SECOND REGULAR SESSION

HOUSE COMMITTEE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 703

98TH GENERAL ASSEMBLY

4096H.05C D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 142.028, 142.029, 143.121, 144.010, 262.900, 262.960, 262.962, 265.300, 266.301, 266.311, 266.331, 266.336, 266.341, 266.343, 266.347, 267.565, 276.606, 277.020, 348.407, and 414.082, RSMo, and to enact in lieu thereof thirty-two new sections relating to agriculture.

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

Section A. Sections 142.028, 142.029, 143.121, 144.010, 262.900, 262.960, 262.962, 265.300, 266.301, 266.311, 266.331, 266.336, 266.341, 266.343, 266.347, 267.565, 276.606, 277.020, 348.407, and 414.082, RSMo, are repealed and thirty-two new sections enacted in lieu thereof, to be known as sections 142.028, 142.029, 142.041, 143.121, 144.010, 261.130, 262.900, 262.960, 262.962, 265.300, 266.301, 266.311, 266.331, 266.336, 266.343, 266.347, 266.600, 267.169, 267.565, 276.606, 277.020, 348.407, 414.082, 620.1950, 620.1951, 620.1952, 620.1953, 620.1954, 620.1955, 620.1956, 620.1957, and 620.1958, to read as follows:

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

(1) "Fuel ethanol", a fuel which meets ASTM International specification number D 4806 or subsequent specifications for blending with gasoline for use as automotive spark-ignition engine fuel and where the ethanol is made from cereal grains, cereal grain by-products, or qualified biomass;

(2) "Fuel ethanol blends", a mixture of ninety percent gasoline and ten percent fuel ethanol in which the gasoline portion of the blend or the finished blend meets the ASTM International specification number D 4814;

(3) "Missouri qualified fuel ethanol producer", any producer of fuel ethanol whose principal place of business and facility for the fermentation and distillation of fuel ethanol is

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.

located within the state of Missouri and is at least fifty-one percent owned by agricultural producers actively engaged in agricultural production for commercial purposes, and which has made formal application, posted a bond, and conformed to the requirements of this section;

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

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

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

3. A Missouri qualified fuel ethanol producer shall be eligible for a monthly grant from the fund, except that a Missouri qualified fuel ethanol producer shall only be eligible for the grant for a total of sixty months unless such producer during those sixty months failed, due to a lack of appropriations, to receive the full amount from the fund for which they were eligible, in which case such producers shall continue to be eligible for up to twenty-four additional months or until they have received the maximum amount of funding for which they were eligible during the original sixty-month time period. The amount of the grant is determined by calculating the estimated gallons of qualified fuel ethanol production to be produced from Missouri agricultural products or qualified biomass for the succeeding calendar month, as certified by the department of agriculture, and applying such figure to the per-gallon incentive credit established in this subsection. Each Missouri qualified fuel ethanol producer shall be eligible for a total grant in any fiscal year equal to twenty cents per gallon for the first twelve and one-half million gallons of qualified fuel ethanol produced from Missouri agricultural products or qualified biomass in the fiscal year plus five cents per gallon for the next twelve and one-half million gallons of qualified fuel ethanol produced from Missouri agricultural products or qualified biomass in the fiscal year. All such qualified fuel ethanol produced by a Missouri qualified fuel ethanol producer in excess of twenty-five million gallons shall not be applied to the computation of a grant pursuant to this subsection. The department of agriculture shall pay all grants for a particular month by the fifteenth day after receipt and approval of the application described in subsection 4 of this section. If actual production of qualified fuel ethanol during a particular month either exceeds or is less than that estimated by a Missouri qualified fuel ethanol producer, the department of agriculture shall adjust the subsequent monthly grant by

paying additional amount or subtracting the amount in deficiency by using the calculation described in this subsection.

