

HCS HB 346 -- AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT
AUTHORITY (Munzlinger)

COMMITTEE OF ORIGIN: Special Committee on Agribusiness

Currently, agricultural tax credits are not to exceed \$6 million in the aggregate in any fiscal year. This substitute increases the maximum amount to \$12 million.

The Missouri Agricultural and Small Business Development Authority is allowed to issue up to \$1 million in agricultural product utilization tax credits in any fiscal year to individuals contributing cash funds to the authority. The funds are to be used for financial or technical assistance to rural agricultural business concepts approved by the authority.

Subject to appropriations, the authority must pay the first year of charged interest payments on all linked deposit loans used for the acquisition of dairy cows. The authority is authorized to charge a service fee, not to exceed \$50, to defray the administrative costs of processing a loan.

The authority is required to develop and implement dairy business planning grants. The aggregate amount of the grants will not exceed \$50,000; and no single grant can exceed \$5,000. An application fee may be charged, not to exceed \$50 per grant application, to defray the administrative costs of administering the grant.

The applicant's dairy operation must be located in Missouri and at least 51% owned by Missouri residents. The grant proceeds must be used solely to contract with a dairy business planning professional approved by the authority. The authority is required to establish rules on eligibility and award criteria including improved profitability, modernization, and expansion of the dairy operation. The experience, education, and relevant dairy experience of both the grant applicant and the dairy business planning professional are required to be part of the respective selection criteria.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$0 to \$6,430,699 in FY 2008, \$0 to \$6,520,544 in FY 2009, and \$0 to \$6,534,661 in FY 2010. No impact on Other State Funds in FY 2008, FY 2009, and FY 2010.