

State of Utah
Administrative Rule Analysis
Revised May 2025

NOTICE OF SUBSTANTIVE CHANGE

TYPE OF FILING: Amendment

Rule or section number:

R64-1

Filing ID: OFFICE USE ONLY

Date of previous publication (only for CPRs): [Click or tap to enter a date.](#)

Agency Information

1. Title catchline:		Agriculture and Food, Conservation Commission	
Building:		Taylorsville State Office Building, South Building, Floor 2	
Street address:		4315 S. 2700 W.	
City, state:		Taylorsville, UT	
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Please address questions regarding information on this notice to the persons listed above.

General Information

2. Rule or section catchline:	
R64-1. Agriculture Resource Development Loans (ARDL).	
3. Are any changes in this filing because of state legislative action?	Changes are not because of legislative action.
If yes, any bill number and session:	HB 1 (2025 General Session), SB 25 (2024 3rd Special Session)
4. Purpose of the new rule or reason for the change:	
The department is filing this amendment following a department-wide review of administrative rules.	
5. Summary of the new rule or change:	
The proposed changes to this Rule are primarily intended to enhance clarity, readability, and align with the Utah Rulewriting Manual. Key changes include restructuring several sections using enumerations for better organizational flow and updating the language in R64-1-3, R64-1-4, and R64-1-5 to the active voice, which aligns with the Rulewriting standards. Revisions in the definitions section (R64-1-2) remove redundant entries, introduce new ones for clarity, and rename the program's staff administrator to the ARDL Program Manager. The amendments also clarify the statutory basis for the CD Board (Conservation District Board) and the UCC Subcommittee (loan advisory board). Finally, the rule removes redundant program objective information from R64-1-3 and eliminates a statutory-redundant subsection from R64-1-5, while updating all terms and monetary references throughout the document to align with the revised definitions and the Rulewriting Manual's standards.	

Fiscal Information

6. Provide an estimate and written explanation of the aggregate anticipated cost or savings to:	
A. State budget:	
This amendment will not have an impact on the state budget because the program requirements are not changing.	
B. Local governments:	
This amendment will not have an impact on the local government's budget because they do not administer or participate in this program.	
C. Small businesses ("small business" means a business employing 1-49 persons):	
This amendment will not have an impact on a small business's budget because the requirements are not changing.	

D. Non-small businesses ("non-small business" means a business employing 50 or more persons):

This amendment will not have an impact on a non-small business's budget because the requirements are not changing.

E. Persons other than small businesses, non-small businesses, state, or local government entities ("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an *agency*):

This amendment will not have an impact on a person's budget because the requirements are not changing.

F. Compliance costs for affected persons:

The compliance costs are not changing.

G. Regulatory Impact Summary Table (This table includes only fiscal impacts the agency was able to measure. If the agency could not estimate an impact, it is excluded from this table but described in boxes A through F.)

Regulatory Impact Summary Table					
Fiscal Cost	FY2026	FY2027	FY2028	FY2029	FY2030
State Budget	\$0	\$0	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0	\$0	\$0
Total Fiscal Cost	\$0	\$0	\$0	\$0	\$0
Fiscal Benefits	FY2026	FY2027	FY2028	FY2029	FY2030
State Budget	\$0	\$0	\$0	\$0	\$0
Local Governments	\$0	\$0	\$0	\$0	\$0
Small Businesses	\$0	\$0	\$0	\$0	\$0
Non-Small Businesses	\$0	\$0	\$0	\$0	\$0
Other Persons	\$0	\$0	\$0	\$0	\$0
Total Fiscal Benefits	\$0	\$0	\$0	\$0	\$0
Net Fiscal Benefits	\$0	\$0	\$0	\$0	\$0

H. Department head comments on fiscal impact and approval of regulatory impact analysis:

The Commissioner of the Department of Agriculture and Food, Kelly Pehrson, has reviewed and approved this regulatory impact analysis.

Citation Information**7. Provide citations to the statutory authority for the rule. If there is also a federal requirement for the rule, provide a citation to that requirement:**

Section 4-18-105	Section 4-18-108	

Incorporation by Reference Information**8. Incorporation by Reference** (if this rule incorporates more than two items by reference, please include additional tables):**A. This rule adds or updates the following title of material incorporated by reference** (a copy of the material incorporated by reference must be submitted to the Office of Administrative Rules. *If none, leave blank*):

Official Title of Materials Incorporated (from title page)	
Publisher	
Issue Date	
Issue or Version	

B. This rule adds or updates the following title of material incorporated by reference (a copy of the material incorporated by reference must be submitted to the Office of Administrative Rules. *If none, leave blank*):

Official Title of Materials Incorporated	
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(from title page)	
Publisher	
Issue Date	
Issue or Version	

Public Notice Information

9. The public may submit written or oral comments to the agency identified in box 1.

A. Comments will be accepted until:		05/01/2026
B. A public hearing (optional) will be held (The public may request a hearing by submitting a written request to the agency, as outlined in Section 63G-3-302 and Rule R15-1.):		
Date:	Time (hh:mm AM/PM):	Place (physical address or URL):
Click or tap to enter a date.		
To the agency: If more than one hearing is planned to take place, continue to add rows.		

