

CCS HCS SS SCS SB 931 -- AGRICULTURAL INCENTIVES AND PROGRAMS

This bill changes the laws regarding agricultural incentives and programs.

ALTERNATIVE FUEL REFUELING STATION INCENTIVES (Section 135.710, RSMo)

The bill authorizes a tax credit, from January 1, 2009, to December 31, 2011, for eligible applicants who install and operate a qualified alternative fuel vehicle refueling station. The credit may be claimed for any tax year in which the applicant is constructing the station. The credit will be the lesser of \$20,000 or 20% of the total direct costs for the purchase and installation of alternative fuel storage and dispensing equipment. The costs of purchasing land or an existing alternative fuel vehicle refueling station or the construction or purchase of a structure are not considered eligible costs. The total amount of tax credits which can be claimed cannot exceed \$3 million in 2009, \$2 million in 2010, and \$1 million in 2011. Tax credits may be carried forward for two years and sold, but will be forfeited if a tax credit recipient stops selling alternative fuel.

AGRICULTURAL TAX CREDITS (Section 135.800)

The definition of "agricultural tax credits" as it relates to the Missouri Agricultural and Small Business Development Authority is revised to include family farm breeding livestock loan tax credits and qualified beef tax credits and makes them subject to the reporting requirements under the Tax Credit Accountability Act of 2004.

QUALIFIED BIOMASS (Section 142.028)

Beginning January 1, 2009, through December 31, 2019, Missouri qualified fuel ethanol producers producing fuel ethanol from qualified biomass will be eligible to receive grants from the Department of Agriculture. Grants of up to \$7.5 million will be available for up to two qualified fuel ethanol producers.

STATE AND LOCAL SALES AND USE TAX EXEMPTION FOR AGRICULTURAL FENCING, FORESTRY EQUIPMENT, AND MOTOR FUEL (Sections 144.053 and 144.063)

A state and local sales and use tax exemption is authorized for fencing materials, forestry equipment, and motor fuel used for agricultural purposes.

HAZARDOUS SUBSTANCES (Section 260.546)

The bill specifies that when a hazardous substance release occurs the person having control of the hazardous substance is liable for the reasonable and necessary costs for the cleanup or containment incurred by the political subdivision or volunteer fire protection association providing the emergency services. No later than 60 days after completion of the hazardous substance cleanup, the political subdivision or the emergency services provider is required to furnish the liable person with an itemized statement of all costs associated with the hazardous substance release. The statement of costs must include certain explanations for why the costs were incurred. A cleanup cost statement may be appealed to the Director of the Department of Natural Resources with the burden of proof on the political subdivision or the emergency services provider.

NAME CHANGES (Section 261.035)

The Marketing Division within the Department of Agriculture is renamed the Agriculture Business Development Division, the Marketing Development Fund as the Agriculture Business Development Fund, the Missouri Agricultural Products Marketing Development Fund as the AgriMissouri Fund, and the Citizens' Advisory Commission for Marketing Missouri Agricultural Products as the AgriMissouri Advisory Commission for Marketing Missouri Agricultural Products.

NOXIOUS WEEDS (Section 263.232)

Persons, corporations, partnerships, the Highways and Transportation Commission, state departments, state agencies, county commissions, township boards, school boards, drainage boards, governing bodies of incorporated cities, railroad companies and other transportation companies, and persons supervising state-owned lands are required to control the spread of spotted knapweed (*Centaurea stoebe* ssp. *micranthos*, including all subspecies), which is designated as a noxious and dangerous weed to agriculture.

NATIONAL ANIMAL IDENTIFICATION SYSTEM (Section 267.168)

The bill allows the Department of Agriculture to support a voluntary animal identification program. The department is prohibited from mandating National Animal Identification System (NAIS) premises registration or participation in the NAIS administered by the United States Department of Agriculture without specific authorization from the General Assembly.

