

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 156
94TH GENERAL ASSEMBLY

Reported from the Committee on Agriculture Policy April 12, 2007 with recommendation that House Committee Substitute for Senate Committee Substitute for Senate Bill No. 156 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

0534L.07C

AN ACT

To repeal sections 135.800, 135.805, 142.028, 142.031, 144.030, 261.035, 261.230, 261.235, 261.239, 263.232, 265.200, 340.335, 340.337, 340.339, 340.341, 340.343, 340.345, 340.347, 348.430, 348.432, 348.434, 348.505, and 414.420, RSMo, and to enact in lieu thereof forty new sections relating to agriculture, with an emergency clause for a certain section.

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

Section A. Sections 135.800, 135.805, 142.028, 142.031, 144.030, 261.035, 261.230, 261.235, 261.239, 263.232, 265.200, 340.335, 340.337, 340.339, 340.341, 340.343, 340.345, 340.347, 348.430, 348.432, 348.434, 348.505, and 414.420, RSMo, are repealed and forty new sections enacted in lieu thereof, to be known as sections 135.633, 135.800, 135.805, 142.028, 142.031, 144.030, 144.063, 261.035, 261.230, 261.235, 261.239, 262.261, 263.232, 265.200, 265.525, 311.297, 340.335, 340.337, 340.339, 340.341, 340.343, 340.345, 340.347, 340.375, 340.381, 340.384, 340.387, 340.390, 340.393, 340.396, 340.399, 340.402, 340.405, 348.230, 348.235, 348.430, 348.432, 348.434, 348.505, and 414.420, to read as follows:

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

(1) "Authority", the Missouri agriculture and small business development authority;

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.

4 (2) "Eligible expenses", the actual cost to a producer of implementing odor
5 abatement best management practices and systems necessary to achieve MELO
6 accreditation from the department of agriculture. Eligible expenses includes the actual
7 cost of implementing odor abatement best management practices and systems necessary
8 to meet preferred environmental practices. All eligible expenses shall be less any federal
9 or other state incentives;

10 (3) "MELO", managed environment livestock operation;

11 (4) "Odor abatement best management practices", best management practices as
12 established by the department of natural resources and the department of agriculture;

13 (5) "Preferred environmental practice", those odor abatement best management
14 practices which exceed the criteria for MELO accreditation;

15 (6) "Producer", a person, partnership, corporation, trust, or limited liability
16 company who is a Missouri resident and whose primary purpose is agriculture production;

17 (7) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,
18 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due
19 under chapter 147, 148, or 153, RSMo;

20 (8) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,
21 RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the
22 tax imposed in chapter 147, 148, or 153, RSMo.

23 2. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be
24 allowed a tax credit for the eligible costs of implementing odor abatement best management
25 practices and systems. The authority shall establish a managed environment livestock
26 operation odor abatement tax credit program for producers. The maximum cumulative
27 tax credit amount per taxpayer shall be equal to:

28 (1) The lesser of fifty percent of such eligible expense of implementing odor
29 abatement best management practices and systems necessary to achieve MELO
30 accreditation from the department of agriculture and/or basic infrastructure to increase
31 the setback from the property line, or fifty thousand dollars; or

32 (2) The lesser of seventy-five percent of such eligible expense of implementing odor
33 abatement best management practices and systems necessary to meet preferred
34 environmental practices and/or basic infrastructure to increase the setback from the
35 property line, or seventy-five thousand dollars.

36 3. If the amount of the tax credit issued exceeds the amount of the taxpayer's state
37 tax liability for the tax year for which the credit is claimed, the difference shall not be
38 refundable but may be carried back to any of the taxpayer's three prior taxable years and
39 carried forward to any of the taxpayer's five subsequent taxable years regardless of the

40 type of tax liability to which such credits are applied as authorized under subsection 4 of
41 this section. Tax credits granted under this section may be transferred, sold, or assigned.
42 Whenever a certificate of tax credit is assigned, transferred, sold, or otherwise conveyed,
43 a notarized endorsement shall be filed with the authority specifying the name and address
44 of the new owner of the tax credit or the value of the credit. The cumulative amount of tax
45 credits which may be issued under this section in any one fiscal year shall not exceed three
46 million dollars.

47 4. Producers may receive a credit against the tax or estimated quarterly tax
48 otherwise due under chapter 143, RSMo, other than taxes withheld under sections 143.191
49 to 143.265, RSMo, or chapter 147 or 148, RSMo.

50 5. Tax credits claimed in a taxable year may be done so on a quarterly basis and
51 applied to the estimated quarterly tax otherwise due under subsection 4 of this section. If
52 a quarterly tax credit claim or series of claims contributes to causing an overpayment of
53 taxes for a taxable year, such overpayment shall not be refunded but shall be applied to the
54 next taxable year.

55 6. A producer shall submit to the authority an application for tax credit allocation
56 before any eligible expenses are expended. The authority may promulgate rules
57 establishing eligibility under this section, taking into consideration:

58 (1) The potential for significant odor reduction;

59 (2) The producer's ability to provide funding for the implementation of best
60 management odor abatement projects;

61 (3) The implementation of proven odor abatement technologies; and

62 (4) Such other factors as the authority may establish.

63 7. The authority may impose a one-time application fee of one-fourth of one percent
64 which shall be collected at the time of the tax credit issuance.

65 8. Ninety percent of the tax credits authorized under this section shall initially be
66 issued to producers for MELO accreditation projects in any fiscal year. If any portion of
67 the ninety percent of tax credits offered to producers for MELO accreditation projects is
68 unused as of March first in any fiscal year, the unused portion of tax credits may be
69 offered to producers for preferred environmental practices.

70 9. If any portion of the ten percent of tax credits offered to producers for preferred
71 environmental practices projects is unused as of March first in any fiscal year, the unused
72 portion of tax credits may be offered to approved MELO accreditation projects.

73 10. Any odor abatement tax credit not issued by June thirtieth of each fiscal year
74 shall expire.

75 **11. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
76 **that is created under the authority delegated in this section shall become effective only if**
77 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**
78 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**
79 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**
80 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**
81 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
82 **adopted after August 28, 2007, shall be invalid and void.**

83 **12. The provisions of this section shall expire on June 30, 2012.**

135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may be
2 cited as the "Tax Credit Accountability Act of 2004".

3 2. As used in sections 135.800 to 135.830, the following terms mean:

4 (1) "Administering agency", the state agency or department charged with administering
5 a particular tax credit program, as set forth by the program's enacting statute; where no
6 department or agency is set forth, the department of revenue;

7 (2) "Agricultural tax credits", the agricultural product utilization contributor tax credit
8 created pursuant to section 348.430, RSMo, the new generation cooperative incentive tax credit
9 created pursuant to section 348.432, RSMo, **family farm breeding livestock loan tax credit**
10 **created under section 348.500, RSMo**, and the wine and grape production tax credit created
11 pursuant to section 135.700;

12 (3) "All tax credit programs", the tax credit programs included in the definitions of
13 agricultural tax credits, business recruitment tax credits, community development tax credits,
14 domestic and social tax credits, entrepreneurial tax credits, environmental tax credits, housing
15 tax credits, redevelopment tax credits, and training and educational tax credits;

16 (4) "Business recruitment tax credits", the business facility tax credit created pursuant
17 to sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created
18 pursuant to sections 135.200 to 135.270, the business use incentives for large-scale development
19 programs created pursuant to sections 100.700 to 100.850, RSMo, the development tax credits
20 created pursuant to sections 32.100 to 32.125, RSMo, the rebuilding communities tax credit
21 created pursuant to section 135.535, and the film production tax credit created pursuant to
22 section 135.750;

23 (5) "Community development tax credits", the neighborhood assistance tax credit created
24 pursuant to sections 32.100 to 32.125, RSMo, the family development account tax credit created
25 pursuant to sections 208.750 to 208.775, RSMo, the dry fire hydrant tax credit created pursuant
26 to section 320.093, RSMo, and the transportation development tax credit created pursuant to
27 section 135.545;

28 (6) "Domestic and social tax credits", the youth opportunities tax credit created pursuant
29 to section 135.460 and sections 620.1100 to 620.1103, RSMo, the shelter for victims of domestic
30 violence created pursuant to section 135.550, the senior citizen or disabled person property tax
31 credit created pursuant to sections 135.010 to 135.035, the special needs adoption tax credit
32 created pursuant to sections 135.325 to 135.339, the maternity home tax credit created pursuant
33 to section 135.600, and the shared care tax credit created pursuant to section 660.055, RSMo;

34 (7) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections
35 135.400 to 135.429, the certified capital company tax credit created pursuant to sections 135.500
36 to 135.529, the seed capital tax credit created pursuant to sections 348.300 to 348.318, RSMo,
37 the new enterprise creation tax credit created pursuant to sections 620.635 to 620.653, RSMo,
38 the research tax credit created pursuant to section 620.1039, RSMo, the small business incubator
39 tax credit created pursuant to section 620.495, RSMo, the guarantee fee tax credit created
40 pursuant to section 135.766, and the new generation cooperative tax credit created pursuant to
41 sections 32.105 to 32.125, RSMo;

42 (8) "Environmental tax credits", the charcoal producer tax credit created pursuant to
43 section 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311, and
44 the manufacturing and recycling flexible cellulose casing tax credit created pursuant to section
45 260.285, RSMo;

46 (9) "Housing tax credits", the neighborhood preservation tax credit created pursuant to
47 sections 135.475 to 135.487, the low-income housing tax credit created pursuant to sections
48 135.350 to 135.363, and the affordable housing tax credit created pursuant to sections 32.105 to
49 32.125, RSMo;

50 (10) "Recipient", the individual or entity who is the original applicant for and who
51 receives proceeds from a tax credit program directly from the administering agency, the person
52 or entity responsible for the reporting requirements established in section 135.805;

53 (11) "Redevelopment tax credits", the historic preservation tax credit created pursuant
54 to sections 253.545 to 253.561, RSMo, the brownfield redevelopment program tax credit created
55 pursuant to sections 447.700 to 447.718, RSMo, the community development corporations tax
56 credit created pursuant to sections 135.400 to 135.430, the infrastructure tax credit created
57 pursuant to subsection 6 of section 100.286, RSMo, the bond guarantee tax credit created
58 pursuant to section 100.297, RSMo, and the disabled access tax credit created pursuant to section
59 135.490;

60 (12) "Training and educational tax credits", the community college new jobs tax credit
61 created pursuant to sections 178.892 to 178.896, RSMo, the skills development account tax
62 credit created pursuant to sections 620.1400 to 620.1460, RSMo, the mature worker tax credit

63 created pursuant to section 620.1560, RSMo, and the sponsorship and mentoring tax credit
64 created pursuant to section 135.348.

