

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 853**  
**93RD GENERAL ASSEMBLY**

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Reported from the Committee on Agriculture Policy April 11, 2005, with recommendation that House Committee Substitute for House Bill No. 853 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

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**AN ACT**

To repeal sections 142.029, 142.031, 142.815, 144.030, 246.005, 261.241, 281.040, 311.554, 348.430, and 414.433, RSMo, and to enact in lieu thereof twenty-five new sections relating to agriculture, with an emergency clause for a certain section.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 142.029, 142.031, 142.815, 144.030, 246.005, 261.241, 281.040, 311.554, 348.430, and 414.433, RSMo, are repealed and twenty-five new sections enacted in lieu thereof, to be known as sections 142.029, 142.031, 142.815, 144.030, 196.291, 246.005, 261.241, 262.820, 262.823, 262.826, 262.829, 262.832, 262.835, 262.838, 262.841, 262.844, 262.847, 262.850, 262.853, 262.856, 262.859, 281.040, 311.554, 348.430, and 414.433, to read as follows:

142.029. [1. Section 142.027 shall become effective only if the normal federal-aid funds apportioned to Missouri under the Federal-Aid Highway Act of 1987 exceed the eighty-five percent minimum guarantee as defined in Section 124 of that act. Section 142.027 shall become effective on July first of the year following the federal fiscal year for which the funds were apportioned.

2. Section 142.028 shall become effective July 1, 1989.

3. Section 142.027 shall expire on June 30, 1996.] Section 142.028 shall expire on December 31, [2007] **2015**.

142.031. 1. As used in this section the following terms shall mean:

(1) "Biodiesel", fuel as defined in ASTM Standard D-6751 or its subsequent standard

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

3 specifications for biodiesel fuel (B100) blend stock for distillate fuels;

4 (2) "Qualified biodiesel producer", a facility that produces biodiesel, is registered with  
5 the United States Environmental Protection Agency according to the requirements of 40 CFR  
6 79, and at least fifty-one percent is owned by agricultural producers actively engaged in  
7 agricultural production for commercial purposes.

8 2. The "Missouri Qualified Biodiesel Producer Incentive Fund" is hereby created and  
9 subject to appropriations [with funds, other than general revenue funds,] shall be used to provide  
10 economic subsidies to Missouri qualified biodiesel producers pursuant to this section. The  
11 director of the department of agriculture shall administer the fund pursuant to this section.

12 3. A Missouri qualified biodiesel producer shall be eligible for a monthly grant from the  
13 fund, except that a Missouri qualified biodiesel producer shall only be eligible for the grant for  
14 a total of sixty months **unless such producers during the sixty months fail, due to a lack of**  
15 **appropriations, to receive the full amount from the fund for which the producers were**  
16 **eligible, in which case such producers shall continue to be eligible for up to twenty-four**  
17 **additional months or until they have received the maximum amount of funding for which**  
18 **such producers were eligible during the original sixty-month time period.** The amount of  
19 the grant is determined by calculating the estimated gallons of qualified biodiesel produced  
20 during the preceding month from Missouri agricultural products, as certified by the department  
21 of agriculture, and applying such figure to the per-gallon incentive credit established in this  
22 subsection. Each Missouri qualified biodiesel producer shall be eligible for a total grant in any  
23 fiscal year equal to thirty cents per gallon for the first fifteen million gallons of qualified  
24 biodiesel produced from Missouri agricultural products in the fiscal year **plus ten cents per**  
25 **gallon for the next fifteen million gallons of qualified biodiesel produced from Missouri**  
26 **agricultural products in the fiscal year.** All such qualified biodiesel produced by a Missouri  
27 qualified biodiesel producer in excess of [fifteen] **thirty million** gallons shall not be applied to  
28 the computation of a grant pursuant to this subsection. The department of agriculture shall pay  
29 all grants for a particular month by the fifteenth day after receipt and approval of the application  
30 described in subsection 4 of this section.

31 4. In order for a Missouri qualified biodiesel producer to obtain a grant from the fund,  
32 an application for such funds shall be received no later than fifteen days following the last day  
33 of the month for which the grant is sought. The application shall include:

34 (1) The location of the Missouri qualified biodiesel producer;

35 (2) The average number of citizens of Missouri employed by the Missouri qualified  
36 biodiesel producer in the preceding month, if applicable;

37 (3) The number of bushel equivalents of Missouri agricultural commodities used by the  
38 Missouri qualified biodiesel producer in the production of biodiesel in the preceding month;

39 (4) The number of gallons of qualified biodiesel the producer manufactures during the  
40 month for which the grant is applied;

41 (5) A copy of the qualified biodiesel producer license required pursuant to subsection  
42 5 of this section, name and address of surety company, and amount of bond to be posted pursuant  
43 to subsection 5 of this section; and

44 (6) Any other information deemed necessary by the department of agriculture to  
45 adequately ensure that such grants shall be made only to Missouri qualified biodiesel producers.

46 5. The director of the department of agriculture, in consultation with the department of  
47 revenue, shall promulgate rules and regulations necessary for the administration of the provisions  
48 of this section.

49 6. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that  
50 is created under the authority delegated in this section shall become effective only if it complies  
51 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section  
52 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers  
53 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the  
54 effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the  
55 grant of rulemaking authority and any rule proposed or adopted after August 28, 2002, shall be  
56 invalid and void.

142.815. 1. Motor fuel used for the following nonhighway purposes is exempt from the  
2 fuel tax imposed by this chapter, and a refund may be claimed by the consumer, except as  
3 provided for in subsection (1) of this section, if the tax has been paid and no refund has been  
4 previously issued:

5 (1) Motor fuel used for nonhighway purposes including fuel for farm tractors or  
6 stationary engines owned or leased and operated by any person and used exclusively for  
7 agricultural purposes **and including, beginning January 1, 2006, bulk sales of one hundred**  
8 **gallons or more of gasoline made to farmers and delivered by the ultimate vender to a farm**  
9 **location for agricultural purposes only. As used in this section, the term "farmer" shall**  
10 **mean any person engaged in farming in an authorized farm corporation, family farm, or**  
11 **family farm corporation as defined in section 350.010, RSMo. At the discretion of the**  
12 **ultimate vender, the refund may be claimed by the ultimate vender on behalf of the consumer for**  
13 **sales made to farmers and to persons engaged in construction for agricultural purposes as defined**  
14 **in section 142.800. After December 31, 2000, the refund may be claimed only by the consumer**  
15 **and may not be claimed by the ultimate vender unless bulk sales of gasoline are made to a**  
16 **farmer after January 1, 2006, as provided in this subdivision and the farmer provides an**  
17 **exemption certificate to the ultimate vender, in which case the ultimate vender may make**  
18 **a claim for refund under section 142.824 but shall be liable for any erroneous refund;**

19 (2) Kerosene sold for use as fuel to generate power in aircraft engines, whether in aircraft  
20 or for training, testing or research purposes of aircraft engines;

21 (3) Diesel fuel used as heating oil, or in railroad locomotives or any other motorized  
22 flanged-wheel rail equipment, or used for other nonhighway purposes other than as expressly  
23 exempted pursuant to another provision.

