

HCS SCS SB 356 -- AGRICULTURE

SPONSOR: Munzlinger (Loehner)

COMMITTEE ACTION: Voted "do pass" by the Committee on Agriculture Policy by a vote of 13 to 0.

This substitute changes the laws regarding the Joint Committee on Urban Agriculture, Puppy Protection Trust Fund, sales tax exemptions, the right to raise livestock, noxious weeds, listing of livestock brands, the Commodity Merchandising Council Program, and grain dealers and establishes the Agritourism Promotion Act.

JOINT COMMITTEE ON URBAN AGRICULTURE (Section 21.801, RSMo)

The substitute renames the Joint Committee on Urban Farming to the Joint Committee on Urban Agriculture and changes the expiration date of the provisions regarding the committee from January 1, 2011, to January 1, 2013. The committee must prepare a final report with its recommendations to the Speaker of the House of Representatives, the President Pro Tem of the Senate, and the Governor by December 31, 2012.

INCOME TAX CHECK-OFF FOR THE PUPPY PROTECTION TRUST FUND (Section 143.1014)

Beginning January 1, 2011, the substitute authorizes a check-off box for the newly created Puppy Protection Trust Fund to be added to the individual and corporate income tax forms. A taxpayer may donate to the fund by designating on the form at least \$1 on an individual return or \$2 on a combined return of his or her tax refund amount or by sending a separate check with the payment of his or her taxes. The donations are to be used by the Department of Agriculture for the sole purpose of administering the Puppy Mill Cruelty Prevention Act.

SALES TAX EXEMPTIONS (Sections 144.010, 144.020, 144.030, 144.070, and 144.527)

The substitute exempts the following items from state and local sales and use taxes:

(1) The sale of captive wildlife and the sale of feed for captive wildlife. Captive wildlife includes, but is not limited to, exotic partridges, gray partridge, northern bobwhite quail, ring-necked pheasant, captive waterfowl, captive white-tailed deer, captive elk, and captive furbearers held under a permit issued by the Department of Conservation for hunting purposes;

(2) The sale of any accessories for and upgrades to farm

machinery and equipment, rotary mowers used exclusively for agricultural purposes, and freight charges on any exempt item; and

(3) The sale of specified farm products sold at a farmers' market.

RIGHT TO RAISE LIVESTOCK (Section 262.005)

The substitute affirms the right of citizens to raise livestock in a humane manner without the state imposing an undue economic burden on their owners.

NOXIOUS WEEDS (Sections 263.190 - 263.241 and 263.450)

The substitute:

(1) Specifies that "noxious weed" means any weed designated as noxious by rules established by the Director of the Department of Agriculture and requires the department to maintain a list of noxious weeds and make it available to the public;

(2) Expands the requirement of every landowner to control all noxious weeds growing on his or her land sufficiently to prevent the weeds from going to seed to include any person, association of persons, corporation, partnership, Highways and Transportation Commission, state department, state agency, county commission, township board, school board, drainage board, governing body of an incorporated city, railroad company or other transportation company, and any person supervising state-owned lands;

(3) Prohibits the sale of any noxious weed species; and

(4) Repeals provisions designating specific plants as noxious weeds and requiring entities to control the spread of the weeds as well as the provisions regarding a county noxious weed fund.

LISTING OF LIVESTOCK BRANDS (Section 268.121)

Currently, the Director of the Department of Agriculture must publish a list of all livestock brands in a book form and send a copy of the book and any supplement to the county recorder of deeds in each county and to each licensed livestock market and slaughter plant in the state. The substitute removes this requirement but requires the department director to create a list and make it available on a publicly accessible web site. The list must be updated from time to time.

COMMODITY MERCHANDISING COUNCIL PROGRAM (Section 275.360)

The substitute adds a rice grower or producer to those exempt from the provision allowing a producer or grower to request a refund of the fees paid to the Commodity Merchandising Council Program.