135.805. 1. A recipient of a community development tax credit shall annually, for a
2 period of three years following issuance of tax credits, provide to the administering agency
3 information confirming the title and location of the corresponding project, the estimated or actual
4 time period for completion of the project, and all geographic areas impacted by the project.

5 2. A recipient of a redevelopment tax credit shall annually, for a period of three years
6 following issuance of tax credits, provide to the administering agency information confirming
7 whether the property is used for residential, commercial, or governmental purposes, and the
8 projected or actual project cost, labor cost, and date of completion.

9 3. A recipient of a business recruitment tax credit shall annually, for a period of three
10 years following issuance of tax credits, provide to the administering agency information
11 confirming the category of business by size, the address of the business headquarters and all
12 offices located within this state, the number of employees at the time of the annual update, an
13 updated estimate of the number of employees projected to increase as a result of the completion
14 of the project, and the estimated or actual project cost.

15 4. A recipient of a training and educational tax credit shall annually, for a period of three
16 years following issuance of tax credits, provide to the administering agency information
17 confirming the name and address of the educational institution used, the average salary of
18 workers served as of such annual update, the estimated or actual project cost, and the number of
19 employees and number of students served as of such annual update.

20 5. A recipient of a housing tax credit shall annually, for a period of three years following
21 issuance of tax credits, provide to the administering agency information confirming the address
22 of the property, the fair market value of the property, as defined in subsection 6 of section
23 135.802, and the projected or actual labor cost and completion date of the project.

24 6. A recipient of an entrepreneurial tax credit shall annually, for a period of three years
25 following issuance of tax credits, provide to the administering agency information confirming
26 the amount of investment and the names of the project, fund, and research project.

27 7. A recipient of an agricultural tax credit shall annually, for a period of three years
28 following issuance of tax credits, provide to the administering agency information confirming
29 the type of agricultural commodity, the amount of contribution, the type of equipment purchased,
30 and the name and description of the facility, except that if the agricultural credit is issued as a
31 result of a producer member investing in a new generation processing entity **or new generation**
32 **cooperative** then the new generation processing entity **or new generation cooperative**, and not
33 the recipient, shall annually, for a period of three years following issuance of tax credits, provide
34 to the administering agency information confirming the type of agricultural commodity, the

35 amount of contribution, the type of equipment purchased, and the name and description of the
36 facility.

37 8. A recipient of an environmental tax credit shall annually, for a period of three years
38 following issuance of tax credits, provide to the administering agency information detailing any
39 change to the type of equipment purchased, if applicable, and any change to any environmental
40 impact statement, if such statement is required by state or federal law.

41 9. The reporting requirements established in this section shall be due annually on June
42 thirtieth of each year. No person or entity shall be required to make an annual report until at least
43 one year after the credit issuance date.

44 10. Where the sole requirement for receiving a tax credit in the enabling legislation of
45 any tax credit is an obligatory assessment upon a taxpayer or a monetary contribution to a
46 particular group or entity, the reporting requirements provided in this section shall apply to the
47 recipient of such assessment or contribution and shall not apply to the assessed nor the
48 contributor.

49 11. Where the enacting statutes of a particular tax credit program or the rules of a
50 particular administering agency require reporting of information that includes the information
51 required in sections 135.802 to 135.810, upon reporting of the required information, the
52 applicant shall be deemed to be in compliance with the requirements of sections 135.802 to
53 135.810. The administering agency shall notify in writing the department of economic
54 development of the administering agency's status as custodian of any particular tax credit
55 program and that all records pertaining to the program are available at the administering agency's
56 office for review by the department of economic development.

57 12. The provisions of subsections 1 to 10 of this section shall apply beginning on June
58 30, 2005.

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

2 (1) "Fuel ethanol", [one hundred ninety-eight proof ethanol denatured in conformity with
3 the United States Bureau of Alcohol, Tobacco and Firearms' regulations and fermented and
4 distilled in a facility whose principal (over fifty percent) feed stock is cereal grain or cereal grain
5 by-products] **a fuel which meets ASTM International specification number D 4806 or**
6 **subsequent specifications for blending with gasoline for use as automotive spark-ignition**
7 **engine fuel and where the ethanol is made from cereal grains, cereal grain by-products, or**
8 **qualified biomass;**

9 (2) "Fuel ethanol blends", a mixture of ninety percent gasoline and ten percent fuel
10 ethanol in which the gasoline portion of the blend or the finished blend meets the [American
11 Society for Testing and Materials -] **ASTM International** specification number [D-439] **D 4814;**

12 (3) "Missouri qualified fuel ethanol producer", any producer of fuel ethanol whose
13 principal place of business and facility for the fermentation and distillation of fuel ethanol is
14 located within the state of Missouri and is at least fifty-one percent owned by agricultural
15 producers actively engaged in agricultural production for commercial purposes, and which has
16 made formal application, posted a bond, and conformed to the requirements of this section;

17 (4) **"Professional forester", any individual who holds a bachelor of science degree**
18 **in forestry from a regionally accredited college or university with a minimum of two years**
19 **of professional forest management experience;**

20 (5) **"Qualified biomass", any agriculture-derived organic material or any wood-**
21 **derived organic material harvested in accordance with a site specific forest management**
22 **plan focused for long-term forest sustainability developed by a professional forester and**
23 **qualified, in consultation with the conservation commission, by the agriculture and small**
24 **business development authority.**

25 2. The "Missouri Qualified Fuel Ethanol Producer Incentive Fund" is hereby created and
26 subject to appropriations shall be used to provide economic subsidies to Missouri qualified fuel
27 ethanol producers pursuant to this section. The director of the department of agriculture shall
28 administer the fund pursuant to this section.

29 3. A Missouri qualified fuel ethanol producer shall be eligible for a monthly grant from
30 the fund, except that a Missouri qualified fuel ethanol producer shall only be eligible for the
31 grant for a total of sixty months unless such producer during those sixty months failed, due to
32 a lack of appropriations, to receive the full amount from the fund for which they were eligible,
33 in which case such producers shall continue to be eligible for up to twenty-four additional
34 months or until they have received the maximum amount of funding for which they were eligible
35 during the original sixty-month time period. The amount of the grant is determined by
36 calculating the estimated gallons of qualified fuel ethanol production to be produced from
37 Missouri agricultural products **or qualified biomass** for the succeeding calendar month, as
38 certified by the department of agriculture, and applying such figure to the per-gallon incentive
39 credit established in this subsection. Each Missouri qualified fuel ethanol producer shall be
40 eligible for a total grant in any fiscal year equal to twenty cents per gallon for the first twelve and
41 one-half million gallons of qualified fuel ethanol produced from Missouri agricultural products
42 **or qualified biomass** in the fiscal year plus five cents per gallon for the next twelve and one-half
43 million gallons of qualified fuel ethanol produced from Missouri agricultural products **or**
44 **qualified biomass** in the fiscal year. All such qualified fuel ethanol produced by a Missouri
45 qualified fuel ethanol producer in excess of twenty-five million gallons shall not be applied to
46 the computation of a grant pursuant to this subsection. The department of agriculture shall pay
47 all grants for a particular month by the fifteenth day after receipt and approval of the application

48 described in subsection 4 of this section. If actual production of qualified fuel ethanol during a
49 particular month either exceeds or is less than that estimated by a Missouri qualified fuel ethanol
50 producer, the department of agriculture shall adjust the subsequent monthly grant by paying
51 additional amount or subtracting the amount in deficiency by using the calculation described in
52 this subsection.

53 4. In order for a Missouri qualified fuel ethanol producer to obtain a grant from the fund
54 for a particular month, an application for such funds shall be received no later than fifteen days
55 prior to the first day of the month for which the grant is sought. The application shall include:

56 (1) The location of the Missouri qualified fuel ethanol producer;

57 (2) The average number of citizens of Missouri employed by the Missouri qualified fuel
58 ethanol producer in the preceding quarter, if applicable;

59 (3) The number of bushels of Missouri agricultural commodities **or green weight tons**
60 **of qualified biomass** used by the Missouri qualified fuel ethanol producer in the production of
61 fuel ethanol in the preceding quarter;

62 (4) The number of gallons of qualified fuel ethanol the producer expects to manufacture
63 during the month for which the grant is applied;

64 (5) A copy of the qualified fuel ethanol producer license required pursuant to subsection
65 5 of this section, name and address of surety company, and amount of bond to be posted pursuant
66 to subsection 5 of this section; and

67 (6) Any other information deemed necessary by the department of agriculture to
68 adequately ensure that such grants shall be made only to Missouri qualified fuel ethanol
69 producers.