24 2. Subject to the procedural requirements and conditions set out in this chapter, the  
25 following uses are exempt from the tax imposed by section 142.803 on motor fuel, and a  
26 deduction or a refund may be claimed:

27 (1) Motor fuel for which proof of export is available in the form of a terminal-issued  
28 destination state shipping paper and which is either:

29 (a) Exported by a supplier who is licensed in the destination state or through the bulk  
30 transfer system;

31 (b) Removed by a licensed distributor for immediate export to a state for which all the  
32 applicable taxes and fees (however nominated in that state) of the destination state have been  
33 paid to the supplier, as a trustee, who is licensed to remit tax to the destination state; or which  
34 is destined for use within the destination state by the federal government for which an exemption  
35 has been made available by the destination state subject to procedural rules and regulations  
36 promulgated by the director; or

37 (c) Acquired by a licensed distributor and which the tax imposed by this chapter has  
38 previously been paid or accrued either as a result of being stored outside of the bulk transfer  
39 system immediately prior to loading or as a diversion across state boundaries properly reported  
40 in conformity with this chapter and was subsequently exported from this state on behalf of the  
41 distributor;

42

43 The exemption pursuant to paragraph (a) of this subdivision shall be claimed by a deduction on  
44 the report of the supplier which is otherwise responsible for remitting the tax upon removal of  
45 the product from a terminal or refinery in this state. The exemption pursuant to paragraphs (b)  
46 and (c) of this subdivision shall be claimed by the distributor, upon a refund application made  
47 to the director within three years. A refund claim may be made monthly or whenever the claim  
48 exceeds one thousand dollars;

49 (2) Undyed K-1 kerosene sold at retail through dispensers which have been designed and  
50 constructed to prevent delivery directly from the dispenser into a vehicle fuel supply tank, and  
51 undyed K-1 kerosene sold at retail through nonbarricaded dispensers in quantities of not more  
52 than twenty-one gallons for use other than for highway purposes. Exempt use of undyed  
53 kerosene shall be governed by rules and regulations of the director. If no rules or regulations are  
54 promulgated by the director, then the exempt use of undyed kerosene shall be governed by rules

55 and regulations of the Internal Revenue Service. A distributor or supplier delivering to a retail  
56 facility shall obtain an exemption certificate from the owner or operator of such facility stating  
57 that its sales conform to the dispenser requirements of this subdivision. A licensed distributor,  
58 having obtained such certificate, may provide a copy to his or her supplier and obtain undyed  
59 kerosene without the tax levied by section 142.803. Having obtained such certificate in good  
60 faith, such supplier shall be relieved of any responsibility if the fuel is later used in a taxable  
61 manner. An ultimate vendor who obtained undyed kerosene upon which the tax levied by  
62 section 142.803 had been paid and makes sales qualifying pursuant to this subsection, may apply  
63 for a refund of the tax pursuant to application, as provided in section 142.818, to the director  
64 provided the ultimate vendor did not charge such tax to the consumer;

65 (3) Motor fuel sold to the United States or any agency or instrumentality thereof. This  
66 exemption shall be claimed as provided in section 142.818;

67 (4) Motor fuel used solely and exclusively as fuel to propel motor vehicles on the public  
68 roads and highways of this state when leased or owned and when being operated by a federally  
69 recognized Indian tribe in the performance of essential governmental functions, such as  
70 providing police, fire, health or water services. The exemption for use pursuant to this  
71 subdivision shall be made available to the tribal government upon a refund application stating  
72 that the motor fuel was purchased for the exclusive use of the tribe in performing named  
73 essential governmental services;

74 (5) Motor fuel sold within an Indian reservation or within Indian country by a federally  
75 recognized Indian tribe to a member of that tribe and used in motor vehicles owned by a member  
76 of the tribe within Indian country. This exemption does not apply to sales within an Indian  
77 reservation or within Indian country by a federally recognized Indian tribe to non-Indian  
78 consumers or to Indian consumers who are not members of the tribe selling the motor fuel. This  
79 exemption shall be administered as provided in section 142.821;

80 (6) That portion of motor fuel used to operate equipment attached to a motor vehicle, if  
81 the motor fuel was placed into the fuel supply tank of a motor vehicle that has a common fuel  
82 reservoir for travel on a highway and for the operation of equipment, or if the motor fuel was  
83 placed in a separate fuel tank and used only for the operation of auxiliary equipment. The  
84 exemption for use pursuant to this subdivision shall be claimed by a refund claim filed by the  
85 consumer who shall provide evidence of an allocation of use satisfactory to the director;

86 (7) Motor fuel acquired by a consumer out-of-state and carried into this state, retained  
87 within and consumed from the same vehicle fuel supply tank within which it was imported,  
88 except interstate motor fuel users;

89 (8) Motor fuel which was purchased tax-paid and which was lost or destroyed as a direct  
90 result of a sudden and unexpected casualty or which had been accidentally contaminated so as

91 to be unsalable as highway fuel as shown by proper documentation as required by the director.  
92 The exemption pursuant to this subdivision shall be refunded to the person or entity owning the  
93 motor fuel at the time of the contamination or loss. Such person shall notify the director in  
94 writing of such event and the amount of motor fuel lost or contaminated within ten days from  
95 the date of discovery of such loss or contamination, and within thirty days after such notice, shall  
96 file an affidavit sworn to by the person having immediate custody of such motor fuel at the time  
97 of the loss or contamination, setting forth in full the circumstances and the amount of the loss  
98 or contamination and such other information with respect thereto as the director may require;

99 (9) Dyed diesel fuel or dyed kerosene used for an exempt purpose. This exemption shall  
100 be claimed as follows:

101 (a) A supplier or importer shall take a deduction against motor fuel tax owed on their  
102 monthly report for those gallons of dyed diesel fuel or dyed kerosene imported or removed from  
103 a terminal or refinery destined for delivery to a point in this state as shown on the shipping  
104 papers;

105 (b) This exemption shall be claimed by a deduction on the report of the supplier which  
106 is otherwise responsible for remitting the tax on removal of the product from a terminal or  
107 refinery in this state;

108 (c) This exemption shall be claimed by the distributor, upon a refund application made  
109 to the director within three years. A refund claim may be made monthly or whenever the claim  
110 exceeds one thousand dollars.

