

HCS HB 1349 -- FAMILY FARMS ACT

SPONSOR: Myers (Loehner)

COMMITTEE ACTION: Voted "do pass" by the Committee on Agriculture Policy by a vote of 20 to 0.

This substitute establishes the Family Farms Act which will allow small farmers who have obtained a loan for the purchase of breeding livestock a waiver of the interest payments for the first year. A small farmer will be eligible for one family farm loan, and the loan proceeds must be spent on one type of livestock. The maximum amount of a loan will be:

- (1) \$75,000 for beef cattle;
- (2) \$75,000 for dairy cattle;
- (3) \$35,000 for swine; and
- (4) \$30,000 for sheep and goats.

The Agricultural and Small Business Development Authority will administer the program and may charge a one-time fee of 1% of the loan amount. The substitute will allow a lender to apply to the authority for a tax credit in an amount equal to the amount of interest which would have otherwise been paid in the first year by the small farmer. Upon approval, the authority will issue a tax credit for taxes otherwise due in the year the credit was issued. The credit may be used to satisfy quarterly tax obligations, and any unused portion may be carried forward up to three years.

The substitute contains small farmer qualification requirements and specifies the duties of the authority in administering the program.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$1,500,000 in FY 2007, FY 2008, FY 2009. No impact on Other State Funds of \$0 in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that the bill will aid in expanding the state's livestock industry by providing an incentive for the purchase of certain breeding animals. The increased feed demand and other purchases related to the raising of livestock will increase economic activity throughout rural Missouri.

Testifying for the bill were Representative Loehner; Missouri Farmers Union; Missouri Soybean Association; Missouri Sheep Producers, Incorporated; University of Missouri Extension; Central Missouri Regional Stockyard; Central Hog Market, Incorporated; MFA Incorporated; Westphalia Milling Company; Missouri Bankers Association; and Amber Greenwell.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say they support the bill's stimulating effect on the agricultural animal industry.

Others testifying on the bill were Missouri Farm Bureau; Department of Agriculture; and Mark Russell, Osage R-III Young Farmer Advisor.

Roland Tackett, Legislative Analyst