10. This rule change MAY become effective on:	05/08/2026
NOTE: The date above is the date the agency anticipates making the rule or its changes effective. It is NOT the effective date.	

Agency Authorization Information

To the agency: Information requested on this form is required by Sections 63G-3-301, 63G-3-302, 63G-3-303, and 63G-3-402. The office may return incomplete forms to the agency, possibly delaying publication in the <i>Utah State Bulletin</i> and delaying the first possible effective date.			
Agency head or designee and title:	Commissioner, Kelly Pehrson	Date:	03/04/2026

R64. Agriculture and Food, Conservation Commission.

R64-1. Agriculture Resource Development Loans (ARDL).

R64-1-1. Authority and Purpose.

Pursuant to Sections 4-18-105 and 4-18-108, this rule establishes general operating practices of the Agriculture Resource Development Loan (ARDL) program.

R64-1-2. Definitions.

The terms defined in Section 4-18-103 shall apply to this rule.

- (1) "Applicant" means a person or entity seeking funds from the Agriculture Resource Development Fund.
- (2) "ARD Fund" means the Agriculture Resource Development Fund created under Section 4-18-106.
- (3) "ARDL Program" means the Agriculture Resource Development Loan program, which is established by this rule to administer loans and grants from the ARD Fund.
- ~~_____ (1) "Application" means a project proposal that is prepared by an individual seeking ARDL funds through the process established by the commission and in accordance with Section 4-18-105.~~
- ~~_____ ([2]4) "ARDL Program [Coordinator or Loan Administrator]Manager" means the staff administrator of the ARDL program [employed by the Department of Agriculture and Food].~~
- ~~_____ ([3]5) "Conservation District Board or CD Board" means a conservation district board [consisting]of [five appointed]supervisors [within each conservation district created by Section 4-18-105, to coordinate ARDL activities at the district level]created by Section 17D-3-301.~~
- ~~_____ (4) "Commission" or "UCC" means the Utah Conservation Commission created by Section 4-18-104, that directs and implements the ARDL program throughout Utah, chaired by the Commissioner of the Utah Department of Agriculture and Food.]~~
- (6) "Eligible entity" means any agricultural producer located in Utah using grant funds for an eligible purpose in Utah.
- ~~_____ ([5]7) "Resource Improvement and Management Plan" means a conservation plan [providing]that includes a schedule of operations, [implementation and]cost estimates, and other pertinent information prepared by a technical assistant, or technical assistance agency, that has been approved by a conservation district.~~
- ~~_____ (6) "Technical Assistance" or "Technical Assistance Agency" means individuals or group of individuals, including administrative services individuals, who may be requested by an applicant client to provide specialized input for proposed projects.]~~
- ~~_____ ([7]8) "UCC Subcommittee" means the loan advisory board described in Section 4-18-106.[a committee, made up of the commission chair and at least two other members selected from and approved by the commission, who approve loans for ratification by the commission.]~~

R64-1-3. Administration of ~~[Agriculture Resource Development Loan Program]~~the Fund.

- (1) Annually, the commission shall allocate funds appropriated for projects that further the objectives of the ARDL program referenced in Subsection 4-18-106(4)], including:
 - ~~_____ (a) conserve agricultural resources of the state;~~
 - ~~_____ (b) increase agriculture yields and efficiency for croplands, orchards, pastures, range, and livestock;~~
 - ~~_____ (c) maintain and improve water quality;~~
 - ~~_____ (d) conserve and improve wildlife habitat;~~
 - ~~_____ (e) prevent flooding, drought, or other natural disasters; and~~