144.030. 1. There is hereby specifically exempted from the provisions of sections  
2 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to  
3 sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and  
4 any other state of the United States, or between this state and any foreign country, and any retail  
5 sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws  
6 of the United States of America, and such retail sales of tangible personal property which the  
7 general assembly of the state of Missouri is prohibited from taxing or further taxing by the  
8 constitution of this state.

9 2. There are also specifically exempted from the provisions of the local sales tax law as  
10 defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and  
11 144.600 to 144.745 and from the computation of the tax levied, assessed or payable pursuant to  
12 the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections  
13 144.010 to 144.525 and 144.600 to 144.745:

14 (1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of  
15 such excise tax is refunded pursuant to section [142.584] **142.824**, RSMo; or upon the sale at  
16 retail of fuel to be consumed in manufacturing or creating gas, power, steam, electrical current

17 or in furnishing water to be sold ultimately at retail; or feed for livestock or poultry; or grain to  
18 be converted into foodstuffs which are to be sold ultimately in processed form at retail; or seed,  
19 limestone or fertilizer which is to be used for seeding, liming or fertilizing crops which when  
20 harvested will be sold at retail or will be fed to livestock or poultry to be sold ultimately in  
21 processed form at retail; economic poisons registered pursuant to the provisions of the Missouri  
22 pesticide registration law (sections 281.220 to 281.310, RSMo) which are to be used in  
23 connection with the growth or production of crops, fruit trees or orchards applied before, during,  
24 or after planting, the crop of which when harvested will be sold at retail or will be converted into  
25 foodstuffs which are to be sold ultimately in processed form at retail;

26 (2) Materials, manufactured goods, machinery and parts which when used in  
27 manufacturing, processing, compounding, mining, producing or fabricating become a component  
28 part or ingredient of the new personal property resulting from such manufacturing, processing,  
29 compounding, mining, producing or fabricating and which new personal property is intended to  
30 be sold ultimately for final use or consumption; and materials, including without limitation,  
31 gases and manufactured goods, including without limitation, slagging materials and firebrick,  
32 which are ultimately consumed in the manufacturing process by blending, reacting or interacting  
33 with or by becoming, in whole or in part, component parts or ingredients of steel products  
34 intended to be sold ultimately for final use or consumption;

35 (3) Materials, replacement parts and equipment purchased for use directly upon, and for  
36 the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock  
37 or aircraft engaged as common carriers of persons or property;

38 (4) Replacement machinery, equipment, and parts and the materials and supplies solely  
39 required for the installation or construction of such replacement machinery, equipment, and  
40 parts, used directly in manufacturing, mining, fabricating or producing a product which is  
41 intended to be sold ultimately for final use or consumption; and machinery and equipment, and  
42 the materials and supplies required solely for the operation, installation or construction of such  
43 machinery and equipment, purchased and used to establish new, or to replace or expand existing,  
44 material recovery processing plants in this state. For the purposes of this subdivision, a "material  
45 recovery processing plant" means a facility which converts recovered materials into a new  
46 product, or a different form which is used in producing a new product, and shall include a facility  
47 or equipment which is used exclusively for the collection of recovered materials for delivery to  
48 a material recovery processing plant but shall not include motor vehicles used on highways. For  
49 purposes of this section, the terms "motor vehicle" and "highway" shall have the same meaning  
50 pursuant to section 301.010, RSMo;

51 (5) Machinery and equipment, and parts and the materials and supplies solely required  
52 for the installation or construction of such machinery and equipment, purchased and used to

53 establish new or to expand existing manufacturing, mining or fabricating plants in the state if  
54 such machinery and equipment is used directly in manufacturing, mining or fabricating a product  
55 which is intended to be sold ultimately for final use or consumption;

56 (6) Tangible personal property which is used exclusively in the manufacturing,  
57 processing, modification or assembling of products sold to the United States government or to  
58 any agency of the United States government;

59 (7) Animals or poultry used for breeding or feeding purposes;

60 (8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and  
61 other machinery, equipment, replacement parts and supplies used in producing newspapers  
62 published for dissemination of news to the general public;

63 (9) The rentals of films, records or any type of sound or picture transcriptions for public  
64 commercial display;

65 (10) Pumping machinery and equipment used to propel products delivered by pipelines  
66 engaged as common carriers;

67 (11) Railroad rolling stock for use in transporting persons or property in interstate  
68 commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or  
69 more or trailers used by common carriers, as defined in section 390.020, RSMo, solely in the  
70 transportation of persons or property in interstate commerce;

71 (12) Electrical energy used in the actual primary manufacture, processing, compounding,  
72 mining or producing of a product, or electrical energy used in the actual secondary processing  
73 or fabricating of the product, or a material recovery processing plant as defined in subdivision  
74 (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical  
75 energy so used exceeds ten percent of the total cost of production, either primary or secondary,  
76 exclusive of the cost of electrical energy so used or if the raw materials used in such processing  
77 contain at least twenty-five percent recovered materials as defined in section 260.200, RSMo.  
78 For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts  
79 performed upon materials to transform and reduce them to a different state or thing, including  
80 treatment necessary to maintain or preserve such processing by the producer at the production  
81 facility;

82 (13) Anodes which are used or consumed in manufacturing, processing, compounding,  
83 mining, producing or fabricating and which have a useful life of less than one year;

84 (14) Machinery, equipment, appliances and devices purchased or leased and used solely  
85 for the purpose of preventing, abating or monitoring air pollution, and materials and supplies  
86 solely required for the installation, construction or reconstruction of such machinery, equipment,  
87 appliances and devices, and so certified as such by the director of the department of natural  
88 resources, except that any action by the director pursuant to this subdivision may be appealed to



89 the air conservation commission which may uphold or reverse such action;

90 (15) Machinery, equipment, appliances and devices purchased or leased and used solely  
91 for the purpose of preventing, abating or monitoring water pollution, and materials and supplies  
92 solely required for the installation, construction or reconstruction of such machinery, equipment,  
93 appliances and devices, and so certified as such by the director of the department of natural  
94 resources, except that any action by the director pursuant to this subdivision may be appealed to  
95 the Missouri clean water commission which may uphold or reverse such action;

96 (16) Tangible personal property purchased by a rural water district;

97 (17) All amounts paid or charged for admission or participation or other fees paid by or  
98 other charges to individuals in or for any place of amusement, entertainment or recreation, games  
99 or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a  
100 municipality or other political subdivision where all the proceeds derived therefrom benefit the  
101 municipality or other political subdivision and do not inure to any private person, firm, or  
102 corporation;