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

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

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

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

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

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

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

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

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

7. Notwithstanding any other provision of this section to the contrary, beginning January 1, 2009, through December 31, **[**2019**]** **2020**, the economic subsidies provided under this section to Missouri qualified fuel ethanol producers of fuel ethanol made from qualified biomass shall

only be provided to two qualified fuel ethanol producers and shall not cumulatively exceed seven and one-half million dollars per qualified fuel ethanol producer. Prior to January 1, 2009, and after December 31, **[**2019**]** **2020**, Missouri qualified fuel ethanol producers of fuel ethanol made from qualified biomass shall be ineligible for economic subsidies under this section.

142.029. Section 142.028 shall expire on December 31, **[**2015**]** **2020**.

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

(1) "BTU of gaseous biofuel", British thermal unit of measurement to express the energy content of fuels;

(2) "Gaseous biofuel", methane-based fuel derived from bio-waste material, including animal waste, animal processing waste, pre and post-consumer food waste, vegetative waste material, cardboard, and paper waste materials and similar materials that are produced through an anaerobic digester process, with the exclusion of landfills, that is injected into the natural gas pipeline grid for delivery to the market;

(3) "Gaseous biofuel certification", biofuel that meets commercially-acceptable natural gas pipeline quality standards of the local market, that the flow meters used to determine the quantity of gaseous biofuel produced are industry standard and properly calibrated by a third-party professional engineer, and the readings have been taken by a qualified individual;

(4) "High-impact job", any job created by a Missouri qualified gaseous biofuel producer where the average wage for such job equals or exceeds the county average wage of the county in which the producer of gaseous biofuel whose principal place of business and facility for the anaerobic digester and biofuel upgrading is located within the state of Missouri;

(5) "MMBTU of gaseous biofuel", one million British thermal units;

(6) "Missouri qualified gaseous biofuel producer", any producer of gaseous biofuel whose principal place of business and facility for the anaerobic digester and biofuel upgrading is located within the state of Missouri and is registered with the United States Environmental Protection Agency according to the requirements of 40 CFR 79 and which has made formal application, and conforms to the requirements of this section, and:

(a) Has registered with the department of agriculture by March 31, 2018;

(b) Has begun construction of the facility before July 31, 2018; and

(c) Has begun production of gaseous biofuel before December 31, 2018.

2. There is hereby created the "Missouri Qualified Gaseous Biofuel Producer Incentive Fund" that shall be used to provide economic subsidies to Missouri qualified gaseous biofuel producers. Upon appropriation, the director of the department of agriculture shall administer the fund. Notwithstanding the provisions of section 33.080 to

the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

3. A Missouri qualified gaseous biofuel shall be eligible for a monthly grant from the fund provided that one hundred percent of the feedstock originates in the United States. However, the director may waive the feedstock requirements on an annual basis if the facility provides verification that adequate feedstock is not available. A Missouri qualified gaseous biofuel producer shall only be eligible for the grant for a total of sixty months unless such producers during the sixty months fail, due to a lack of appropriations, to receive the full amount from the fund for which the producers were eligible, in which case such producers shall continue to be eligible until they have received the maximum amount of funding for which such producers were eligible during the original sixty-month time period. The amount of the grant is determined by calculating the estimated BTU of qualified gaseous biofuel produced during the preceding month from feedstock, as certified by the department of agriculture, and applying such figure to the per-BTU incentive credit established in this subsection. Each Missouri qualified gaseous biofuel producer shall be eligible for a total grant in any fiscal year equal to two thousand three hundred forty-four billionths of one dollar per BTU for the first two million two hundred fifty thousand MMBTU of qualified gaseous biofuel produced from feedstock in the fiscal year. All such qualified gaseous biofuel produced by a Missouri qualified gaseous biofuel producer in excess of two million two hundred fifty thousand MMBTU shall not be applied to the computation of a grant pursuant to this subsection. The department of agriculture shall pay all grants for a particular month by the fifteenth day after receipt and approval of the application described in subsection 4 of this section.