70 5. The director of the department of agriculture, in consultation with the department of
71 revenue **and the department of conservation**, shall promulgate rules and regulations necessary
72 for the administration of the provisions of this section. The director shall also establish
73 procedures for bonding Missouri qualified fuel ethanol producers. Each Missouri qualified fuel
74 ethanol producer who attempts to obtain moneys pursuant to this section shall be bonded in an
75 amount not to exceed the estimated maximum monthly grant to be issued to such Missouri
76 qualified fuel ethanol producer.

77 6. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
78 is created under the authority delegated in this section shall become effective only if it complies
79 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section
80 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers
81 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the
82 effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the

83 grant of rulemaking authority and any rule proposed or adopted after August 28, 2002, shall be
84 invalid and void.

85 **7. Beginning January 1, 2008, through December 31, 2018, the economic subsidies**
86 **provided under this section to Missouri qualified fuel ethanol producers of fuel ethanol**
87 **made from qualified biomass shall not exceed ten million dollars per year. Prior to**
88 **January 1, 2008, and after January 1, 2019, Missouri qualified fuel ethanol producers of**
89 **fuel ethanol made from qualified biomass shall be ineligible for economic subsidies under**
90 **this section.**

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

2 (1) "Biodiesel", fuel as defined in ASTM Standard D-6751 or its subsequent standard
3 specifications for biodiesel fuel (B100) blend stock for distillate fuels;

4 (2) "Missouri qualified biodiesel producer", a facility that produces biodiesel, is
5 registered with the United States Environmental Protection Agency according to the
6 requirements of 40 CFR 79, and:

7 (a) Is at least fifty-one percent owned by agricultural producers who are residents of this
8 state and who are actively engaged in agricultural production for commercial purposes; or

9 (b) At least eighty percent of the feedstock used by the facility originates in the state of
10 Missouri. For purposes of this section, "feedstock" means a Missouri agricultural product as
11 defined in section 348.400, RSMo.

12 2. The "Missouri Qualified Biodiesel Producer Incentive Fund" is hereby created and
13 subject to appropriations shall be used to provide economic subsidies to Missouri qualified
14 biodiesel producers pursuant to this section. The director of the department of agriculture shall
15 administer the fund pursuant to this section.

16 3. A Missouri qualified biodiesel producer shall be eligible for a monthly grant from the
17 fund provided that one hundred percent of the feedstock originates in the United States.
18 However, the director may waive the feedstock requirements on a month-to-month basis if the
19 facility provides verification that adequate feedstock is not available. A Missouri qualified
20 biodiesel producer shall only be eligible for the grant for a total of sixty months unless such
21 producers during the sixty months fail, due to a lack of appropriations, to receive the full amount
22 from the fund for which the producers were eligible, in which case such producers shall continue
23 to be eligible for up to twenty-four additional months or until they have received the maximum
24 amount of funding for which such producers were eligible during the original sixty-month time
25 period. The amount of the grant is determined by calculating the estimated gallons of qualified
26 biodiesel produced during the preceding month from [Missouri] agricultural products, as certified
27 by the department of agriculture, and applying such figure to the per-gallon incentive credit
28 established in this subsection. Each Missouri qualified biodiesel producer shall be eligible for

29 a total grant in any fiscal year equal to thirty cents per gallon for the first fifteen million gallons
30 of qualified biodiesel produced from [Missouri] agricultural products in the fiscal year plus ten
31 cents per gallon for the next fifteen million gallons of qualified biodiesel produced from
32 [Missouri] agricultural products in the fiscal year. All such qualified biodiesel produced by a
33 Missouri qualified biodiesel producer in excess of thirty million gallons shall not be applied to
34 the computation of a grant pursuant to this subsection. The department of agriculture shall pay
35 all grants for a particular month by the fifteenth day after receipt and approval of the application
36 described in subsection 4 of this section.

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

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

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

43 (3) The number of bushel equivalents of Missouri agricultural commodities **and**
44 **nonMissouri agricultural commodities** used by the Missouri qualified biodiesel producer in
45 the production of biodiesel in the preceding month;

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

48 (5) A copy of the qualified biodiesel producer license required pursuant to subsection
49 5 of this section, name and address of surety company, and amount of bond to be posted pursuant
50 to subsection 5 of this section; and

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

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

56 6. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
57 is created under the authority delegated in this section shall become effective only if it complies
58 with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section
59 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers
60 vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the
61 effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the
62 grant of rulemaking authority and any rule proposed or adopted after August 28, 2002, shall be
63 invalid and void.

64 7. This section shall expire on December 31, 2009. However, Missouri qualified
65 biodiesel producers receiving any grants awarded prior to December 31, 2009, shall continue to
66 be eligible for the remainder of the original sixty-month time period under the same terms and
67 conditions of this section unless such producer during such sixty months failed, due to a lack of
68 appropriations, to receive the full amount from the fund for which he or she was eligible. In such
69 case, such producers shall continue to be eligible for up to twenty-four additional months or until
70 they have received the maximum amount of funding for which they were eligible during the
71 original sixty-month time period.

 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 144.761 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 142.824, RSMo; or upon the sale at retail of fuel
16 to be consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing
17 water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into
18 foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or
19 fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will
20 be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at
21 retail; economic poisons registered pursuant to the provisions of the Missouri pesticide
22 registration law (sections 281.220 to 281.310, RSMo) which are to be used in connection with
23 the growth or production of crops, fruit trees or orchards applied before, during, or after planting,
24 the crop of which when harvested will be sold at retail or will be converted into foodstuffs which
25 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 that has as its primary purpose the recovery of
46 materials into a useable product or a different form which is used in producing a new product and
47 shall include a facility or equipment which are used exclusively for the collection of recovered
48 materials for delivery to a material recovery processing plant but shall not include motor vehicles
49 used on highways. For purposes of this section, the terms "motor vehicle" and "highway" shall
50 have the same meaning pursuant to section 301.010, RSMo. Material recovery is not the reuse
51 of materials within a manufacturing process or the use of a product previously recovered. The
52 material recovery processing plant shall qualify under the provisions of this section regardless
53 of ownership of the material being recovered;

54 (5) Machinery and equipment, and parts and the materials and supplies solely required
55 for the installation or construction of such machinery and equipment, purchased and used to
56 establish new or to expand existing manufacturing, mining or fabricating plants in the state if
57 such machinery and equipment is used directly in manufacturing, mining or fabricating a product
58 which is intended to be sold ultimately for final use or consumption;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

125 (20) All sales of aircraft to common carriers for storage or for use in interstate commerce
126 and all sales made by or to not-for-profit civic, social, service or fraternal organizations,
127 including fraternal organizations which have been declared tax-exempt organizations pursuant
128 to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, in their civic or
129 charitable functions and activities and all sales made to eleemosynary and penal institutions and
130 industries of the state, and all sales made to any private not-for-profit institution of higher
131 education not otherwise excluded pursuant to subdivision (19) of this subsection or any
132 institution of higher education supported by public funds, and all sales made to a state relief
133 agency in the exercise of relief functions and activities;

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

141 (22) All sales made to any private not-for-profit elementary or secondary school, all sales
142 of feed additives, medications or vaccines administered to livestock or poultry in the production
143 of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for
144 food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber,
145 all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying
146 agricultural crops, natural gas used in the primary manufacture or processing of fuel ethanol as
147 defined in section 142.028, RSMo, natural gas, propane, and electricity used by an eligible new
148 generation cooperative or an eligible new generation processing entity as defined in section
149 348.432, RSMo, and all sales of farm machinery and equipment, other than airplanes[,] **and**
150 motor vehicles [and trailers]. As used in this subdivision, the term "feed additives" means
151 tangible personal property which, when mixed with feed for livestock or poultry, is to be used
152 in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes
153 adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used
154 to improve or enhance the effect of a pesticide and the foam used to mark the application of
155 pesticides and herbicides for the production of crops, livestock or poultry. As used in this
156 subdivision, the term "farm machinery and equipment" means new or used farm tractors and such
157 other new or used farm machinery and equipment **and trailers manufactured in Missouri**, and
158 repair or replacement parts thereon, and supplies and lubricants used exclusively, solely, and
159 directly for producing crops, raising and feeding livestock, fish, poultry, pheasants, chukar, quail,
160 or for producing milk for ultimate sale at retail, including field drain tile, and [one-half of each
161 purchaser's] **the purchase of [diesel] motor fuel, as defined in section 142.800, RSMo**, therefor
162 which is:

- 163 (a) Used exclusively for agricultural purposes;
164 (b) Used on land owned or leased for the purpose of producing farm products; and
165 (c) Used directly in producing farm products to be sold ultimately in processed form or
166 otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold
167 ultimately in processed form at retail;

168 (23) Except as otherwise provided in section 144.032, all sales of metered water service,
169 electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil

170 for domestic use and in any city not within a county, all sales of metered or unmetered water
171 service for domestic use;

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

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

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

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

207 (25) Excise taxes, collected on sales at retail, imposed by Sections 4041, 4061, 4071,
208 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of
209 revenue shall promulgate rules pursuant to chapter 536, RSMo, to eliminate all state and local
210 sales taxes on such excise taxes;

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

216 (27) All sales made to an interstate compact agency created pursuant to sections 70.370
217 to 70.441, RSMo, or sections 238.010 to 238.100, RSMo, in the exercise of the functions and
218 activities of such agency as provided pursuant to the compact;

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

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

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

228 (31) Electrical energy or gas, whether natural, artificial or propane, water, or other
229 utilities which are ultimately consumed in connection with the manufacturing of cellular glass
230 products or in any material recovery processing plant as defined in subdivision (4) of subsection
231 2 of this section;

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

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

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

238 (35) All sales of feed which are developed for and used in the feeding of pets owned by
239 a commercial breeder when such sales are made to a commercial breeder, as defined in section
240 273.325, RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

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

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

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

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

270 (38) All sales or other transfers of tangible personal property to a lessor who leases the
271 property under a lease of one year or longer executed or in effect at the time of the sale or other
272 transfer to an interstate compact agency created pursuant to sections 70.370 to 70.441, RSMo,
273 or sections 238.010 to 238.100, RSMo; [and]

274 (39) Sales of tickets to any collegiate athletic championship event that is held in a facility
275 owned or operated by a governmental authority or commission, a quasi-governmental agency,
276 a state university or college or by the state or any political subdivision thereof, including a
277 municipality, and that is played on a neutral site and may reasonably be played at a site located
278 outside the state of Missouri. For purposes of this subdivision, "neutral site" means any site that
279 is not located on the campus of a conference member institution participating in the event.