103 (18) All sales of insulin and prosthetic or orthopedic devices as defined on January 1,  
104 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of  
105 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically  
106 including hearing aids and hearing aid supplies and all sales of drugs which may be legally  
107 dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to  
108 administer those items, including samples and materials used to manufacture samples which may  
109 be dispensed by a practitioner authorized to dispense such samples and all sales of medical  
110 oxygen, home respiratory equipment and accessories, hospital beds and accessories and  
111 ambulatory aids, all sales of manual and powered wheelchairs, stairway lifts, Braille writers,  
112 electronic Braille equipment and, if purchased by or on behalf of a person with one or more  
113 physical or mental disabilities to enable them to function more independently, all sales of  
114 scooters, reading machines, electronic print enlargers and magnifiers, electronic alternative and  
115 augmentative communication devices, and items used solely to modify motor vehicles to permit  
116 the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or  
117 nonprescription drugs to individuals with disabilities;

118 (19) All sales made by or to religious and charitable organizations and institutions in  
119 their religious, charitable or educational functions and activities and all sales made by or to all  
120 elementary and secondary schools operated at public expense in their educational functions and  
121 activities;

122 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce  
123 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,  
124 including fraternal organizations which have been declared tax-exempt organizations pursuant

125 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, solely in their civic  
126 or charitable functions and activities and all sales made to eleemosynary and penal institutions  
127 and industries of the state, and all sales made to any private not-for-profit institution of higher  
128 education not otherwise excluded pursuant to subdivision (19) of this subsection or any  
129 institution of higher education supported by public funds, and all sales made to a state relief  
130 agency in the exercise of relief functions and activities;

131 (21) All ticket sales made by benevolent, scientific and educational associations which  
132 are formed to foster, encourage, and promote progress and improvement in the science of  
133 agriculture and in the raising and breeding of animals, and by nonprofit summer theater  
134 organizations if such organizations are exempt from federal tax pursuant to the provisions of the  
135 Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any  
136 fair conducted by a county agricultural and mechanical society organized and operated pursuant  
137 to sections 262.290 to 262.530, RSMo;

138 (22) All sales made to any private not-for-profit elementary or secondary school, all sales  
139 of feed additives, medications or vaccines administered to livestock or poultry in the production  
140 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for  
141 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,  
142 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying  
143 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as  
144 defined in section 142.028, RSMo, **natural gas, propane, and electricity used by an eligible**  
145 **new generation cooperative or an eligible new generation processing entity as defined in**  
146 **section 348.432, RSMo**, and all sales of farm machinery and equipment, other than airplanes,  
147 motor vehicles and trailers. As used in this subdivision, the term "feed additives" means tangible  
148 personal property which, when mixed with feed for livestock or poultry, is to be used in the  
149 feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes  
150 adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used  
151 to improve or enhance the effect of a pesticide and the foam used to mark the application of  
152 pesticides and herbicides for the production of crops, livestock or poultry. As used in this  
153 subdivision, the term "farm machinery and equipment" means new or used farm tractors and such  
154 other new or used farm machinery and equipment and repair or replacement parts thereon, and  
155 supplies and lubricants used exclusively, solely, and directly for producing crops, raising and  
156 feeding livestock, fish, poultry, pheasants, chukar, quail, or for producing milk for ultimate sale  
157 at retail, **including field drain tile**, and one-half of each purchaser's purchase of diesel fuel  
158 therefor which is:

159 (a) Used exclusively for agricultural purposes;

160 (b) Used on land owned or leased for the purpose of producing farm products; and

161 (c) Used directly in producing farm products to be sold ultimately in processed form or  
162 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold  
163 ultimately in processed form at retail;

164 (23) Except as otherwise provided in section 144.032, all sales of metered water service,  
165 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil  
166 for domestic use and in any city not within a county, all sales of metered or unmetered water  
167 service for domestic use;

168 (a) "Domestic use" means that portion of metered water service, electricity, electrical  
169 current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not  
170 within a county, metered or unmetered water service, which an individual occupant of a  
171 residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility  
172 service through a single or master meter for residential apartments or condominiums, including  
173 service for common areas and facilities and vacant units, shall be deemed to be for domestic use.  
174 Each seller shall establish and maintain a system whereby individual purchases are determined  
175 as exempt or nonexempt;

176 (b) Regulated utility sellers shall determine whether individual purchases are exempt or  
177 nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file  
178 with and approved by the Missouri public service commission. Sales and purchases made  
179 pursuant to the rate classification "residential" and sales to and purchases made by or on behalf  
180 of the occupants of residential apartments or condominiums through a single or master meter,  
181 including service for common areas and facilities and vacant units, shall be considered as sales  
182 made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales  
183 tax upon the entire amount of purchases classified as nondomestic use. The seller's utility  
184 service rate classification and the provision of service thereunder shall be conclusive as to  
185 whether or not the utility must charge sales tax;

186 (c) Each person making domestic use purchases of services or property and who uses any  
187 portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day  
188 of the fourth month following the year of purchase, and without assessment, notice or demand,  
189 file a return and pay sales tax on that portion of nondomestic purchases. Each person making  
190 nondomestic purchases of services or property and who uses any portion of the services or  
191 property so purchased for domestic use, and each person making domestic purchases on behalf  
192 of occupants of residential apartments or condominiums through a single or master meter,  
193 including service for common areas and facilities and vacant units, under a nonresidential utility  
194 service rate classification may, between the first day of the first month and the fifteenth day of  
195 the fourth month following the year of purchase, apply for credit or refund to the director of  
196 revenue and the director shall give credit or make refund for taxes paid on the domestic use

197 portion of the purchase. The person making such purchases on behalf of occupants of residential  
198 apartments or condominiums shall have standing to apply to the director of revenue for such  
199 credit or refund;

200 (24) All sales of handicraft items made by the seller or the seller's spouse if the seller or  
201 the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such  
202 sales do not constitute a majority of the annual gross income of the seller;

203 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,  
204 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of  
205 revenue shall promulgate rules pursuant to chapter 536, RSMo, to eliminate all state and local  
206 sales taxes on such excise taxes;

207 (26) Sales of fuel consumed or used in the operation of ships, barges, or waterborne  
208 vessels which are used primarily in or for the transportation of property or cargo, or the  
209 conveyance of persons for hire, on navigable rivers bordering on or located in part in this state,  
210 if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while  
211 it is afloat upon such river;

