

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1517

By: Representative Glover

For An Act To Be Entitled

"AN ACT TO ESTABLISH A FARM MEDIATION OFFICE WITHIN THE ARKANSAS DEVELOPMENT FINANCE AUTHORITY TO PROVIDE VOLUNTARY MEDIATION SERVICES BETWEEN AGRICULTURAL PRODUCERS AND LENDING INSTITUTIONS; TO PROVIDE FOR THE PROMULGATION OF RULES AND REGULATIONS TO ADMINISTER SAID PROGRAM; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. TITLE. This Act shall be known as the "Farm Mediation Office Act of 1989".

SECTION 2. PURPOSE. The General Assembly finds that high interest rates, reduced net farm income and low commodity prices have had an adverse effect on the farm economy. Due to circumstances beyond their control, many farmers find themselves unable to meet current payments of interest and principal on mortgages and other loan and land contracts which could result in the loss of their farmland and other assets through mortgage and lien foreclosures, forfeiture of real estate contracts and other collection actions. The purpose of this Act is to establish a Farm Mediation Office within the Arkansas Development Finance Authority (AFDA) to provide voluntary mediation services for agricultural lenders and borrowers. It is also the intention of this Act that the program devised meet all requirements necessary to receive federal matching funds as authorized by the Agricultural Credit Act of 1987.

SECTION 3. REQUIREMENTS. In addition to other program activities which may be established within the Farm Mediation Office, the following activities shall be required:

(a) all lenders and borrowers of agricultural loans shall received adequate notification of the mediation services provided through the Farm Mediation Office;

(b) training of mediators;

(c) all mediation sessions shall be confidential; and

(d) the mediation services provided shall seek to arrive at voluntary, mutually agreed upon decisions between parties.

SECTION 4. RULES. The ADFA may, if deemed necessary, promulgate rules and regulations as may be necessary for the administration of this program.

SECTION 5. CONFIDENTIALITY. (a) All materials, data and information received by the Farm Mediation Office are confidential and are not subject to examination or disclosure as public information under the Freedom of Information Act of 1967, as amended.

(b) No official, employee or agent of the Farm Mediation Office may knowingly disclose any materials data or information concerning a mediation request without the consent of the farmer and the creditor.

(c) Meetings between a farmer and any creditor conducted by a mediator are not open to public participation and are not subject to the provisions of the Freedom of Information Act of 1967, as amended.

SECTION 6. WAIVER OF LEGAL RIGHTS. All parties who voluntarily enter into the mediation process as described in this Act shall waive their right to take civil action against the State of Arkansas and its designated mediator or agent of the mediation office and thereby release the State and its designated mediator from civil liability for actions occurring within the scope of the mediation services.

SECTION 7. REPEALER. All laws or parts of law in conflict with this Act are hereby repealed.

SECTION 8. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 9. EMERGENCY CLAUSE. It is hereby found and determined by the Seventy-Seventh General Assembly that farmers in the State of Arkansas have had difficulty meeting payments of interest and principal on mortgages, loans, and land contracts which could result in loss of their farmland and other assets; and the establishment of a Farm Mediation Office administered by the Arkansas Development Finance Authority would provide a voluntary mediation service for agricultural lenders and borrowers. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health, and safety shall be in full force and effect from and after July 1, 1989.