**144.063. In addition to all other exemptions granted under this chapter, there is
2 also specifically exempted from the provisions of the local sales tax law as defined in section
3 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.761 and from the
4 computation of the tax levied, assessed or payable under the local sales tax law as defined
5 in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.761, all sales
6 of fencing materials used for agricultural purposes.**

261.035. 1. There is hereby created in the state treasury for the use of the [marketing]
2 **agriculture business development** division of the state department of agriculture a fund to be
3 known as "The [Marketing] **Agriculture Business Development Fund**". All moneys received
4 by the state department of agriculture for marketing development from any source within the
5 state shall be deposited in the fund.

6 2. Moneys deposited in the fund shall, upon appropriation by the general assembly to the
7 state department of agriculture, be expended by the state department of agriculture for purposes
8 of agricultural marketing development and for no other purposes.

9 3. The unexpended balance in the [marketing] **agriculture business** development fund
10 at the end of the biennium shall not be transferred to the ordinary revenue fund of the state
11 treasury and accordingly shall be exempt from the provisions of section 33.080, RSMo, relating
12 to transfer of funds to the ordinary revenue funds of the state by the state treasurer.

261.230. The director of the department of agriculture shall, for the use of the
2 [marketing] **agriculture business development** division of the department of agriculture,
3 develop and implement rules and regulations by product category for all Missouri agricultural
4 products included in the AgriMissouri marketing program.

261.235. 1. There is hereby created in the state treasury for the use of the [marketing]
2 **agriculture business development** division of the state department of agriculture a fund to be
3 known as "The [Missouri Agricultural Products Marketing Development] **AgriMissouri Fund**".
4 All moneys received by the state department of agriculture for Missouri agricultural products
5 marketing development from any source, including trademark fees, shall be deposited in the
6 fund. Moneys deposited in the fund shall, upon appropriation by the general assembly to the
7 state department of agriculture, be expended by the [marketing] **agriculture business
8 development** division of the state department of agriculture for promotion of Missouri

9 agricultural products under the AgriMissouri program. The unexpended balance in the [Missouri
10 agricultural products marketing development] **AgriMissouri** fund at the end of the biennium
11 shall not be transferred to the general revenue fund of the state treasury and accordingly shall be
12 exempt from the provisions of section 33.080, RSMo, relating to transfer of funds to the ordinary
13 revenue funds of the state by the state treasurer.

14 2. There is hereby created within the department of agriculture the "[Citizens']
15 **AgriMissouri** Advisory Commission for Marketing Missouri Agricultural Products". The
16 commission shall establish guidelines, and make recommendations to the director of agriculture,
17 for the use of funds appropriated by the general assembly for the [marketing] **agriculture**
18 **business development** division of the department of agriculture, and for all funds collected or
19 appropriated to the Missouri agricultural products marketing development fund created pursuant
20 to subsection 1 of this section. The guidelines shall focus on the promotion of the AgriMissouri
21 trademark associated with Missouri agricultural products that have been approved by the general
22 assembly, and shall advance the following objectives:

23 (1) Increasing the impact and fostering the effectiveness of local efforts to promote
24 Missouri agricultural products;

25 (2) Enabling and encouraging expanded advertising efforts for Missouri agricultural
26 products;

27 (3) Encouraging effective, high-quality advertising projects, innovative marketing
28 strategies, and the coordination of local, regional and statewide marketing efforts;

29 (4) Providing training and technical assistance to cooperative-marketing partners of
30 Missouri agricultural products.

31 3. The commission may establish a fee structure for sellers electing to use the
32 AgriMissouri trademark associated with Missouri agricultural products. Under the fee structure:

33 (1) A seller having gross annual sales greater than two million dollars per fiscal year of
34 Missouri agricultural products which constitute the final product of a series of processes or
35 activities shall remit to the [marketing] **agriculture business development** division of the
36 department of agriculture, at such times and in such manner as may be prescribed, a trademark
37 fee of one-half of one percent of the aggregate amount of all of such seller's wholesale sales of
38 products carrying the AgriMissouri trademark; and

39 (2) All sellers having gross annual sales less than or equal to two million dollars per
40 fiscal year of Missouri agricultural products which constitute the final product of a series of
41 processes or activities shall, after three years of selling Missouri agricultural products carrying
42 the AgriMissouri trademark, remit to the [marketing] **agriculture business development**
43 division of the department of agriculture, at such times and in such manner as may be prescribed,

44 a trademark fee of one-half of one percent of the aggregate amount of all of such seller's
45 wholesale sales of products carrying the AgriMissouri trademark.

46

47 All trademark fees shall be deposited to the credit of the [Missouri agricultural products
48 marketing development] **AgriMissouri** fund, created pursuant to this section.

49 4. The [marketing] **agriculture business development** division of the department of
50 agriculture is authorized to promulgate rules consistent with the guidelines and fee structure
51 established by the commission. No rule or portion of a rule shall become effective unless it has
52 been promulgated pursuant to the provisions of chapter 536, RSMo.

53 5. The commission shall consist of nine members appointed by the governor with the
54 advice and consent of the senate. One member shall be the director of the [market] **agriculture**
55 **business** development division of the department of agriculture, or his or her representative. At
56 least one member shall be a specialist in advertising; at least one member shall be a specialist
57 in agribusiness; at least one member shall be a specialist in the retail grocery business; at least
58 one member shall be a specialist in communications; at least one member shall be a specialist
59 in product distribution; at least one member shall be a family farmer with expertise in livestock
60 farming; at least one member shall be a family farmer with expertise in grain farming and at least
61 one member shall be a family farmer with expertise in organic farming. Members shall serve
62 for four-year terms, except in the first appointments three members shall be appointed for terms
63 of four years, three members shall be appointed for terms of three years and three members shall
64 be appointed for terms of two years each. Any member appointed to fill a vacancy of an
65 unexpired term shall be appointed for the remainder of the term of the member causing the
66 vacancy. The governor shall appoint a chairperson of the commission, subject to ratification by
67 the commission.

68 6. Commission members shall receive no compensation but shall be reimbursed for
69 actual and necessary expenses incurred in the performance of their official duties on the
70 commission. The division of [market] **agriculture business** development of the department of
71 agriculture shall provide all necessary staff and support services as required by the commission
72 to hold commission meetings, to maintain records of official acts and to conduct all other
73 business of the commission. The commission shall meet quarterly and at any such time that it
74 deems necessary. Meetings may be called by the chairperson or by a petition signed by a
75 majority of the members of the commission. Ten days' notice shall be given in writing to such
76 members prior to the meeting date. A simple majority of the members of the commission shall
77 be present to constitute a quorum. Proxy voting shall not be permitted.

261.239. The [marketing] **agriculture business development** division of the department
2 of agriculture shall create an Internet web site for the purpose of fostering the marketing of
3 Missouri agricultural products over the Internet.

262.261. 1. The "State Fair Escrow Fund" is hereby created. Such fund shall be
2 **held and maintained by the state fair commission. All ticket sales income pertaining to the**
3 **Missouri state fair grandstand shows, arena events, and carnival rides shall be deposited**
4 **into the state fair escrow fund. The fund may receive moneys for specific event purposes,**
5 **including both off-season and fair events. Such fund may receive gifts, grants,**
6 **contributions, and funds or benefits from any other source or sources, such as sponsorships**
7 **and auction proceeds. The money in the state fair escrow fund may be used for paying**
8 **entertainers, carnival contractors, workers, and other event promoters and may include**
9 **expenses and equipment.**

10 **2. The state fair escrow fund shall be established and operated by the state fair in**
11 **a separate account and under the direct control of the state fair director and the state fair**
12 **commission. The provisions of section 30.170, RSMo, to the contrary notwithstanding, the**
13 **money in the state fair escrow fund shall be retained outside the control of the state**
14 **treasury. The provisions of section 33.080, RSMo, to the contrary notwithstanding, the**
15 **money in the state fair escrow fund shall be retained for the purposes specified in this**
16 **section and shall not revert or be transferred to general revenue. The state fair shall keep**
17 **accurate records of the source of money deposited in the state fair escrow fund and shall**
18 **allocate funds for the appropriate expenditures.**

19 **3. The unexpended balance in the state fair escrow fund at the end of each calendar**
20 **year shall not exceed the preceding year's expenditures as they are described in subsection**
21 **1 of this section.**