212 (27) All sales made to an interstate compact agency created pursuant to sections 70.370  
213 to 70.430, RSMo, or sections 238.010 to 238.100, RSMo, in the exercise of the functions and  
214 activities of such agency as provided pursuant to the compact;

215 (28) Computers, computer software and computer security systems purchased for use  
216 by architectural or engineering firms headquartered in this state. For the purposes of this  
217 subdivision, "headquartered in this state" means the office for the administrative management  
218 of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

219 (29) All livestock sales when either the seller is engaged in the growing, producing or  
220 feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering  
221 or leasing of such livestock;

222 (30) All sales of barges which are to be used primarily in the transportation of property  
223 or cargo on interstate waterways;

224 (31) Electrical energy or gas, whether natural, artificial or propane, which is ultimately  
225 consumed in connection with the manufacturing of cellular glass products;

226 (32) Notwithstanding other provisions of law to the contrary, all sales of pesticides or  
227 herbicides used in the production of crops, aquaculture, livestock or poultry;

228 (33) Tangible personal property purchased for use or consumption directly or exclusively  
229 in the research and development of prescription pharmaceuticals consumed by humans or  
230 animals;

231 (34) All sales of grain bins for storage of grain for resale;

232 (35) All sales of feed which are developed for and used in the feeding of pets owned by

233 a commercial breeder when such sales are made to a commercial breeder, as defined in section  
234 273.325, RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

235 (36) All purchases by a contractor on behalf of an entity located in another state,  
236 provided that the entity is authorized to issue a certificate of exemption for purchases to a  
237 contractor under the provisions of that state's laws. For purposes of this subdivision, the term  
238 "certificate of exemption" shall mean any document evidencing that the entity is exempt from  
239 sales and use taxes on purchases pursuant to the laws of the state in which the entity is located.  
240 Any contractor making purchases on behalf of such entity shall maintain a copy of the entity's  
241 exemption certificate as evidence of the exemption. If the exemption certificate issued by the  
242 exempt entity to the contractor is later determined by the director of revenue to be invalid for any  
243 reason and the contractor has accepted the certificate in good faith, neither the contractor or the  
244 exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result  
245 of use of the invalid exemption certificate. Materials shall be exempt from all state and local  
246 sales and use taxes when purchased by a contractor for the purpose of fabricating tangible  
247 personal property which is used in fulfilling a contract for the purpose of constructing, repairing  
248 or remodeling facilities for the following:

249 (a) An exempt entity located in this state, if the entity is one of those entities able to issue  
250 project exemption certificates in accordance with the provisions of section 144.062; or

251 (b) An exempt entity located outside the state if the exempt entity is authorized to issue  
252 an exemption certificate to contractors in accordance with the provisions of that state's law and  
253 the applicable provisions of this section;

254 (37) Tangible personal property purchased for use or consumption directly or exclusively  
255 in research or experimentation activities performed by life science companies and so certified  
256 as such by the director of the department of economic development or the director's designees;  
257 except that, the total amount of exemptions certified pursuant to this section shall not exceed one  
258 million three hundred thousand dollars in state and local taxes per fiscal year. For purposes of  
259 this subdivision, the term "life science companies" means companies whose primary research  
260 activities are in agriculture, pharmaceuticals, biomedical or food ingredients, and whose North  
261 American Industry Classification System (NAICS) Codes fall under industry 541710 (biotech  
262 research or development laboratories), 621511 (medical laboratories) or 541940 (veterinary  
263 services). The exemption provided by this subdivision shall expire on June 30, 2003;

264 (38) All sales or other transfers of tangible personal property to a lessor, who leases the  
265 property under a lease of one year or longer executed or in effect at the time of the sale or other  
266 transfer, to an interstate compact agency created pursuant to sections 70.370 to 70.430, RSMo,  
267 or sections 238.010 to 238.100, RSMo.

**196.291. All sales of foods which are not potentially hazardous foods, as defined by**

2 **regulation, sold by religious, charitable, or nonprofit organizations at their religious events**  
3 **or at charitable functions and activities shall be exempt from all state laws and regulations**  
4 **relating to food inspection, pursuant to sections 196.190 to 196.271, RSMo.**

246.005. 1. Notwithstanding any other provision of law, any drainage district, any levee  
2 district, or any drainage and levee district organized under the provisions of sections 242.010 to  
3 242.690, RSMo, or sections 245.010 to 245.280, RSMo, which has, prior to April 8, 1994, been  
4 granted an extension of the time of corporate existence by the circuit court having jurisdiction,  
5 shall be deemed to have fully complied with all provisions of law relating to such extensions,  
6 including the time within which application for the extension must be made, unless, for good  
7 cause shown, the circuit court shall set aside such extension within ninety days after April 8,  
8 1994.

9 **2. Notwithstanding any other provision of law, any drainage district, any levee**  
10 **district, or any drainage and levee district organized under the provisions of sections**  
11 **242.010 to 242.690, RSMo, or sections 245.010 to 245.280, RSMo, shall have five years after**  
12 **the lapse of the corporate charter in which to reinstate and extend the time of the corporate**  
13 **existence by the circuit court having jurisdiction, and such circuit court judgment entry**  
14 **and order shall be deemed to have fully complied with all provisions of law relating to such**  
15 **extensions.**

261.241. 1. Sellers of jams, [and] jellies, **and honey** whose annual sales of jams, [and]  
2 jellies, **and honey** are thirty thousand dollars or less **per domicile** shall not be required to  
3 construct or maintain separate facilities for the manufacture of [food products] **jams, jellies, and**  
4 **honey**. [However,] Such sellers shall [comply with] **be exempt from** all remaining health  
5 standards and regulations for the manufacture of [food products] **jams, jellies, and honey**  
6 pursuant to [chapter 196, RSMo.] **sections 196.190 to 196.271, RSMo, if they meet the**  
7 **following requirements:**

8 (1) Jams, jellies, and honey shall be manufactured in the domicile of the person  
9 processing and selling the jams, jellies, and honey and sold by the manufacturer to the end  
10 consumer;

11 (2) Jams, jellies, and honey shall be labeled with the following information in legible  
12 English as set forth in subsection 2 of this section;

13 (3) During the sale of such jams, jellies, and honey, a placard shall be displayed in a  
14 prominent location stating the following: "This product has not been inspected by the  
15 Department of Health and Senior Services.";

16 (4) Annual gross sales shall not exceed thirty thousand dollars. The person  
17 manufacturing such jams, jellies, and honey, shall maintain a record of sales of jams, jellies, and  
18 honey processed and sold. The record shall be available to the regulatory authority when

19 requested.

