

of \$500,000 to fund a Farmer Disaster Loan Program established by the bill. Under that program, the State Department of Agriculture, from the proceeds of the bonds, may make loans up to \$15,000 to farmers who have suffered losses to their farmlands, buildings, crops, or livestock as the result of a natural disaster. There are four conditions of eligibility; namely,

(1) The Governor must have declared a state of emergency because of a natural disaster;

(2) The applicant must have suffered an actual loss;

(3) The applicant must be unable to qualify for a federal farm loan; and

(4) The applicant must apply for the loan within six months after the natural disaster.

I have no objection to a measure reasonably necessary to help farmers recover from the effects of a natural disaster; but I do have one major concern about this bill.

My concern is over the use of general obligation bonds to finance the program. Should a major disaster occur, the \$500,000 fund provided for in Senate Bill 349 would be wholly inadequate, as it would permit only thirty-three loans at the \$15,000 level. In addition, it would be unlikely that any loans could be made until the bonds were sold, which may involve a delay of several months. A more appropriate method of funding this program would be to create a revolving fund within the Department of Agriculture, which can be done with general funds.

For this reason, I have vetoed Senate Bill 349.

Sincerely,
Marvin Mandel
Governor

Senate Bill No. 364 - State Soil Conservation Committee
AN ACT concerning

Merit System - Employees of State Soil
Conservation Committee