263.232. It shall be the duty of any person or persons, association of persons,
2 corporations, partnerships, the state highways and transportation commission, any state
3 department, any state agency, the county commissions, the township boards, school boards,
4 drainage boards, the governing bodies of incorporated cities, railroad companies and other
5 transportation companies or their authorized agents and those supervising state-owned lands:

6 (1) To control and eradicate the spread of cut-leaved teasel (*Dipsacus laciniatus*) and
7 common teasel (*Dipsacus fullonum*), which are hereby designated as noxious and dangerous
8 weeds to agriculture, by methods approved by the Environmental Protection Agency and in
9 compliance with the manufacturer's label instructions; [and]

10 (2) To control the spread of kudzu vine (*Pueraria lobata*), which is hereby designated as
11 a noxious and dangerous weed to agriculture, by methods approved by the Environmental
12 Protection Agency and in compliance and conformity with the manufacturer's label instructions;

- 13 **(3) To control and eradicate the spread of spotted knapweed (*Centaurea***
 14 ***biebersteinii*, including all subspecies), which is hereby designated as a noxious and**
 15 **dangerous weed to agriculture, by methods approved by the Environmental Protection**
 16 **Agency and in compliance and conformity with the manufacturer's label instructions; and**
 17 **(4) To control and eradicate the spread of *sericea lespedeza* (*Lespedeza cuneata*),**
 18 **which is hereby designated as a noxious and dangerous weed to agriculture, by methods**
 19 **approved by the Environmental Protection Agency and in compliance and conformity with**
 20 **the manufacturer's label instructions.**

265.200. The executive board of the Missouri state horticultural society shall have the
 2 power and duty:

- 3 (1) To authorize the director to expend, within the appropriations provided therefor, a
 4 designated amount of the moneys in the apple merchandising fund in the enforcement of sections
 5 265.130 and 265.140, referring to the labeling of apples.
 6 (2) To authorize the director to expend, within the appropriations provided therefor, a
 7 reasonable amount of the moneys in the apple merchandising fund in the administration of
 8 sections 265.150 to 265.180, referring to the collection of levies imposed by this chapter.
 9 (3) To authorize the director to apportion, within the appropriations provided therefor,
 10 a reasonable amount of the moneys in the apple merchandising fund to the [marketing]
 11 **agriculture business** development fund.
 12 (4) To plan and to authorize the director to conduct a campaign of education, advertising,
 13 publicity and sales promotion to increase the consumption of Missouri apples and the director
 14 may contract for any advertising, publicity and sales promotion service. To accomplish such
 15 purpose the director shall have power and it shall be the duty of the director, within the
 16 appropriations provided therefor, to disseminate information:
 17 (a) Relating to apples and the importance thereof in preserving the public health, the
 18 economy thereof in the diet of the people, and the importance thereof in the nutrition of children;
 19 (b) Relating to the problem of furnishing the consumer at all times with a supply of good
 20 quality apples at reasonable prices;
 21 (c) Relating to such other, further and additional information as shall tend to promote
 22 increased consumption of Missouri apples, and as may foster a better understanding and more
 23 efficient cooperation between producers, dealers and the consuming public.
 24 (5) To cooperate with other state, regional and national agricultural organizations and
 25 may at its discretion authorize the director to expend within the appropriations provided therefor
 26 moneys of the apple merchandising fund for such purposes.

265.525. 1. This section shall be known as the "Missouri Rice Certification Act".

- 2 **2. As used in this section, the following terms shall mean:**

- 3 (1) "Characteristics of commercial impact", characteristics that may adversely
4 affect the marketability of rice in the event of commingling with other rice and may
5 include, but are not limited to, those characteristics that cannot be visually identified
6 without the aid of specialized equipment or testing, those characteristics that create a
7 significant economic impact in their removal from commingled rice, and those
8 characteristics whose removal from commingled rice is infeasible;
- 9 (2) "Council", the rice advisory council established in this section;
- 10 (3) "Department", the department of agriculture;
- 11 (4) "Director", the director of the department of agriculture;
- 12 (5) "End user", any company or corporation that uses rice as a major ingredient
13 in industrial food processing;
- 14 (6) "Handler", any person engaged in this state in the business of marketing rice,
15 including persons engaged in the drying, milling, or storing of rice;
- 16 (7) "Person", any individual, partnership, limited liability company, limited
17 liability partnership, corporation, firm, company, or any other entity doing business in
18 Missouri;
- 19 (8) "Producer", any person who produces, or causes to be produced, rice;
- 20 (9) "Rice", all rough or "paddy" rice or brown rice (*Oryza* species) produced in
21 or shipped in Missouri, including rice produced for seed. It does not include wild rice
22 (*Zizania aquatic* or *Zizania palustris*).
- 23 3. Except as provided by rules promulgated by the department, it shall be unlawful
24 for any person to introduce, sell, plant, produce, harvest, transport, store, process, or
25 otherwise handle rice identified as having characteristics of commercial impact.
- 26 4. There is hereby created within the department of agriculture the "Rice Advisory
27 Council". The council shall be made up of the following nine members:
- 28 (1) The director, or his or her designee;
- 29 (2) Two members appointed by the director to include:
- 30 (a) An individual representing handlers in Missouri;
- 31 (b) An individual representing end users;
- 32 (3) Six members appointed by the director as recommended by the Missouri Rice
33 Research and Merchandising Council to include:
- 34 (a) Two producers, neither of whom shall be employed by or serve on the board of
35 any rice mill or rice merchandiser;
- 36 (b) Two scientists employed by institutes of higher education in Missouri;
- 37 (c) A representative of rice mills operating in Missouri; and
- 38 (d) A representative of rice seed dealers.

39 **5. Members of the council shall serve terms of three years in length except that the**
40 **director shall be a permanent member of the council and the director shall stagger the**
41 **terms of the initial appointments so that three members serve terms of two years, three**
42 **members serve terms of three years, and two members serve terms of four years. There**
43 **is no limit to the number of terms a member may serve. Vacancies shall be filled in the**
44 **same manner of representation as the original appointments.**

45 **6. The rice advisory council shall meet no less than twice annually as determined**
46 **by the chairperson of the council, who shall be elected by the council at its first meeting**
47 **and once every calendar year thereafter. Members of the council shall serve without**
48 **compensation but shall be reimbursed for their actual and necessary expenses incurred in**
49 **the performance of their duties.**

50 **7. The powers and duties of the rice advisory council may include, but not be**
51 **limited to, all of the following:**

52 **(1) Identifying rice varieties that have characteristics of commercial impact;**

53 **(2) Reviewing the efficacy of terms and conditions of identity preservation**
54 **programs imposed on the planting, producing, harvesting, transporting, drying, storing,**
55 **testing, or otherwise handling of rice identified using the most current industry standards**
56 **and generally accepted scientific principles;**

57 **(3) Reviewing each rice variety identified as having characteristics of commercial**
58 **impact not less often than every two years, or upon receipt of a petition from the purveyor**
59 **of the rice;**

60 **(4) Making recommendations to the director on all matters pertaining to this**
61 **section, including, but not limited to, enforcement of this section.**

62 **8. The department shall have the power to:**

63 **(1) Maintain the integrity and prevent the contamination of rice which has not been**
64 **identified as having characteristics of commercial impact;**

65 **(2) Prevent the introduction of disease, weeds, or other pests that would adversely**
66 **affect rice which has not been identified as having characteristics of commercial impact;**

67 **(3) Require that persons selling, offering for sale, or otherwise distributing seed for**
68 **the production of rice identified as having characteristics of commercial impact, or that**
69 **persons bringing rice identified as having characteristics of commercial impact into the**
70 **state for processing, notify the department of the location of planting sites and the dates**
71 **and procedures for planting, producing, harvesting, transporting, drying, storing, testing,**
72 **or otherwise handling of rice identified as having characteristics of commercial impact;**

73 **(4) Require that persons receiving rice having been identified as having**
74 **characteristics of commercial impact produced outside the state for processing notify the**

75 department of the location of the receipt and the procedures for processing, transporting,
76 drying, storing, testing, or otherwise handling the rice to prevent commercial impact to
77 other rice and the spread of weeds, disease, or other pests;

78 (5) Enforce restrictions and prohibitions imposed by the department on the selling,
79 planting, producing, harvesting, transporting, drying, storing, testing, processing, or
80 otherwise handling of rice identified as having characteristics of commercial impact;

81 (6) Investigate alleged violations of this section, issue notices of violation, provide
82 for an appeals process for persons aggrieved by the provisions of this section, and impose
83 penalties for violation of this section.

84 9. The department shall promulgate rules to implement the provisions of this
85 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
86 that is created under the authority delegated in this section shall become effective only if
87 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if
88 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable
89 and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,
90 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
91 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
92 adopted after August 28, 2007, shall be invalid and void.

93 10. The department shall regularly report to the rice advisory council any findings
94 of rice varieties that could potentially have characteristics of commercial impact.

95 11. If the rice advisory council determines that any rice variety with characteristics
96 of commercial impact is documented as causing unreasonable adverse effects on the
97 environment or public health, the council may issue recommendations to the department.
98 Within sixty days of receiving any such recommendations from the council, the department
99 shall hold a public hearing for the purpose of determining the nature and extent of
100 commercial impact. Within thirty days of holding any such public hearing, the department
101 shall issue a detailed opinion in response to the council recommendations.

102 12. The penalty for violating a provision of this section shall be no less than ten
103 thousand dollars nor more than one hundred thousand dollars per day per violation.