Any person who participates in the NAIS may withdraw from the system at any time, and all personal information related to a participant will be deleted from the system unless the

participant is part of an ongoing disease investigation or disease monitoring or control program.

If these provisions interfere with the marketing of Missouri livestock, the Governor, by executive order, can waive the requirements until the General Assembly takes action to reinstate or modify the provisions during the next regular session of the General Assembly or any special session called by the Governor.

WATERSHED DISTRICTS (Section 278.070)

"Subdistrict," "watershed," and "watershed district" for purposes of the Soil and Water Conservation Districts Law are defined and will have the same meaning as the term "watershed district" except when the term "subdistrict" is used to describe the relationship to an established soil and water conservation district or districts that may be established as a watershed district.

PESTICIDES (Section 281.260)

Retailers will be given a reasonable amount of time in which to dispose of existing stocks of pesticides in the event that a manufacturer or distributor stops registering the product.

LARGE ANIMAL VETERINARY STUDENT LOAN ASSISTANCE (Sections 340.337, 340.341, and 340.375 - 340.396)

The bill changes the laws regarding the Large Animal Veterinary Medicine Loan Repayment Program and the Large Animal Veterinary Student Loan Program within the Department of Agriculture. The bill:

- (1) Adds lawful permanent residency in the United States to the criteria for a student to be eligible to participate in the Large Animal Veterinary Medicine Loan Repayment Program;
- (2) Specifies that up to six qualifying veterinarian students can be awarded a maximum of \$20,000 per academic year up to a cumulative total of \$80,000 with priority given to eligible students who have established a financial need;
- (3) Specifies that the maximum amount the department can forgive for each year of qualifying service is \$20,000;
- (4) Requires a loan recipient who fails to meet the qualified service requirement to begin repayment of the loan plus interest within six months of the first day on which he or she did not meet the service requirement; and

(5) Authorizes the department to grant a loan deferment, not to exceed four years, to a student who is on active duty in any branch of the armed forces of the United States.

DAIRY COWS AND DAIRY OPERATIONS (Sections 348.230 and 348.235)

Subject to appropriations, the Missouri Agricultural and Small Business Development 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 per individual, to defray the administrative costs of processing a loan.

Subject to appropriations, 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 or no more than 90% of the cost of the plan, whichever is less. An application fee may be charged, not to exceed \$50 per grant application, to defray the administrative costs of the grant.

The applicant's dairy operation must be located in Missouri and be 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.

FAMILY FARM LIVESTOCK LOAN PROGRAM (Section 348.505)

The bill increases from \$150,000 to \$300,000 the maximum amount of tax credits that the authority is authorized to issue annually to eligible lenders participating in the Family Farm Livestock Loan Program.

LIVESTOCK FEED AND CROP INPUT LOAN GUARANTEE PROGRAM (Sections 348.515 - 348.533)

The Missouri Agricultural and Small Business Development Authority must provide assistance to independent livestock and poultry family farm operations by implementing a livestock feed and crop input loan guarantee program to grant partial guarantees on loans for the purchase of livestock feed and crop inputs to produce crops for feeding livestock.

Qualified independent family farm operations may be issued a

certificate of guaranty by the authority covering a 50% first-loss guarantee on a declining principal basis to local lenders, up to \$40,000. The authority will charge a one-time participation fee of \$50 on the loan. A special loan guarantee fee of up to 1% per annum of the outstanding principal of the loan may be charged by the lender and paid to the authority.

The Livestock Feed and Crop Input Loan Guarantee Fund is created consisting of moneys appropriated by the General Assembly; bequests from federal, private, or other sources; and investment income on the fund. Beginning with Fiscal Year 2008 - 2009, the General Assembly may appropriate up to \$4 million to the fund.

The Large Animal Veterinary Student Loan Program will expire June 30, 2013, and the provisions regarding tax credits for alternative fuel vehicle refueling stations will expire six years from the effective date.