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

(1) The location of the Missouri qualified gaseous biofuel producer;

(2) Proof that such Missouri qualified gaseous biofuel producer has created in its initial application, and retained thereafter, at least forty high-impact jobs;

(3) The number of ton equivalents of Missouri feedstock and out-of-state feedstock used by the Missouri qualified gaseous biofuel producer in the production of gaseous biofuel in the preceding month;

(4) The number of BTU of qualified gaseous biofuel the producer manufactures during the month for which the grant is applied;

(5) Any other information deemed necessary by the department of agriculture to adequately ensure that such grants shall be made only to Missouri qualified gaseous biofuel producers.

5. Once two applications made under subsection 4 of this section are approved by the director of the department of agriculture, the director shall not approve any other applications that are not made by the same two Missouri qualified gaseous biofuel producers that were first approved.

6. The director of the department of agriculture, in consultation with the department of revenue, shall promulgate rules and regulations necessary for the administration of the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be invalid and void.

7. This section shall expire on December 31, 2018. However, Missouri qualified gaseous biofuel producers receiving any grants awarded prior to July 31, 2018, shall continue to be eligible for the remainder of the original sixty-month time period under the same terms and conditions of this section unless such producer during such sixty months failed, due to a lack of appropriations, to receive the full amount from the fund for which he or she was eligible. In such case, such producers shall continue to be eligible until they have received the maximum amount of funding for which they were eligible during the original sixty-month time period.

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit;

(2) Interest on certain governmental obligations excluded from federal gross income by Section 103 of the Internal Revenue Code. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount

added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of Section 265 of the Internal Revenue Code. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by Section 172(b)(1)(G) and Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the

taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone; **[**and**]**

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the

amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection**; and**

(10) For all tax years beginning on or after January 1, 2015, the amount of any income received as payment from any program that provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

(a) Livestock Forage Disaster Program;

(b) Livestock Indemnity Program;

(c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program;

(d) Emergency Conservation Program;

(e) Noninsured Crop Disaster Assistance Program;

(f) Pasture, Rangeland, Forage Pilot Insurance Program;

(g) Annual Forage Pilot Program;

(h) Livestock Risk Protection Insurance Plan; and

(i) Livestock Gross Margin Insurance Plan.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the

implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

144.010. 1. The following words, terms, and phrases when used in sections 144.010 to 144.525 have the meanings ascribed to them in this section, except when the context indicates a different meaning:

(1) "Admission" includes seats and tables, reserved or otherwise, and other similar accommodations and charges made therefor and amount paid for admission, exclusive of any admission tax imposed by the federal government or by sections 144.010 to 144.525;

(2) "Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of which business is of such character as to be subject to the terms of sections 144.010 to 144.525. A person is "engaging in business" in this state for purposes of sections 144.010 to 144.525 if such person "engages in business in this state" or "maintains a place of business in this state" under section 144.605. The isolated or occasional sale of tangible personal property, service, substance, or thing, by a person not engaged in such business, does not constitute engaging in business within the meaning of sections 144.010 to 144.525 unless the

total amount of the gross receipts from such sales, exclusive of receipts from the sale of tangible personal property by persons which property is sold in the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any calendar year. The provisions of this subdivision shall not be construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977, subject to that tax thereafter;

(3) "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 permit issued by the Missouri department of conservation for hunting purposes. The provisions of this subdivision shall not apply to sales tax on a harvested animal;