104 13. If the department determines a person has violated any provision of this section,
105 the department shall provide written notice to such person informing the person of the
106 violation. The notice shall inform the person of the right to request an appeal. Nothing in
107 this section shall prevent a person from seeking judicial relief in a court of competent
108 jurisdiction.

109 14. The provisions of this section shall become effective one hundred eighty days
110 from August 28, 2007.

311.297. 1. Any winery, distiller, manufacturer, wholesaler, or brewer or designated employee may provide and pour distilled spirits, wine, or malt beverage samples off a licensed retail premises for tasting purposes provided no sales transactions take place. For purposes of this section, a sales transaction shall mean an actual and immediate exchange of monetary consideration for the immediate delivery of goods at the tasting site.

2. Any winery, distiller, manufacturer, wholesaler, or brewer or designated employee may provide, furnish, or pour distilled spirits, wine, or malt beverage samples for customer tasting purposes on any temporary licensed retail premises as described in section 311.218, 311.482, 311.485, 311.486, or 311.487, or on any tax exempt organization's licensed premises as described in section 311.090.

340.335. 1. Sections 340.335 to 340.350 establish a loan repayment program for graduates of approved veterinary medical schools who practice in areas of defined need and shall be known as the "Large Animal Veterinary Medicine Loan Repayment Program".

2. The "Large Animal Veterinary Medicine Loan Repayment Program Fund" is hereby created in the state treasury. All funds recovered from an individual pursuant to section 340.347 and all funds generated by loan repayments and penalties received pursuant to section 340.347 shall be credited to the fund. The moneys in the fund shall be used by the [Missouri veterinary medical board] **department of agriculture** to provide loan repayments pursuant to section 340.343 in accordance with sections 340.335 to 340.350.

340.337. As used in sections 340.335 to [340.350] **340.405**, the following terms shall mean:

(1) "Areas of defined need", areas designated by the [board] **department** pursuant to section 340.339, when services of a large animal veterinarian are needed to improve the [client-doctor] **veterinarian-patient** ratio in the area, or to contribute professional veterinary services to an area of economic impact;

(2) ["Board", the Missouri veterinary medical board] **"College", the college of veterinary medicine at the University of Missouri-Columbia;**

(3) **"Department", the Missouri department of agriculture;**

(4) **"Director", director of the Missouri department of agriculture;**

(5) **"Eligible student", a resident who has been accepted as a full-time student at the University of Missouri-Columbia enrolled in the doctor of veterinary medicine degree program at the college of veterinary medicine;**

(3)(6) **"Large animal veterinarian", veterinarians licensed [and registered] pursuant to this chapter, engaged in general or large animal practice as their primary [specialties] focus of**

16 **practice**, and who have [at least fifty percent] **a substantial portion** of their practice devoted
17 to large animal veterinary medicine;

18 (7) **"Qualified applicant"**, an eligible student approved by the department for
19 participation in the large animal veterinary student loan program established by sections
20 **340.375 to 340.405**;

21 (8) **"Qualified employment"**, employment as a large animal veterinarian and where
22 a substantial portion of business involves the treatment of large animals on a full-time basis
23 in Missouri located in an area of need as determined by the department of agriculture.
24 **Qualified employment shall not include employment with a large-scale agribusiness**
25 **enterprise, corporation, or entity. Any forgiveness of such principal and interest for any**
26 **qualified applicant engaged in qualified employment on a less than full-time basis may be**
27 **prorated to reflect the amounts provided in this section**;

28 (9) **"Resident"**, any person who has lived in this state for one or more years for any
29 purpose other than the attending of an educational institution located within this state.

340.339. The [board] **department** shall designate counties, communities or sections of
2 rural areas as areas of defined need as determined by the [board] **department** by rule.

340.341. 1. The [board] **department** shall adopt and promulgate rules establishing
2 standards for determining eligible persons for loan repayment pursuant to sections 340.335 to
3 340.350. Such standards shall include, but are not limited to the following:

4 (1) Citizenship or permanent residency in the United States;

5 (2) Residence in the state of Missouri;

6 (3) Enrollment as a full-time veterinary medical student in the final year of a course of
7 study offered by an approved educational institution in Missouri;

8 (4) Application for loan repayment.

9 2. The [board] **department** shall not grant repayment for more than [five] **six**
10 veterinarians each year.

340.343. 1. The [board] **department** shall enter into a contract with each individual
2 qualifying for repayment of educational loans. The written contract between the [board]
3 **department** and an individual shall contain, but not be limited to, the following:

4 (1) An agreement that the state agrees to pay on behalf of the individual, loans in
5 accordance with section 340.345 and the individual agrees to serve for a time period equal to
6 [five] **four** years, or such longer period as the individual may agree to, in an area of defined need,
7 such service period to begin within one year of [the signed contract or] graduation by the
8 individual with a degree of doctor of veterinary medicine[, whichever is later] ;

9 (2) A provision that any financial obligations arising out of a contract entered into and
10 any obligation of the individual which is conditioned thereon is contingent upon funds being
11 appropriated for loan repayments;

12 (3) The area of defined need where the person will practice;

13 (4) A statement of the damages to which the state is entitled for the individual's breach
14 of the contract;

15 (5) Such other statements of the rights and liabilities of the [board] **department** and of
16 the individual not inconsistent with sections 340.335 to 340.350.

17 2. The [board] **department** may stipulate specific practice sites contingent upon
18 [board-generated] **department-generated** large animal veterinarian need priorities where
19 applicants shall agree to practice for the duration of their participation in the program.

340.345. 1. A loan payment provided for an individual pursuant to a written contract
2 under the large animal veterinary medicine loan repayment program shall consist of payment on
3 behalf of the individual of the principal, interest and related expenses on government and
4 commercial loans received by the individual for tuition, fees, books, laboratory and living
5 expenses incurred by the individual.

6 2. For each year of obligated services that an individual contracts to serve in an area of
7 defined need, the [board] **department** may pay up to [ten] **twenty** thousand dollars on behalf of
8 the individual for loans described in subsection 1 of this section.

9 3. The [board] **department** may enter into an agreement with the holder of the loans for
10 which repayments are made under the large animal veterinary medicine loan repayment program
11 to establish a schedule for the making of such payments if the establishment of such a schedule
12 would result in reducing the costs to the state.

13 4. Any qualifying communities providing a portion of a loan repayment shall be
14 considered first for placement.

340.347. 1. An individual who has entered into a written contract with the [board]
2 **department** or an individual who is enrolled [in a course of study] **at the college** and fails to
3 maintain an acceptable level of academic standing [in the educational institution in which such
4 individual is enrolled] or voluntarily terminates such enrollment or is dismissed [from such
5 educational institution] before completion of such course of study or fails to become licensed
6 pursuant to this chapter within one year after graduation shall be liable to the state for the amount
7 which has been paid on such individual's behalf pursuant to the contract.

8 2. If an individual breaches the written contract of the individual by failing either to
9 begin such individual's service obligation or to complete such service obligation, the state shall
10 be entitled to recover from the individual an amount equal to the sum of:

11 (1) The total of the amounts paid by the state on behalf of the individual, including
12 interest; and

13 (2) An amount equal to the unserved obligation penalty, which is the total number of
14 months of obligated service which were not completed by an individual, multiplied by five
15 hundred dollars.

16 3. The [board] **department** may act on behalf of a qualified community to recover from
17 an individual described in subsections 1 and 2 of this section the portion of a loan repayment
18 paid by such community for such individual.

**340.375. 1. The department of agriculture shall implement and administer the
2 large animal veterinary student loan program established under sections 340.375 to
3 340.405, and the large animal veterinary medicine loan repayment program established
4 under sections 340.335 to 340.350.**

5 **2. An advisory panel of not more than five members shall be appointed by the
6 director. The panel shall consist of three licensed large animal veterinarians, the dean of
7 the college or his or her designee, and one public member from the agricultural sector. The
8 panel shall make recommendations to the director on the content of any rules, regulations
9 or guidelines under sections 340.335 to 340.405 prior to their promulgation. The panel may
10 make recommendations to the director regarding fund allocations for loans and loan
11 repayment based on current veterinarian shortage needs.**

12 **3. The department of agriculture shall promulgate reasonable rules and regulations
13 for the administration of sections 340.375 to 340.405, including but not limited to rules for
14 disbursements and repayment of loans. It shall prescribe the form, the time and method
15 of filing applications and supervise the proceedings thereof. Any rule or portion of a rule,
16 as that term is defined in section 536.010, RSMo, that is created under the authority
17 delegated in this section shall become effective only if it complies with and is subject to all
18 of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This
19 section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the
20 general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or
21 to disapprove and annul a rule are subsequently held unconstitutional, then the grant of
22 rulemaking authority and any rule proposed or adopted after August 28, 2007, shall be
23 invalid and void.**

**340.381. There is hereby created in the state treasury the "Veterinary Student Loan
2 Payment Fund", which shall consist of general revenue appropriated to the large animal
3 veterinary student loan program, voluntary contributions to support or match program
4 activities, money collected under section 340.396, and funds received from the federal
5 government. The state treasurer shall be custodian of the fund and shall approve**

6 disbursements from the fund in accordance with sections 30.170 and 30.180, RSMo. Upon
7 appropriation, money in the fund shall be used solely for the administration of sections
8 340.375 to 340.405. Notwithstanding the provisions of section 33.080, RSMo, to the
9 contrary, any moneys remaining in the fund at the end of the biennium shall not revert to
10 the credit of the general revenue fund. The state treasurer shall invest moneys in the fund
11 in the same manner as other funds are invested. Any interest and moneys earned on such
12 investments shall be credited to the fund.