GRAIN DEALERS (Sections 276.401, 276.416, 276.421, 276.436, 276.441, 276.446, and 411.280)

The substitute:

(1) Revises the definition of "grain dealer" or "dealer" to exempt a producer or feeder of grain for livestock or poultry buying grain for his or her own farming or feeding purposes who purchases grain exclusively from licensed grain dealers or whose total grain purchases from producers during his or her fiscal year do not exceed 50,000 bushels instead of the current \$100,000;

(2) Requires every licensed grain dealer or applicant for a grain dealer license to maintain a minimum net worth equal to 5% of annual grain purchases. Currently, only certain dealers or applicants are required to maintain a specified minimum net worth;

(3) Requires any licensed grain dealer or applicant to have and maintain current assets at least equal to 100% of current liabilities and specifies certain requirements regarding the determination of the amount of assets and liabilities;

(4) Increases the minimum surety bond requirement for a licensed grain dealer from \$20,000 to \$50,000 and the maximum from \$300,000 to \$600,000;

(5) Changes the formula for determining the amount of surety bond required by specifying that the amount must be equal to 2% of the dealer's previous year's grain purchases, instead of between 1% and 5% of the purchases;

(6) Changes the net worth an owner of a licensed grain warehouse must have and maintain to the greater of \$10,000 or the amount which results from multiplying the storage capacity of the warehouse by 25 cents per bushel instead of the current 15 cents per bushel; and

(7) Repeals the provision that allows a grain dealer who has purchased less than \$400,000 of grain during the previous year to satisfy the bond requirement by filing a bond at the rate of \$1,000 for every \$20,000 worth of grain purchased with a minimum bond of \$10,000.

AGRITOURISM PROMOTION ACT (Sections 537.850 - 537.862)

The Agritourism Promotion Act is established which allows for the registration of any person who is engaged in a business which provides agritourism activities in Missouri. The substitute:

(1) Defines "agritourism activity" as any activity which allows the general public for recreational, entertainment, or educational purposes to view or enjoy rural activities including, but not limited to, farming and ranching activities or historic, cultural, or natural attractions;

(2) Defines "inherent risks of a registered agritourism activity" as dangers or conditions which are an integral part of an agritourism activity including the potential of a participant to act in a negligent manner that may contribute to the injury of the participant or others;

(3) Allows any person who is engaged in a business providing an agritourism activity to register with the Director of the Department of Agriculture. The registration must contain a description of the agritourism activity he or she conducts or intends to conduct and the location where the activity will be conducted;

(4) Requires the department to maintain and make available to the public a list of all registered agritourism operators, the registered agritourism activities conducted by each operator, and the registered agritourism location;

(5) Requires the department to promote and publicize registered agritourism operators, activities, and locations by promoting and encouraging tourism;

(6) Specifies that the registration is for a period of two years and a fee of up to \$100 may be imposed on an applicant to cover the actual administrative costs associated with registration;

(7) Requires every registered agritourism operator to post and maintain signage at the agritourism location which contains a specified warning notice that there is no liability for certain injuries or the death of a participant in the registered agritourism activity;

(8) Specifies that any participant is assuming certain inherent risks when participating in an agritourism activity;

(9) Specifies that a registered agritourism operator is not liable for an injury to or the death of a participant resulting from the inherent risks of agritourism activities if the warning

is posted as required unless the injury to the participant was by willful or wanton conduct or the operator failed to make a dangerous condition known to a participant and the condition caused an injury;

(10) Specifies that the operator has an affirmative defense to liability if the injured person assumed the risk; deliberately disregarded conspicuously posted signs, verbal instructions, or other warnings regarding safety measures during the activity; or if any equipment, animals, or appliances used by the injured person during the activity were used in a manner or for a purpose other than that for which a reasonable person should have known they were intended; and

(11) Creates the Agritourism Fee Fund consisting of registration fees and moneys appropriated to the fund to be used solely for the placement and maintenance of directional signage and the administration of the provisions of the act.

The provisions regarding the Puppy Protection Trust Fund will expire December 31 six years from the effective date.

The substitute contains an emergency clause for the provisions regarding the Joint Committee on Urban Agriculture.

FISCAL NOTE: Estimated Net Cost on General Revenue Fund of Unknown more than \$100,000 in FY 2012, FY 2013, and FY 2014. Estimated Net Effect on Other State Funds of an income of Unknown to a cost of Unknown greater than \$1,000 in FY 2012, an income of Unknown to a cost of Unknown in FY 2013, and an income of Unknown to cost of Unknown greater than \$1,000 in FY 2014.

PROPOSERS: Supporters say that the bill is a good compromise that will add protections without harming reputable grain dealers. The Department of Agriculture will be able to identify grain dealers who are in financial trouble more easily through the increased bonding and reporting requirements.

Testifying for the bill were Senator Munzlinger; Department of Agriculture; J.P. Dunn, Missouri Soybean Association; and Missouri Corn Growers Association.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill discussed the cost of bonding for grain dealers.

Testifying on the bill was Missouri Agribusiness Association.