(4) "Gross receipts", except as provided in section 144.012, means the total amount of the sale price of the sales at retail including any services other than charges incident to the extension of credit that are a part of such sales made by the businesses herein referred to, capable of being valued in money, whether received in money or otherwise; except that, the term "gross receipts" shall not include the sale price of property returned by customers when the full sale price thereof is refunded either in cash or by credit. In determining any tax due under sections 144.010 to 144.525 on the gross receipts, charges incident to the extension of credit shall be specifically exempted. For the purposes of sections 144.010 to 144.525 the total amount of the sale price above mentioned shall be deemed to be the amount received. It shall also include the lease or rental consideration where the right to continuous possession or use of any article of tangible personal property is granted under a lease or contract and such transfer of possession would be taxable if outright sale were made and, in such cases, the same shall be taxable as if outright sale were made and considered as a sale of such article, and the tax shall be computed and paid by the lessee upon the rentals paid;

(5) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products as defined in section 277.024, llamas, alpaca, buffalo**, bison**, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine, or rabbits raised in confinement for human consumption;

(6) "Motor vehicle leasing company" shall be a company obtaining a permit from the director of revenue to operate as a motor vehicle leasing company. Not all persons renting or leasing trailers or motor vehicles need to obtain such a permit; however, no person failing to obtain such a permit may avail itself of the optional tax provisions of subsection 5 of section 144.070, as hereinafter provided;

(7) "Person" includes any individual, firm, copartnership, joint adventure, association, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or agency, except the state

transportation department, estate, trust, business trust, receiver or trustee appointed by the state or federal court, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular number;

(8) "Purchaser" means a person who purchases tangible personal property or to whom are rendered services, receipts from which are taxable under sections 144.010 to 144.525;

(9) "Research or experimentation activities" are the development of an experimental or pilot model, plant process, formula, invention or similar property, and the improvement of existing property of such type. Research or experimentation activities do not include activities such as ordinary testing or inspection of materials or products for quality control, efficiency surveys, advertising promotions or research in connection with literary, historical or similar projects;

(10) "Sale" or "sales" includes installment and credit sales, and the exchange of properties as well as the sale thereof for money, every closed transaction constituting a sale, and means any transfer, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for valuable consideration and the rendering, furnishing or selling for a valuable consideration any of the substances, things and services herein designated and defined as taxable under the terms of sections 144.010 to 144.525;

(11) "Sale at retail" means any transfer made by any person engaged in business as defined herein of the ownership of, or title to, tangible personal property to the purchaser, for use or consumption and not for resale in any form as tangible personal property, for a valuable consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed thereby: (i) purchases of tangible personal property made by duly licensed physicians, dentists, optometrists and veterinarians and used in the practice of their professions shall be deemed to be purchases for use or consumption and not for resale; and (ii) the selling of computer printouts, computer output or microfilm or microfiche and computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his or her own use the desired information contained in such computer printouts, computer output on microfilm or microfiche and computer-assisted photo compositions shall be considered as the sale of a service and not as the sale of tangible personal property. Where necessary to conform to the context of sections 144.010 to 144.525 and the tax imposed thereby, the term "sale at retail" shall be construed to embrace:

(a) Sales of admission tickets, cash admissions, charges and fees to or in places of amusement, entertainment and recreation, games and athletic events;

(b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic, commercial or industrial consumers;

(c) Sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and conversations, and the sale, rental or leasing of all equipment or services pertaining or incidental thereto;

(d) Sales of service for transmission of messages by telegraph companies;

(e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in which rooms, meals or drinks are regularly served to the public;

(f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

(12) "Seller" means a person selling or furnishing tangible personal property or rendering services, on the receipts from which a tax is imposed pursuant to section 144.020;

(13) The noun "tax" means either the tax payable by the purchaser of a commodity or service subject to tax, or the aggregate amount of taxes due from the vendor of such commodities or services during the period for which he or she is required to report his or her collections, as the context may require;

(14) "Telecommunications service", for the purpose of this chapter, the transmission of information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include the following if such services are separately stated on the customer's bill or on records of the seller maintained in the ordinary course of business:

(a) Access to the internet, access to interactive computer services or electronic publishing services, except the amount paid for the telecommunications service used to provide such access;

(b) Answering services and one-way paging services;

(c) Private mobile radio services which are not two-way commercial mobile radio services such as wireless telephone, personal communications services or enhanced specialized mobile radio services as defined pursuant to federal law; or

(d) Cable or satellite television or music services; and

(15) "Product which is intended to be sold ultimately for final use or consumption" means tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax that is substantially equivalent thereto, in this state or any other state.