2 340.384. The department of agriculture shall enter into a contract with each
3 qualified applicant receiving financial assistance under the provisions of sections 340.375
4 to 340.405 for repayment of the principal and interest.

2 340.387. Eligible students may apply to the department for financial assistance
3 under the provisions of sections 340.375 to 340.405. If, at the time of application for a loan,
4 a student has formally applied for acceptance at the college, receipt of financial assistance
5 is contingent upon acceptance and continued enrollment at the college. A qualified
6 applicant may receive financial assistance for each academic year he or she remains a
7 student in good standing at the college.

2 340.390. Up to six qualified applicants per academic year may be awarded loans
3 of up to eighty thousand dollars per applicant under the provisions of sections 340.375 to
4 340.405. Priority for loans shall be given to eligible students who have established financial
5 need. All financial assistance shall be made from funds credited to the veterinary student
6 loan payment fund.

2 340.393. The department shall establish schedules for repayment of the principal
3 and interest on any financial assistance made under the provisions of sections 340.375 to
4 340.405. Interest at the rate of nine and one-half percent per annum shall be charged on
5 all financial assistance made under the provisions of sections 340.375 to 340.405, but the
6 interest and principal of the total financial assistance granted to a qualified applicant at
7 the time of the successful completion of a doctor of veterinary medicine degree program
8 shall be forgiven through qualified employment.

2 340.396. The financial assistance recipient shall repay the financial assistance
3 principal and interest beginning not more than one year after completion of the degree for
4 which the financial assistance was made in accordance with the repayment contract. If an
5 eligible student ceases his or her study prior to successful completion of a degree or
6 graduation from the college, interest at the rate specified in section 340.393 shall be
7 charged on the amount of financial assistance received from the state under the provisions
8 of sections 340.375 to 340.405, and repayment, in accordance with the repayment contract,
9 shall begin within ninety days of the date the financial aid recipient ceased to be an eligible

9 student. All funds repaid by recipients of financial assistance to the department shall be
10 deposited in the veterinary student loan payment fund for use pursuant to sections 340.375
11 to 340.405.

340.399. The department shall grant a deferral of interest and principal payments
2 to a financial assistance recipient who is pursuing a post-degree training program, or upon
3 special conditions established by the department. The deferral shall not exceed four years.
4 The status of each deferral shall be reviewed annually by the department to ensure
5 compliance with the intent of this section.

340.402. When necessary to protect the interest of the state in any financial
2 assistance transaction under sections 340.375 to 340.405, the department may institute any
3 action to recover any amount due.

340.405. 1. Sections 340.375 to 340.405 shall not be construed to require the
2 department to enter into contracts with individuals who qualify for education loans or loan
3 repayment programs when federal, state and local funds are not available for such
4 purposes.

5 2. Sections 340.375 to 340.405 shall not be subject to the provisions of sections
6 23.250 to 23.298, RSMo.

7 3. Sections 340.375 to 340.405 shall expire on June 30, 2013.

348.230. 1. The Missouri agriculture and small business development authority,
2 subject to appropriation, shall pay for the first full year of charged interest on any
3 applicable Missouri linked deposit program loan, as provided in sections 30.750 to 30.850,
4 RSMo. For the purpose of this section, the term "applicable loan" shall mean any loan
5 made and used solely for the acquisition of dairy cows and other replacement dairy
6 females.

7 2. The Missouri agriculture and small business development authority may charge
8 a fee for the service in subsection 1 of this section, not to exceed fifty dollars per individual.
9 Revenue generated from the fee shall be used to defray administrative costs.

348.235. 1. The Missouri agriculture and small business development authority,
2 subject to appropriation not to exceed fifty thousand dollars, shall develop and implement
3 dairy business planning grants as provided in this section.

4 2. The Missouri agriculture and small business development authority may charge
5 an application fee for the grants developed under this section, not to exceed fifty dollars
6 per application. Revenue generated from the application fee shall be used to defray the
7 cost of administering the grants.

8 3. Eligible applicants shall be existing or start-up dairy operations wholly located
9 in the state of Missouri that are at least fifty-one percent owned by residents of this state.

10 **4. A single grant shall not exceed five thousand dollars or finance more than ninety**
11 **percent of the cost of the business plan, whichever is less.**

12 **5. Proceeds from a grant shall only be used to contract with a dairy business**
13 **planning professional that is approved by the Missouri agriculture and small business**
14 **development authority.**

15 **6. The Missouri agriculture and small business development authority may**
16 **promulgate rules establishing eligibility and award criteria under this section including,**
17 **but not limited to, the following:**

18 **(1) The potential to improve the profitability, modernization, and expansion of the**
19 **dairy operation;**

20 **(2) The education, experience, and past relevant experience of the dairy business**
21 **planning professional;**

22 **(3) The qualifications, education, and experience of the dairy owner or owners and**
23 **management team;**

24 **(4) The potential for timely near-term application of the results of the study;**

25 **(5) The potential economic benefit to the state of Missouri;**

26 **(6) Such other factors as the Missouri agriculture and small business development**
27 **authority may establish.**

28 **7. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
29 **that is created under the authority delegated in this section shall become effective only if**
30 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**
31 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**
32 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**
33 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**
34 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
35 **adopted after August 28, 2007, shall be invalid and void.**

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 **within this state** 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.

40 4. A contributor shall submit to the authority an application for the tax credit authorized
41 by this section on a form provided by the authority. If the contributor meets all criteria
42 prescribed by this section and the authority, the authority shall issue a tax credit certificate in the
43 appropriate amount. Tax credits issued pursuant to this section may be claimed in the taxable
44 year in which the contributor contributes funds to the authority. For all fiscal years beginning
45 on or after July 1, 2004, tax credits allowed pursuant to this section may be carried back to any
46 of the contributor's three prior tax years and may be carried forward to any of the contributor's

47 five subsequent taxable years. Tax credits issued pursuant to this section may be assigned,
48 transferred or sold and the new owner of the tax credit shall have the same rights in the credit as
49 the contributor. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise
50 conveyed, a notarized endorsement shall be filed with the authority specifying the name and
51 address of the new owner of the tax credit or the value of the credit.

52 5. The funds derived from contributions in this section shall be used for financial
53 assistance or technical assistance for the purposes provided in section 348.407 to rural
54 agricultural business concepts as approved by the authority. The authority may provide or
55 facilitate loans, equity investments, or guaranteed loans for rural agricultural business concepts,
56 but limited to two million dollars per project or the net state economic impact, whichever is less.
57 Loans, equity investments or guaranteed loans may only be provided to feasible projects, and for
58 an amount that is the least amount necessary to cause the project to occur, as determined by the
59 authority. The authority may structure the loans, equity investments or guaranteed loans in a way
60 that facilitates the project, but also provides for a compensatory return on investment or loan
61 payment to the authority, based on the risk of the project.

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

348.432. 1. The tax credit created in this section shall be known as the "New Generation
2 Cooperative Incentive 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) "Development facility", a facility producing either a good derived from an
7 agricultural commodity or using a process to produce a good derived from an agricultural
8 product;

9 (3) "Eligible new generation cooperative", a nonprofit cooperative association formed
10 pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose
11 of operating **within this state** a development facility or a renewable fuel production facility and
12 approved by the authority;

13 (4) "Eligible new generation processing entity", a partnership, corporation, cooperative,
14 or limited liability company organized or incorporated pursuant to the laws of this state
15 consisting of not less than twelve members, approved by the authority, for the purpose of owning

16 or operating within this state a development facility or a renewable fuel production facility in
17 which producer members:

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

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

21 (c) Deliver agricultural commodities or products to the entity for processing, unless
22 processing is required by multiple entities;

23 (5) "Employee-qualified capital project", an eligible new generation cooperative with
24 capital costs greater than fifteen million dollars which will employ at least sixty employees;

25 (6) "Large capital project", an eligible new generation cooperative with capital costs
26 greater than one million dollars;

27 (7) "Producer member", a person, partnership, corporation, trust or limited liability
28 company whose main purpose is agricultural production that invests cash funds to an eligible
29 new generation cooperative or eligible new generation processing entity;

30 (8) "Renewable fuel production facility", a facility producing an energy source which is
31 derived from a renewable, domestically grown, organic compound capable of powering
32 machinery, including an engine or power plant, and any by-product derived from such energy
33 source;

34 (9) "Small capital project", an eligible new generation cooperative with capital costs of
35 no more than one million dollars.

36 3. Beginning tax year 1999, and ending December 31, 2002, any producer member who
37 invests cash funds in an eligible new generation cooperative or eligible new generation
38 processing entity may receive a credit against the tax or estimated quarterly tax otherwise due
39 pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections 143.191 to
40 143.265, RSMo, or chapter 148, RSMo, chapter 147, RSMo, in an amount equal to the lesser of
41 fifty percent of such producer member's investment or fifteen thousand dollars.

42 4. For all tax years beginning on or after January 1, 2003, any producer member who
43 invests cash funds in an eligible new generation cooperative or eligible new generation
44 processing entity may receive a credit against the tax or estimated quarterly tax otherwise due
45 pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections 143.191 to
46 143.265, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in an amount equal to the lesser of
47 fifty percent of such producer member's investment or fifteen thousand dollars. Tax credits
48 claimed in a taxable year may be done so on a quarterly basis and applied to the estimated
49 quarterly tax pursuant to subsection 3 of this section. If a quarterly tax credit claim or series of
50 claims contributes to causing an overpayment of taxes for a taxable year, such overpayment shall
51 not be refunded but shall be applied to the next taxable year.

