPMENT AUTHORITY**

**NOTICE OF INTENDED ACTION**

AGENCY NAME: Alabama Agricultural Development Authority  
("Authority")

RULE NO. & TITLE: 108-1-2 - Definitions

INTENDED ACTION: New Rule

SUBSTANCE OF PROPOSED ACTION: Set out definitions for terms used in the Authority's operational rules concerning available loan programs.

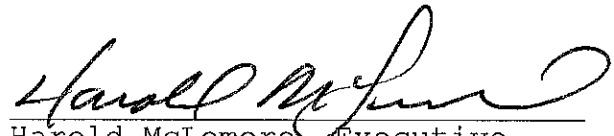
TIME, PLACE, MANNER OF PRESENTING VIEWS: Comments can be presented at the public hearing scheduled for 9:00 a.m., on March 28, 2017 at 445 Federal Drive, Montgomery, Alabama 36107. Additionally, written comments may be addressed to the contact person listed below. The contact person must receive written comments by 9:00 a.m., on March 28, 2017.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:

March 28, 2017

CONTACT PERSON AT AGENCY:

Harold McLemore, Executive Director  
445 Federal Drive  
Montgomery, AL 36107  
334-240-7245

  
Harold McLemore, Executive  
Director Alabama Agricultural  
Development Authority

NEW

Alabama Agricultural Development  
Authority

Chapter 108-1-2

ALABAMA AGRICULTURAL DEVELOPMENT AUTHORITY  
ADMINISTRATIVE CODE

CHAPTER 108-1-2  
DEFINITIONS

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108-1-2-.01 Agricultural Operations. Farming, ranching, the production of agricultural commodities (including, without limitation, the products of aquaculture and silvaculture) or the treating, processing, storing, manufacturing, marketing, distribution or exporting of agricultural commodities; provided, however, that such term shall not include any operation the principal purpose of which is the selling at retail of agricultural commodities or related products; provided, further, that costs of agricultural operations shall specifically include, but not be limited to, costs of acquiring and improving real and personal property, repairs, annual operating expenses, family living expenses and refinancing of debt incurred for any such costs.

**Author:** Alabama Agricultural Development Authority

**Statutory Authority:** Code of Ala. 1975, §2-3A-2

**History: New Rule:** Filed January 20, 2017, effective

108-1-2-.02 Authority. The Alabama Agricultural Development Authority.

**Author:** Alabama Agricultural Development Authority

**Statutory Authority:** Code of Ala. 1975, § 2-3A-2

**History: New Rule:** Filed January 20, 2017, effective

108-1-2-.03 Board. The board of directors of the authority.

**Author:** Alabama Agricultural Development Authority

**Statutory Authority:** Code of Ala. 1975, §2-3A-2

**History: New Rule:** Filed January 20, 2017, effective

**108-1-2-.04** Borrower. Any individual, partnership, cooperative, corporation, or other entity that borrows or seeks to borrow funds from the authority, and is engaged in agriculture or agricultural activities, or both, and which meets all of the following criteria:

- (a) Derives at least 60 percent of gross income from agriculture or agricultural activities.
- (b) Is an Alabama resident.
- (c) Is headquartered and operating in Alabama.
- (d) Does not currently owe any defaulted taxes to the state or any political subdivision thereof.

**Author:** Alabama Agricultural Development Authority

**Statutory Authority:** Code of Ala. 1975, §2-3A-2, §41-14-51

**History: New Rule:** Filed January 20, 2017, effective

**108-1-2-.05** State. The State of Alabama.

**Author:** Alabama Agricultural Development Authority

**Statutory Authority:** Code of Ala. 1975, §2-3A-2

**History: New Rule:** Filed January 20, 2017, effective