2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other provisions of law pertaining to sales or use taxes which incorporate the provisions of sections 144.010 to 144.525 by reference, the term "manufactured homes" shall have the same meaning given it in section 700.010.

3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".

261.130. 1. For purposes of this section, the following terms shall mean:

(1) "Agent", a duly authorized representative of the Missouri department of agriculture or the Missouri department of natural resources;

(2) "Agricultural land", the same as defined in section 350.010;

(3) "Agricultural operation", any sole proprietorship, partnership, corporation, cooperative, or other business entity which derives income from farming;

(4) "Disclose", to publish or otherwise share with or release to individuals, business entities, political subdivisions, media outlets, or other entities;

(5) "Farming", the same as defined in section 350.010;

(6) "Personal information", data which is linked to a specific individual including, but not limited to, social security numbers, telephone numbers, and addresses;

(7) "Voluntary participation", participation in a government program that is not compulsory but requires the collection of specific information from an agricultural producer or owner of agricultural land in order to participate in such program.

2. Information or data in either paper or electronic form concerning an agricultural producer or owner of agricultural land that, in connection with such producer or owner's voluntary participation in a program, is collected from or provided by an agricultural producer or owner of agricultural land that is related to a farmer's personal information, their agricultural operation, farming or conservation practices, environmental or production data, details on assets of their farm, or the land itself and any geospatial information maintained by the Missouri department of agriculture or by the Missouri department of natural resources based on agricultural land or operations where a farmer's agricultural operation, farming or conservation practices, environmental or production data, details on assets of their farm, or the land itself is depicted or identified shall not be considered a public record and shall not be subject to disclosure under chapter 610. Further, such information shall not be disclosed to agents of the department of agriculture or the department of natural resources unless such disclosure complies with subsection 3 of this section.

3. The department of agriculture and the department of natural resources may disclose the information or data described in subsection 2 of this section to agents only if:

(1) Such information or data will not be subsequently disclosed beyond such agent except in accordance with subsection 4 of this section;

(2) Such agent is providing technical or financial assistance with respect to the agricultural operation, agricultural land, or farming or conservation practices, and so long as there is a written agreement in place between the parties certifying adherence to this section; or

(3) Such agent is responding to an agricultural disease or pest threat or other related emergency impacting agricultural operations, if the director of the department of agriculture and the director of the department of natural resources both determine that a threat to agricultural operations exists and the disclosure of information to a person or cooperating government entity is necessary to assist such departments in responding to the disease or pest threat or emergency.

4. Nothing in this section shall prevent:

(1) The disclosure of information described in subsection 2 of this section in paper format if such information has been transformed into a statistical or aggregate form, or from an electronic database where such information can be compiled for distribution into a statistical or aggregate form, that prevents the information from directly or indirectly naming or identifying any individual owner, operator, producer, or operation or a specific data gathering site;

(2) The disclosure of information described in subsection 2 of this section pursuant to the expressed written consent of both the agriculture producer and owner of agriculture land; or

(3) The disclosure of information or data required by law as a condition of compliance with any of the departments' regulatory functions.

5. The participation of an agricultural producer or owner of agricultural land in, or receipt of any benefit under, any program administered by the department of agriculture or the department of natural resources shall not be conditioned on the consent of the agricultural producer or owner of agricultural land under subdivision (2) of subsection 4 of this section.