20 **2. The jams, jellies, and honey shall be labeled with the following information:**

21 **(1) Name and address of the persons preparing the food;**

22 **(2) Common name of the food;**

23 **(3) The name of all ingredients in the food; and**

24 **(4) Statement that the jams, jellies, and honey have not been inspected by the**  
25 **department of health and senior services.**

26 **3. Sellers of jams, jellies, and honey who violate the provisions of this section may**  
27 **be enjoined from selling jams, jellies, and honey by the department of health and senior**  
28 **services.**

**262.820. There is hereby created the "Missouri Wine and Grape Board", a body**  
2 **politic and corporate, an independent instrumentality exercising essential public functions,**  
3 **with duties and powers as set forth in sections 262.820 to 262.859.**

**262.823. The purpose of the board shall be to further the growth and development**  
2 **of the grape growing industry in the state of Missouri. The board shall have a correlate**  
3 **purpose of fostering the expansion of the grape market for Missouri grapes. To effectuate**  
4 **these goals, the board may:**

5 **(1) Participate in cooperation with state, regional, national, or international**  
6 **activities, groups, and organizations whose objectives are that of developing new and better**  
7 **grape varieties to determine their suitability for growing in Missouri;**

8 **(2) Participate in and develop research projects on improved wine making methods**  
9 **utilizing the new grape varieties to be grown in Missouri;**

10 **(3) Utilize the individual and collective expertise of the board members as well as**  
11 **experts in the fields of enology and viticulture selected by the board, to update and improve**  
12 **the quality of grapes grown in Missouri and advanced methods of producing wines from**  
13 **these Missouri grapes;**

14 **(4) Furnish current information and associated data on research conducted by and**  
15 **for the board to grape growers and vintners in Missouri as well as to interested persons**  
16 **considering entering these fields within the state; and**

17 **(5) Participate in subsequent studies, programs, research, and information and**  
18 **data dissemination in the areas of sales, promotions, and effective distribution of Missouri**  
19 **wines.**

**262.826. As used in sections 262.820 to 262.859, the following terms shall mean:**

2 **(1) "Board", the Missouri wine and grape board established pursuant to section**  
3 **262.820;**

4 **(2) "Council", the Missouri wine marketing and research council established**

5 pursuant to section 275.462, RSMo.

262.829. The principal office of the board shall be located in Jefferson City,  
2 Missouri. The board may have offices at such other places as the board may from time to  
3 time designate. The board shall act as the organization within the department of  
4 agriculture charged with the promotion, research, and advisement of grapes and grape  
5 products in Missouri, and shall be the sole recipient of funding as provided for in section  
6 311.554, RSMo.

262.832. Notwithstanding the provisions of any other law to the contrary, no officer  
2 or employee of this state shall be deemed to have forfeited or shall forfeit his or her office  
3 or employment by reason of his or her acceptance of membership on the board or his or  
4 her service thereto.

262.835. The powers of the board shall be vested in eleven members, who shall be  
2 residents of this state. The board shall be composed of seven industry members who shall  
3 represent the Missouri grape and wine industry, food service industry, or media marketing  
4 industry. These seven members shall be current members of the Missouri grape and wine  
5 advisory board as of the effective date of this act. Such members shall serve the remainder  
6 of their terms established for the advisory board. Upon the expiration of the terms of such  
7 members, the members of the board representing the industry shall be appointed by the  
8 governor, with the advice and consent of the senate. Except for ex-officio members, each  
9 board member appointed by the governor shall serve a four-year term ending four years  
10 from the date of expiration of the term for which his or her predecessor was appointed;  
11 except that a person appointed to fill a vacancy prior to the expiration of such a term shall  
12 be appointed for the remainder of the term. No board member appointed under sections  
13 262.820 to 262.859 by the governor shall serve more than two consecutive full terms. Each  
14 appointed board member shall hold office for the term of the members appointment and  
15 until a successor is appointed and qualified. The board shall have four ex-officio members,  
16 including the president of the Missouri Grape Growers Association, the president of the  
17 Missouri Vintners Association, the president of the Missouri Wine Marketing and  
18 Research Council, and the director of the department of agriculture. Ex-officio members  
19 shall be voting members of the board and their terms will coincide with the time they hold  
20 the elected or appointed office qualifying them to be a member of the board.

262.838. A board member shall be removed from office by the governor for  
2 malfeasance, willful neglect of duty, or other cause after notice and public hearing, unless  
3 such notice or hearing shall be expressly waived in writing.

262.841. The board members shall annually elect from among their number a  
2 chairperson and vice chairperson, and such other officers as they may deem necessary.



262.844. The board shall meet in Jefferson City within sixty days of the effective date of this act to elect a chairperson and vice chairperson of the board. The committee shall thereafter meet annually, within sixty days of July first, to elect officers and conduct business of the board. Additional meetings shall be held at the call of the chairperson or whenever two board members so request. Six members of the board shall constitute a quorum, and any action taken by the board under the provisions of sections 262.820 to 262.859 may be authorized by resolution approved by a majority, but not less than five, of the board members present at any regular or special meeting. In the absence of the chairman, the vice chairman may preside over the annual meeting of the board or in the absence of the chairman, any meeting requested by two or more commissioners. No vacancy in the membership of the board shall impair the right of a quorum to exercise all the rights and perform all the duties of the board.

262.847. Board members shall receive no compensation for the performance of their duties under sections 262.820 to 262.859, but each board member shall be reimbursed from the funds of the board for actual and necessary expenses incurred in carrying out the member's official duties under sections 262.820 to 262.859.

262.850. The board shall employ an executive director. The executive director shall be the secretary of the board and shall administer, manage, and direct the affairs and business of the board, subject to the policies, control, and direction of the board. The board may employ technical experts and such other officers, agents, and employees as they deem necessary, and may fix their qualifications, duties, and compensation. The executive director of the board shall be paid an amount to be determined by the board, but not to exceed that of a division director of the department of agriculture. The executive director and all other employees of the board shall be state employees and eligible for all corresponding benefits. The board may delegate to the executive director, or to one or more of its agents or employees, such powers and duties as it may deem proper.

262.853. The secretary shall keep a record of the proceedings of the board and shall be custodian of all books, documents, and papers filed with the board and of its minute book. The secretary shall have the authority to cause to be made copies of all minutes and other records and documents of the board.