52 5. A producer member shall submit to the authority an application for the tax credit
53 authorized by this section on a form provided by the authority. If the producer member meets
54 all criteria prescribed by this section and is approved by the authority, the authority shall issue
55 a tax credit certificate in the appropriate amount. Tax credits issued pursuant to this section may
56 be carried back to any of the producer member's three prior taxable years and carried forward to
57 any of the producer member's five subsequent taxable years regardless of the type of tax liability
58 to which such credits are applied as authorized pursuant to subsection 3 of this section. Tax
59 credits issued pursuant to this section may be assigned, transferred, sold or otherwise conveyed
60 and the new owner of the tax credit shall have the same rights in the credit as the producer
61 member. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise
62 conveyed, a notarized endorsement shall be filed with the authority specifying the name and
63 address of the new owner of the tax credit or the value of the credit.

64 6. Ten percent of the tax credits authorized pursuant to this section initially shall be
65 offered in any fiscal year to small capital projects. If any portion of the ten percent of tax credits
66 offered to small capital costs projects is unused in any calendar year, then the unused portion of
67 tax credits may be offered to employee-qualified capital projects and large capital projects. If
68 the authority receives more applications for tax credits for small capital projects than tax credits
69 are authorized therefor, then the authority, by rule, shall determine the method of distribution of
70 tax credits authorized for small capital projects.

71 7. Ninety percent of the tax credits authorized pursuant to this section initially shall be
72 offered in any fiscal year to employee-qualified capital projects and large capital projects. If any
73 portion of the ninety percent of tax credits offered to employee-qualified capital projects and
74 large capital costs projects is unused in any fiscal year, then the unused portion of tax credits may
75 be offered to small capital projects. The maximum tax credit allowed per employee-qualified
76 capital project is three million dollars and the maximum tax credit allowed per large capital
77 project is one million five hundred thousand dollars. If the authority approves the maximum tax
78 credit allowed for any employee-qualified capital project or any large capital project, then the
79 authority, by rule, shall determine the method of distribution of such maximum tax credit. In
80 addition, if the authority receives more tax credit applications for employee-qualified capital
81 projects and large capital projects than the amount of tax credits authorized therefor, then the
82 authority, by rule, shall determine the method of distribution of tax credits authorized for
83 employee-qualified capital projects and large capital projects.

348.434. 1. The aggregate of tax credits issued per fiscal year pursuant to sections
2 348.430 and 348.432 shall not exceed [six] **twelve** million dollars.

3 2. Upon July 2, 1999, and ending June 30, 2000, tax credits shall be issued pursuant to
4 section 348.430, except that, the authority shall allocate no more than three million dollars to

5 fund section 348.432 in fiscal year 2000. Beginning in fiscal year 2001 and each subsequent
6 year, tax credits shall be issued pursuant to section 348.432; **except that, one million dollars**
7 **in tax credits may be issued under section 348.430 each fiscal year.**

8 3. Beginning the first day of May of each fiscal year following implementation of section
9 348.432, the authority may determine the extent of tax credits, pursuant to section 348.432, that
10 will be utilized in each fiscal year. If the authority determines that:

11 (1) Less than [six] **eleven** million dollars for a fiscal year is to be utilized in tax credits
12 pursuant to section 348.432; and

13 (2) The assets available to the authority, pursuant to section 348.430, do not exceed
14 twelve million dollars;

15

16 then, the authority may offer the remaining authorized tax credits be issued pursuant to section
17 348.430.

348.505. 1. As used in this section, "state tax liability", any state tax liability incurred
2 by a taxpayer under the provisions of chapters 143, 147, and 148, RSMo, exclusive of the
3 provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265,
4 RSMo, and related provisions.

5 2. Any eligible lender under the family farm livestock loan program under section
6 348.500 shall be entitled to receive a tax credit equal to one hundred percent of the amount of
7 interest waived by the lender under section 348.500 on a qualifying loan for the first year of the
8 loan only. The tax credit shall be evidenced by a tax credit certificate issued by the agricultural
9 and small business development authority and may be used to satisfy the state tax liability of the
10 owner of such certificate that becomes due in the tax year in which the interest on a qualified
11 loan is waived by the lender under section 348.500. No lender may receive a tax credit under
12 this section unless such person presents a tax credit certificate to the department of revenue for
13 payment of such state tax liability. The amount of the tax credits that may be issued to all
14 eligible lenders claiming tax credits authorized in this section in a fiscal year shall not exceed
15 one [hundred fifty thousand] **million** dollars.

16 3. The agricultural and small business development authority shall be responsible for the
17 administration and issuance of the certificate of tax credits authorized by this section. The
18 authority shall issue a certificate of tax credit at the request of any lender. Each request shall
19 include a true copy of the loan documents, the name of the lender who is to receive a certificate
20 of tax credit, the type of state tax liability against which the tax credit is to be used, and the
21 amount of the certificate of tax credit to be issued to the lender based on the interest waived by
22 the lender under section 348.500 on the loan for the first year.

23 4. The Missouri department of revenue shall accept a certificate of tax credit in lieu of
24 other payment in such amount as is equal to the lesser of the amount of the tax or the remaining
25 unused amount of the credit as indicated on the certificate of tax credit, and shall indicate on the
26 certificate of tax credit the amount of tax thereby paid and the date of such payment.

27 5. The following provisions shall apply to tax credits authorized under this section:

28 (1) Tax credits claimed in a taxable year may be claimed on a quarterly basis and applied
29 to the estimated quarterly tax of the lender;

30 (2) Any amount of tax credit which exceeds the tax due, including any estimated
31 quarterly taxes paid by the lender under subdivision (1) of this subsection which results in an
32 overpayment of taxes for a taxable year, shall not be refunded but may be carried over to any
33 subsequent taxable year, not to exceed a total of three years for which a tax credit may be taken
34 for a qualified family farm livestock loan;

35 (3) Notwithstanding any provision of law to the contrary, a lender may assign, transfer
36 or sell tax credits authorized under this section, with the new owner of the tax credit receiving
37 the same rights in the tax credit as the lender. For any tax credits assigned, transferred, sold, or
38 otherwise conveyed, a notarized endorsement shall be filed by the lender with the authority
39 specifying the name and address of the new owner of the tax credit and the value of such tax
40 credit; and

41 (4) Notwithstanding any other provision of this section to the contrary, any commercial
42 bank may use tax credits created under this section as provided in section 148.064, RSMo, and
43 receive a net tax credit against taxes actually paid in the amount of the first year's interest on
44 loans made under this section. If such first year tax credits reduce taxes due as provided in
45 section 148.064, RSMo, to zero, the remaining tax credits may be carried over as otherwise
46 provided in this section and utilized as provided in section 148.064, RSMo, in subsequent years.

414.420. **1. As used in this section, the term "alternative fuel" shall have the same
2 meaning as in section 414.400.**

3 **2.** There is hereby created the "Missouri [Ethanol and Other Renewable Fuel Sources]
4 **Alternative Fuels** Commission" composed of [seven] **nine** members, including two members
5 of the senate of different political parties appointed by the president pro tem of the senate, two
6 members of the house of representatives of different political parties appointed by the speaker
7 of the house, and [three] **five** other persons appointed by the governor, with the advice and
8 consent of the senate. The members appointed by the governor [may include, but are not limited
9 to,] **shall be** persons engaged in [the ethanol production industry] **industries that produce and**
10 **sell at retail and wholesale alternative fuels** and no more than [two] **three** of such members
11 shall be of the same political party. The members appointed by the governor shall be appointed
12 for a term of four years[, except that of the first members appointed, one shall serve for a term

13 of two years, one shall serve for a term of three years, and one shall serve for a term of four
14 years]. Vacancies in the membership of the commission shall be filled in the same manner as
15 the original appointments. The commission shall elect a member of its own group as chairman
16 at the first meeting, which shall be called by the governor. The commission shall meet at least
17 four times in a calendar year at the call of the chairman. [The commission shall promote the
18 continued production of ethanol and the continued usage of ethanol and fuel ethanol blends, as
19 defined in section 142.027, RSMo, and the production and usage of other renewable fuel sources,
20 in this state. The commission shall report to each regular session of the general assembly its
21 recommendations for legislation in the field of the promotion of the ethanol industry and related
22 subjects in this state.] Members of the commission shall serve without compensation but shall
23 be reimbursed for actual and necessary expenses incurred in the performance of their duties.

24 **3. The commission shall:**

25 **(1) Make recommendations to the governor and general assembly on changes to**
26 **state law to facilitate the sale and distribution of alternative fuels and alternative fuel**
27 **vehicles;**

28 **(2) Promote the development, sale, distribution, and consumption of alternative**
29 **fuels;**

30 **(3) Promote the development and use of alternative fuel vehicles and technology**
31 **that will enhance the use of alternative and renewable transportation fuels;**

32 **(4) Educate consumers about alternative fuels, including but not limited to ethanol**
33 **and biodiesel;**

34 **(5) Develop a long-range plan for the state to reduce consumption of petroleum**
35 **fuels; and**

36 **(6) Submit an annual report to the governor and the general assembly.**

Section B. Because immediate action is necessary to assist Missourians with repairing
2 winter storm damage to fencing, section 144.063 of section A of this act is deemed necessary for
3 the immediate preservation of the public health, welfare, peace, and safety, and is hereby
4 declared to be an emergency act within the meaning of the constitution, and section 144.063 of
5 section A of this act shall be in full force and effect upon its passage and approval.

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