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

(1) "Agricultural products", an agricultural, horticultural, viticultural, or vegetable product, growing of grapes that will be processed into wine, bees, honey, fish or other aquacultural product, planting seed, livestock, a livestock product, a forestry product, poultry or a poultry product, either in its natural or processed state, that has been produced, processed, or otherwise had value added to it in this state;

(2) "Blighted area", that portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate, or outmoded design or physical deterioration have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes;

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

(4) "Domesticated animal", cattle, calves, sheep, swine, ratite birds including but not limited to ostrich and emu, llamas, alpaca, buffalo**, bison**, elk documented as obtained from a legal source and not from the wild, goats, or horses, other equines, or rabbits raised in confinement for human consumption;

(5) "Grower UAZ", a type of UAZ:

(a) That can either grow produce, raise livestock, or produce other value-added agricultural products;

(b) That does not exceed fifty laying hens, six hundred fifty broiler chickens, or thirty domesticated animals;

(6) "Livestock", cattle, calves, sheep, swine, ratite birds including but not limited to ostrich and emu, aquatic products as defined in section 277.024, llamas, alpaca, **[**buffalo**]** **bison**, elk documented as obtained from a legal source and not from the wild, goats, or horses, other equines, or rabbits raised in confinement for human consumption;

(7) "Locally grown", a product that was grown or raised in the same county or city not within a county in which the UAZ is located or in an adjoining county or city not within a county. For a product raised or sold in a city not within a county, locally grown also includes an adjoining county with a charter form of government with more than nine hundred fifty thousand inhabitants and those adjoining said county;

(8) "Meat", any edible portion of livestock or poultry carcass or part thereof;

(9) "Meat product", anything containing meat intended for or capable of use for human consumption, which is derived, in whole or in part, from livestock or poultry;

(10) "Mobile unit", the same as motor vehicle as defined in section 301.010;

(11) "Poultry", any domesticated bird intended for human consumption;

(12) "Processing UAZ", a type of UAZ:

(a) That processes livestock, poultry, or produce for human consumption;

(b) That meets federal and state processing laws and standards;

(c) Is a qualifying small business approved by the department;

(13) "Qualifying small business", those enterprises which are established within an Urban Agricultural Zone subsequent to its creation, and which meet the definition established for the Small Business Administration and set forth in Section 121.201 of Part 121 of Title 13 of the Code of Federal Regulations;

(14) "Value-added agricultural products", any product or products that are the result of:

(a) Using an agricultural product grown in this state to produce a meat or dairy product in this state;

(b) A change in the physical state or form of the original agricultural product;

(c) An agricultural product grown in this state which has had its value enhanced by special production methods such as organically grown products; or

(d) A physical segregation of a commodity or agricultural product grown in this state that enhances its value such as identity preserved marketing systems;

(15) "Urban agricultural zone" or "UAZ", a zone within a metropolitan statistical area as defined by the United States Office of Budget and Management that has one or more of the following entities that is a qualifying small business and approved by the department, as follows:

(a) Any organization or person who grows produce or other agricultural products;

(b) Any organization or person that raises livestock or poultry;

(c) Any organization or person who processes livestock or poultry;

(d) Any organization that sells at a minimum seventy-five percent locally grown food;

(16) "Vending UAZ", a type of UAZ:

(a) That sells produce, meat, or value-added locally grown agricultural goods;

(b) That is able to accept food stamps under the provisions of the Supplemental Nutrition Assistance Program as a form of payment; and

(c) Is a qualifying small business that is approved by the department for an UAZ vendor license.

2. (1) A person or organization shall submit to any incorporated municipality an application to develop an UAZ on a blighted area of land. Such application shall demonstrate or identify on the application:

(a) If the person or organization is a grower UAZ, processing UAZ, vending UAZ, or a combination of all three types of UAZs provided in this paragraph, in which case the person or organization shall meet the requirements of each type of UAZ in order to qualify;

(b) The number of jobs to be created;

(c) The types of products to be produced; and

(d) If applying for a vending UAZ, the ability to accept food stamps under the provisions of the Supplemental Nutrition Assistance Program if selling products to consumers.