- ~~_____ (f) provide and maintain protection of a crop or animal resource.]~~
- (2) A ~~[n]~~ loan applicant shall:
- (a) submit ~~[finalized project proposals]~~ a complete application to the ~~[loan administrator]~~ ARDL Program Manager through their conservation district for review;
- (b) comply with district, zone, and commission application procedures; and
- (c) be subject to credit analysis and collateral valuation as ~~[-]~~ required by the commission, including repayment capability, past and current financial holdings, fiscal obligations, and debt history.
- (3) The UCC subcommittee shall:
- (a) review applications for funding availability, including if the application exceeds loan limits established by commission policy;
- (b) if requests ~~[may]~~ exceed available funds, then they may rate and prioritize applications according to:
- (i) the quality of improvement projects;
- (ii) the improvements sought by the commission; and
- ~~(e) [iii]~~ rating and approval information from CD boards.
- (4) The commission will award loan contracts upon receipt of executed loan documents, which may include ~~[generally consisting of]~~ a promissory note[s] and other documents necessary to perfect liens on required security.
- (5) If available ARD[L] ~~[f]~~ Funds are \$3,500,000 or less ~~[as of]~~ on the commission's approval date~~[-]~~;
- ~~_____ (a) total borrowings by one entity [shall be limited to] may not exceed \$250,000[-]; and~~
- ~~_____ (b) [A] available ARD[L] [f] Funds [shall be] are based on the current financial statement [published by] the department publishes.~~
- (6) The commission may:
- ~~_____ (a) charge an applicant a loan or technical assistance fee if proposed projects include a complex technical issue[s that are sufficiently complex-]; and~~
- ~~_____ (b) [The commission may] require designated personnel to supervise a project[s be supervised by designated personnel].~~
- (7) ~~[C]~~ A contract[s] with loan recipient[s] ~~[shall be]~~ is based on repayment ability or defined collateral~~[- Contracts]~~ and shall include a loan repayment schedule~~[s for loan repayment]~~ according to the agreed ~~[upon-]~~ interest rates and related fiscal conditions. The ~~[loan administrator]~~ ARDL Program Manager may:
- ~~_____ (a) acquire an appraisal[s and] or estimate[s] of collateral value[s]; and~~
- ~~_____ (b) [may] obtain security or collateral to satisfy the contract until the recipient pays the agreed [upon-] amount[s have been collected].~~
- (8) The commission shall set the ~~[f]~~ interest rates ~~[shall be set]~~ in policies and procedures~~[adopted by the commission]~~. The commission may recalculate interest rates based on:
- (a) ~~[consideration of]~~ interest rates other ~~[charged by other]~~ agricultural lenders charge;
- (b) ~~[consideration of]~~ economic factors such as inflation, weather, and natural disasters; or
- (c) ~~[following-]~~ a recommendation from program staff.
- (9) The commission may:
- ~~_____ (a) charge a percentage of loan disbursement as an administrative fee[- A fee shall be]; and~~
- ~~_____ (b) require[d] a fee if the balance of available ARD[L] [f] Funds is \$[3.5 million] 3,500,000 or less.~~
- (10) ~~[Commission d]~~ Designated personnel shall inspect and certify~~[loan funded]~~ a project[s] funded by a loan to ensure compliance with contractual provisions.
- (11) Under the direction of the commission, the ~~[loan administrator]~~ ARDL Program Manager shall:
- (a) manage the program;
- (b) interpret guidelines;
- (c) administer record-keeping operations;
- (d) research financial collateral security information;
- (e) process and service contracts associated with program functions;
- (f) recommend loan approvals to the commission;
- (g) analyze resource improvement and management plans; and
- (h) administer loan servicing and collection activities.

R64-1-4. Emergency Loan Program.

- (1) The commission may provide ARD[L] ~~[f]~~ Funds to agriculture producers to provide emergency disaster relief based on unusual or extraordinary circumstances such as flood, drought, or other natural disasters if:
- (a) an ~~[emergency or natural disaster has been declared within the prior six months by an-]~~ authorized federal, state, or county entity, including the Utah governor's office, declared an emergency or natural disaster within the prior six months;
- ~~_____ (b) the commission establishes parameters of the emergency loan program [are established] in policies and procedures[- adopted by the commission];~~
- (c) the commission or a UCC subcommittee approves the loans; and
- (d) the objectives of the loan program are consistent with state law.
- (2) The commission may exempt emergency loans from the requirements ~~[of]~~ in Subsection R64-1-3(7).
- (3) A person may not use ~~[E]~~ emergency loan funds ~~[may not be used]~~ for a project[s] that the commission ~~[would-]~~ normally ~~[be approved]~~ approves under the ARDL program.

R64-1-5. Grant Subprogram.

~~[_____ For the purposes of this section, "eligible entity" means any agricultural producer located in Utah using granted funds for an eligible purpose in Utah.]~~

- (1) Under Subsection 4-18-108(1), the commission may ~~[make]~~ award a grant from the ARD[L] ~~[f]~~ Fund to an eligible entity.
- ~~_____ (2) Under Subsection 4-18-108(2) in awarding a grant, the commission shall consider:~~
- ~~_____ (a) the ability of the grantee to pay for the costs of the proposed plans or projects;~~
- ~~_____ (b) the availability of matching funds or materials, labor, or other items of value provided by the grantee or another source; and~~
- ~~_____ (c) the benefits to the public of the awarding of the grant.]~~
- ~~_____ ([3]2) The commission may consider awarding a grant[s] under this part if the balance of available ARD[L] [f] Funds is at least \$[40-~~

~~million~~10,000,000[~~— The \$10-million calculation shall not include any~~],excluding funds appropriated for the Temporary Water Shortages Emergency Program created under Title 73, Chapter 3d, Water Preferences During Emergencies.

(~~[4]~~3) Grant funds shall be used for purposes that conform to:

(a) Section 4-18-108;

(b) the purposes of the ARDL program; and

(c) [~~policies and procedures adopted by the~~]commission policies and procedures.

(~~[5]~~4) The commission shall determine the availability and amount of grant funds disbursed under this section~~[- shall be at the discretion of the commission].~~

(~~[6]~~5) [~~At the discretion of t~~]The commission may disburse~~[- grant]~~ funds under this section [~~may be disbursed~~]to local conservation districts [~~to be granted~~]for regranting to an eligible [~~entities~~]entity within [~~their~~]that district[s].

KEY: loans, agricultural grants, ARDL, emergency loans, program manager

Date of Last Change: August 29, 2023

Notice of Continuation: May 14, 2024

Authorizing, and Implemented or Interpreted Law: 4-18-105