262.856. The board shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of sections 262.820 to 262.859, including, but not limited to, the power to:

(1) Receive and accept from any source, aid, or contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of sections 262.820 to 262.859, subject to the conditions upon which the grants or

7 contributions are made, including, but not limited to, gifts, or grants from any department,  
8 agency, or instrumentality of the United States for any purpose consistent with sections  
9 262.820 to 262.859;

10 (2) To work with and counsel the viticulture and enology experts on the needs and  
11 requirements of grape producers and wine makers so as to optimize their work in  
12 developing the best strains of all grape varieties related to soil and climate conditions  
13 throughout the state and developing the art of wine making utilizing Missouri produced  
14 grapes;

15 (3) To review progress and final reports from these experts to determine the  
16 potential of economic forecasts for developing the Missouri grape and wine industries;

17 (4) To confer and cooperate with similar boards or councils in other states to  
18 further understandings and accords on the grape and wine industries;

19 (5) To approve and recommend desirable amendments to these powers of the  
20 board;

21 (6) To perform such other duties as may be necessary to proper operations of the  
22 board.

262.859. The board shall, following the close of each fiscal year, submit an annual  
2 report of its activities for the preceding year to the governor and the general assembly.  
3 Each report shall set forth a complete operating and financial statement for the authority  
4 during the fiscal year it covers.

281.040. 1. No private applicator shall use any restricted use pesticide unless he first  
2 complies with the requirements determined pursuant to subsection 2 or 5 of this section, as  
3 necessary to prevent unreasonable adverse effects on the environment, including injury to the  
4 applicator or other persons, for that specific pesticide use.

5 2. The private applicator shall qualify for a certified private applicator's license by  
6 attending a course of instruction provided by the director on the use, handling, storage and  
7 application of restricted use pesticides. The content of the instruction shall be determined and  
8 revised as necessary by the director. Upon completion of the course, the director shall issue a  
9 certified private applicator's license to the applicant. The director shall not collect a fee for the  
10 issuance of such license, **but the University of Missouri extension service may collect a fee**  
11 **for the actual cost of the materials necessary to complete the course of instruction. Both**  
12 **the director of the department and of the University of Missouri extension service shall**  
13 **review such costs annually.**

14 3. A certified private applicator's license shall expire five years from date of issuance and  
15 may then be renewed without charge or additional fee. Any certified private applicator holding  
16 a valid license may renew that license for the next five years without additional training unless

17 the director determines that additional knowledge related to the use of agricultural pesticides  
18 makes additional training necessary.

19 4. If the director does not qualify the private applicator under this section he shall inform  
20 the applicant in writing of the reasons therefor.

21 5. The private applicator may apply to the director, or his designated agent, for a private  
22 applicator permit for the one-time emergency purchase and use of restricted use pesticides.  
23 When the private applicator has demonstrated his competence in the use of the pesticides to be  
24 purchased and used on a one-time emergency basis, he shall be issued a permit for the one-time  
25 emergency purchase and use of restricted use pesticides. The director or his designated agent  
26 shall not collect a fee for the issuance of such permit.

311.554. 1. In addition to the charges imposed by section 311.550, there shall be paid  
2 to and collected by the director of revenue for the privilege of selling wine, an additional charge  
3 of six cents per gallon or fraction thereof. The additional charge shall be paid and collected in  
4 the same manner and at the same time that the charges imposed by section 311.550 are paid and  
5 collected.

6 2. **Until June 30, 2006**, the revenue derived from the additional charge imposed by  
7 subsection 1 shall be deposited by the state treasurer to the credit of a separate account in the  
8 marketing development fund created by section 261.035, RSMo. **Beginning July 1, 2006, the**  
9 **revenue derived from such additional charge shall be deposited by the state treasurer in**  
10 **the Missouri wine and grape fund created by this section.** Moneys to the credit of [the  
11 account shall be appropriated annually for use by the division of the state department of  
12 agriculture concerned with] **both the marketing development fund and the Missouri wine**  
13 **and grape fund shall be used only for** market development in developing programs for  
14 growing, selling, and marketing of grapes and grape products grown in Missouri, including all  
15 necessary funding for the employment of experts in the fields of viticulture and enology as  
16 deemed necessary, and programs aimed at improving marketing of all varieties of grapes grown  
17 in Missouri; and shall be appropriated and used for no other purpose.

18 3. **There is hereby created in the state treasury the "Missouri Wine and Grape**  
19 **Fund", which shall consist of money collected under this section. The state treasurer shall**  
20 **be custodian of the fund and shall approve disbursements from the fund to the department**  
21 **of agriculture for use solely by the Missouri wine and grape board created under section**  
22 **262.820, RSMo, in accordance with sections 30.170 and 30.180, RSMo. Upon**  
23 **appropriation, money in the fund shall be used solely for the administration of this section.**  
24 **Notwithstanding the provisions of section 33.080, RSMo, to the contrary, any moneys**  
25 **remaining in the fund at the end of the biennium shall not revert to the credit of the**  
26 **general revenue fund. The state treasurer shall invest moneys in the fund in the same**

27 **manner as other funds are invested. Any interest and moneys earned on such investments**  
28 **shall be credited to the fund.**

29 **4.** In addition to the charges imposed by subsection 1 of this section and section 311.550,  
30 there shall be paid to and collected by the director of revenue for the privilege of selling wine an  
31 additional charge of six cents per gallon or fraction thereof. **Until June 30, 2006,** this additional  
32 six cents per gallon shall be deposited by the state treasurer to the credit of a separate account  
33 in the marketing development fund created by section 261.035, RSMo. **Beginning July 1, 2006,**  
34 **the revenue derived from such additional charge shall be deposited by the state treasurer**  
35 **in the Missouri wine and grape fund created in this section.** Moneys to the credit [account  
36 shall be appropriated annually for the use by the division of the Missouri department of  
37 agriculture concerned with] **of both the marketing development fund and the Missouri grape**  
38 **and wine fund shall be used only for** the research and advisement of grapes and grape products  
39 in Missouri, including all necessary funding for the employment of experts in the fields of  
40 viticulture and enology.

348.430. 1. The tax credit created in this section shall be known as the "Agricultural  
2 Product Utilization Contributor Tax Credit".

3 2. As used in this section, the following terms mean:

4 (1) "Authority", the agriculture and small business development authority as provided  
5 in this chapter;

6 (2) "Contributor", an individual, partnership, corporation, trust, limited liability  
7 company, entity or person that contributes cash funds to the authority;

8 (3) "Development facility", a facility producing either a good derived from an  
9 agricultural commodity or using a process to produce a good derived from an agricultural  
10 product;

11 (4) "Eligible new generation cooperative", a nonprofit cooperative association formed  
12 pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose  
13 of operating a development facility or a renewable fuel production facility;

14 (5) "Eligible new generation processing entity", a partnership, corporation, cooperative,  
15 or limited liability company organized or incorporated pursuant to the laws of this state  
16 consisting of not less than twelve members, approved by the authority, for the purpose of owning  
17 or operating within this state a development facility or a renewable fuel production facility in  
18 which producer members:

19 (a) Hold a majority of the governance or voting rights of the entity and any governing  
20 committee;

21 (b) Control the hiring and firing of management; and

22 (c) Deliver agricultural commodities or products to the entity for processing, unless

23 processing is required by multiple entities;

24 (6) "Renewable fuel production facility", a facility producing an energy source which is  
25 derived from a renewable, domestically grown, organic compound capable of powering  
26 machinery, including an engine or power plant, and any by-product derived from such energy  
27 source.

