

HCS SS SCS SB 740, 886 & 1178 -- AGRICULTURE PROGRAMS

SPONSOR: Klindt (Myers)

COMMITTEE ACTION: Voted "do pass" by the Committee on Agriculture by a vote of 24 to 0.

This substitute makes changes to the laws regarding agriculture.

TAX CREDITS

The substitute allows tax credits to be taken against estimated quarterly taxes paid for:

- (1) Investments in eligible new generation cooperatives or eligible new generation processing entities; and
- (2) Contributions to the Agricultural Product Utilization Grant Fund.

These tax credits may be carried back three tax years.

The substitute adds eligible new generation cooperatives, eligible new generation processing entities, and agricultural product utilization contributor tax credits to the restriction that the tax credits taken against insurance premiums will not reduce moneys transferred to the county stock insurance fund. The fund will be included in the calculations of state revenue.

The substitute decreases the required number of employees in an employee-qualified capital project from 100 to 60 for investors to receive a New Generation Cooperative Incentive Tax Credit.

GROWER DISTRICTS

The substitute allows for the formation of grower districts. A grower district will allow owners or operators of land to enter into common agreements to produce commercial crops within the district's boundaries.

CLOSED RECORDS

The substitute clarifies that records and documents that may endanger the competitiveness of a small business submitted to the Department of Agriculture or the Agricultural and Small Business Development Authority for grant or loan qualification are deemed closed. The amount and recipient of any loan or grant administered by the authority are public records.

MEAT INSPECTION

The substitute requires the Director of the Department of Agriculture to promulgate rules consistent with the Federal Meat Inspection Act, the Federal Poultry Products Inspection Act, and all related federal regulations necessary to implement the meat inspection programs of the state.

ANIMAL HEALTH

The substitute repeals obsolete provisions regarding animal health and inspections.

AGRICULTURAL BUSINESS DEVELOPMENT LOAN GUARANTEES

Currently, the Missouri Agricultural and Small Business Development Authority issues certificates of guaranty covering a first loss guarantee up to 25% of an agricultural business development loan, up to \$250,000. The substitute increases the guarantee to up to 50% of a loan.

The substitute also decreases from 40% to 20% the immediate redemption amount of the outstanding loans guaranteed by way of the Agricultural Product Utilization and Business Development Loan Guarantee Fund.

BOLL WEEVIL ERADICATION ASSESSMENTS

Currently, pursuant to the Missouri Boll Weevil Suppression Eradication Act, a cotton grower who fails to pay assessments is subject to a per-acre penalty. The substitute provides that in addition to other remedies for the collection of delinquent assessments, including penalties and interest, the Department of Agriculture will have an assessment lien covering any current or future cotton crop grown by the producer and the proceeds of the cotton sale until the assessment, penalties, and interest are paid in full. The department will be subject to certain notification and procedural requirements.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.

PROPONENTS: Supporters say that the bill contains several modifications to existing programs and enables the formation of grower districts which will make Missouri more attractive to specialty crops used to produce pharmaceuticals.

Testifying for the bill were Senator Klindt; Department of Agriculture; Missouri Farm Bureau; Missouri Agricultural Industries Council; Missouri Cattlemens Association; Missouri Corn Growers Association; and Missouri Soybean Association.

OPPONENTS: There was no opposition voiced to the committee.

Roland Tackett, Legislative Analyst