(2) A municipality shall review and modify the application as necessary before either approving or denying the request to establish an UAZ.

(3) Approval of the UAZ by such municipality shall be reviewed five and ten years after the development of the UAZ. After twenty-five years, the UAZ shall dissolve.

If the municipality finds during its review that the UAZ is not meeting the requirements set out in this section, the municipality may dissolve the UAZ.

3. The governing body of any municipality planning to seek designation of an urban agricultural zone shall establish an urban agricultural zone board. The number of members on the board shall be seven. One member of the board shall be appointed by the school district or districts located within the area proposed for designation of an urban agricultural zone. Two members of the board shall be appointed by other affected taxing districts. The remaining four members shall be chosen by the chief elected officer of the municipality. The four members chosen by the chief elected officer of the municipality shall all be residents of the county or city not within a county in which the UAZ is to be located, and at least one of such four members shall have experience in or represent organizations associated with sustainable agriculture, urban farming, community gardening, or any of the activities or products authorized by this section for UAZs.

4. The school district member and the two affected taxing district members shall each have initial terms of five years. Of the four members appointed by the chief elected official, two shall have initial terms of four years, and two shall have initial terms of three years. Thereafter, members shall serve terms of five years. Each member shall hold office until a successor has been appointed. All vacancies shall be filled in the same manner as the original appointment. For inefficiency or neglect of duty or misconduct in office, a member of the board may be removed by the applicable appointing authority.

5. A majority of the members shall constitute a quorum of such board for the purpose of conducting business and exercising the powers of the board and for all other purposes. Action may be taken by the board upon a vote of a majority of the members present.

6. The members of the board annually shall elect a chair from among the members.

7. The role of the board shall be to conduct the activities necessary to advise the governing body on the designation of an urban agricultural zone and any other advisory duties as determined by the governing body. The role of the board after the designation of an urban agricultural zone shall be review and assessment of zone activities.

8. Prior to the adoption of an ordinance proposing the designation of an urban agricultural zone, the urban agricultural board shall fix a time and place for a public hearing and notify each taxing district located wholly or partially within the boundaries of the proposed urban agricultural zone. The board shall send, by certified mail, a notice of such hearing to all taxing districts and political subdivisions in the area to be affected and shall publish notice of such hearing in a newspaper of general circulation in the area to be affected by the designation at least twenty days prior to the hearing but not more than thirty days prior to the hearing. Such notice shall state the time, location, date, and purpose of the hearing. At the public hearing any

interested person or affected taxing district may file with the board written objections to, or comments on, and may be heard orally in respect to, any issues embodied in the notice. The board shall hear and consider all protests, objections, comments, and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing.

9. Following the conclusion of the public hearing required under subsection 8 of this section, the governing authority of the municipality may adopt an ordinance designating an urban agricultural zone.

10. The real property of the UAZ shall not be subject to assessment or payment of ad valorem taxes on real property imposed by the cities affected by this section, or by the state or any political subdivision thereof, for a period of up to twenty-five years as specified by ordinance under subsection 9 of this section, except to such extent and in such amount as may be imposed upon such real property during such period, as was determined by the assessor of the county in which such real property is located, or, if not located within a county, then by the assessor of such city, in an amount not greater than the amount of taxes due and payable thereon during the calendar year preceding the calendar year during which the urban agricultural zone was designated. The amounts of such tax assessments shall not be increased during such period so long as the real property is used in furtherance of the activities provided under the provisions of subdivision (15) of subsection 1 of this section. At the conclusion of the period of abatement provided by the ordinance, the property shall then be reassessed. If only a portion of real property is used as an UAZ, then only that portion of real property shall be exempt from assessment or payment of ad valorem taxes on such property, as provided by this section.

11. If the water services for the UAZ are provided by the municipality, the municipality may authorize a grower UAZ to pay wholesale water rates for the cost of water consumed on the UAZ. If available, the UAZ may pay fifty percent of the standard cost to hook onto the water source.