28 3. For all tax years beginning on or after January 1, 1999, a contributor who contributes  
29 funds to the authority may receive a credit against the tax or estimated quarterly tax otherwise  
30 due pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections 143.191 to  
31 143.265, RSMo, chapter 148, RSMo, chapter 147, RSMo, in an amount of up to one hundred  
32 percent of such contribution. Tax credits claimed in a taxable year may be done so on a quarterly  
33 basis and applied to the estimated quarterly tax pursuant to this subsection. If a quarterly tax  
34 credit claim or series of claims contributes to causing an overpayment of taxes for a taxable year,  
35 such overpayment shall not be refunded but shall be applied to the next taxable year. The  
36 awarding of such credit shall be at the approval of the authority, based on the least amount of  
37 credits necessary to provide incentive for the contributions. A contributor that receives tax  
38 credits for a contribution to the authority shall receive no other consideration or compensation  
39 for such contribution, other than a federal tax deduction, if applicable, and goodwill. [A  
40 contributor that receives tax credits for a contribution provided in this section may not be a  
41 member, owner, investor or lender of an eligible new generation cooperative or eligible new  
42 generation processing entity that receives financial assistance from the authority either at the time  
43 the contribution is made or for a period of two years thereafter.]

44 4. A contributor shall submit to the authority an application for the tax credit authorized  
45 by this section on a form provided by the authority. If the contributor meets all criteria  
46 prescribed by this section and the authority, the authority shall issue a tax credit certificate in the  
47 appropriate amount. Tax credits issued pursuant to this section may be claimed in the taxable  
48 year in which the contributor contributes funds to the authority. For all fiscal years beginning  
49 on or after July 1, 2004, tax credits allowed pursuant to this section may be carried back to any  
50 of the contributor's three prior tax years and may be carried forward to any of the contributor's  
51 five subsequent taxable years. Tax credits issued pursuant to this section may be assigned,  
52 transferred or sold and the new owner of the tax credit shall have the same rights in the credit as  
53 the contributor. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise  
54 conveyed, a notarized endorsement shall be filed with the authority specifying the name and  
55 address of the new owner of the tax credit or the value of the credit.

56 5. The funds derived from contributions in this section shall be used for financial  
57 assistance or technical assistance for the purposes provided in section 348.407, to rural  
58 agricultural business concepts as approved by the authority. The authority may provide or

59 facilitate loans, equity investments, or guaranteed loans for rural agricultural business concepts,  
60 but limited to two million dollars per project or the net state economic impact, whichever is less.  
61 Loans, equity investments or guaranteed loans may only be provided to feasible projects, and for  
62 an amount that is the least amount necessary to cause the project to occur, as determined by the  
63 authority. The authority may structure the loans, equity investments or guaranteed loans in a way  
64 that facilitates the project, but also provides for a compensatory return on investment or loan  
65 payment to the authority, based on the risk of the project.

66 6. In any given year, at least ten percent of the funds granted to rural agricultural business  
67 concepts shall be awarded to grant requests of twenty-five thousand dollars or less. No single  
68 rural agricultural business concept shall receive more than two hundred thousand dollars in grant  
69 awards from the authority. Agricultural businesses owned by minority members or women shall  
70 be given consideration in the allocation of funds.

414.433. 1. As used in this section, the following terms mean:

2 (1) "B-20", a blend of two fuels of twenty percent by volume biodiesel and eighty  
3 percent by volume petroleum-based diesel fuel;

4 (2) "Biodiesel", as defined in ASTM Standard PS121 or its subsequent standard  
5 specification for biodiesel fuel (B 100) blend stock for distillate fuels;

6 (3) "Eligible new generation cooperative", a nonprofit farmer-owned cooperative  
7 association formed pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357,  
8 RSMo, for the purpose of operating a development facility or a renewable fuel production  
9 facility, as defined in section 348.430, RSMo.

10 2. Beginning with the 2002-03 school year and lasting through the [2005-06] **2011-12**  
11 school year, any school district may contract with an eligible new generation cooperative to  
12 purchase biodiesel fuel for its buses of a minimum of B-20 under conditions set out in subsection  
13 3 of this section.

14 3. Every school district that contracts with an eligible new generation cooperative for  
15 biodiesel pursuant to subsection 2 of this section shall receive an additional payment through its  
16 state transportation aid payment pursuant to section 163.161, RSMo, so that the net price to the  
17 contracting district for biodiesel will not exceed the rack price of regular diesel. If there is no  
18 incremental cost difference between biodiesel above the rack price of regular diesel, then the  
19 state school aid program will not make payment for biodiesel purchased during the period where  
20 no incremental cost exists. The payment shall be made based on the incremental cost difference  
21 incrementally up to seven-tenths percent of the entitlement authorized by section 163.161,  
22 RSMo, for the 1998-99 school year. The payment amount may be increased by four percent each  
23 year during the life of the program. No payment shall be authorized pursuant to this subsection  
24 or contract required pursuant to subsection 2 of this section if moneys are not appropriated by

25 the general assembly.

26 4. The department of elementary and secondary education shall promulgate such rules  
27 as are necessary to implement this section, including but not limited to a method of calculating  
28 the reimbursement of the contracting school districts and waiver procedures if the amount  
29 appropriated does not cover the additional costs for the use of biodiesel. Any rule or portion of  
30 a rule, as that term is defined in section 536.010, RSMo, that is created under the authority  
31 delegated in this section shall become effective only if it complies with and is subject to all of  
32 the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section  
33 and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general  
34 assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove  
35 and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority  
36 and any rule proposed or adopted after August 28, 2001, shall be invalid and void.

Section B. Because immediate action is necessary to ensure continuation of services in  
2 a drainage or levee district after corporate dissolution, the repeal and reenactment of section  
3 246.005 of section A of this act is deemed necessary, and is hereby declared to be an emergency  
4 act within the meaning of the constitution, and the repeal and reenactment of section 246.005 of  
5 section A of this act shall be in full force and effect upon its passage and approval.