12. (1) Any local sales tax revenues received from the sale of agricultural products sold in the UAZ, or any local sales tax revenues received by a mobile unit associated with a vending UAZ selling agricultural products in the municipality in which the vending UAZ is located, shall be deposited in the urban agricultural zone fund established in subdivision (2) of this subsection. An amount equal to one percent shall be retained by the director of revenue for deposit in the general revenue fund to offset the costs of collection.

(2) There is hereby created in the state treasury the "Urban Agricultural Zone Fund", which shall consist of money collected under subdivision (1) of this subsection. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon

appropriation, shall be used for the purposes authorized by this section. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund. Fifty percent of fund moneys shall be made available to school districts. The remaining fifty percent of fund moneys shall be allocated to municipalities that have urban agricultural zones based upon the municipality's percentage of local sales tax revenues deposited into the fund. The municipalities shall, upon appropriation, provide fund moneys to urban agricultural zones within the municipality for improvements. School districts may apply to the department for money in the fund to be used for the development of curriculum on or the implementation of urban farming practices under the guidance of the University of Missouri extension service and a certified vocational agricultural instructor. The funds are to be distributed on a competitive basis within the school district or districts in which the UAZ is located pursuant to rules to be promulgated by the department, with special consideration given to the relative number of students eligible for free and reduced-price lunches attending the schools within such district or districts.

13. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

14. The provisions of this section shall not apply to any county with a charter form of government and with more than three hundred thousand but fewer than four hundred fifty thousand inhabitants.

262.960. 1. This section shall be known and may be cited as the "**[**Farm-to-School**]** **Farm-to-Table** Act".

2. There is hereby created within the department of agriculture the "**[**Farm-to-School**]** **Farm-to-Table** Program" to connect Missouri farmers and **[**schools**]** **institutions** in order to provide **[**schools**]** **institutions** with locally grown agricultural products for inclusion in **[**school**]** meals and snacks and to strengthen local farming economies. **The department shall establish guidelines for voluntary participation and parameters for program goals, which shall include, but not be limited to, participating institutions purchasing at least ten percent of their food products locally by December 31, 2019.** The department shall designate an employee to administer and monitor the **[**farm-to-school**]** **farm-to-table** program and to serve

as liaison between Missouri farmers and [schools] **institutions. Nothing in this section, nor the guidelines developed by the department, shall require an institution to participate in the farm-to-table program**.

3. The following agencies shall make staff available to the Missouri [farm-to-school] **farm-to-table** program for the purpose of providing professional consultation and staff support to assist the implementation of this section:

(1) The department of health and senior services;

(2) The department of elementary and secondary education; [and]

(3) The office of administration**; and**

(4) The department of corrections.

4. The duties of the department employee coordinating the [farm-to-school] **farm-to-table** program shall include, but not be limited to:

(1) Establishing and maintaining a website database to allow farmers and [schools] **institutions** to connect whereby farmers can enter the locally grown agricultural products they produce along with pricing information, the times such products are available, and where they are willing to distribute such products;

(2) Providing leadership at the state level to encourage [schools] **institutions** to procure and use locally grown agricultural products;

(3) Conducting workshops and training sessions and providing technical assistance to [school] **institution** food service directors, personnel, farmers, and produce distributors and processors regarding the [farm-to-school] **farm-to-table** program; and

(4) Seeking grants, private donations, or other funding sources to support the [farm-to-school] **farm-to-table** program.

262.962. 1. As used in this section, section 262.960, and subsection 5 of section 348.407, the following terms shall mean:

(1) **"Institutions", facilities including, but not limited to, schools, correctional facilities, hospitals, nursing homes, long-term care facilities, and military bases;**

(2) "Locally grown agricultural products", food or fiber produced or processed by a small agribusiness or small farm;

[(2)**] (3) "Participating institutions", institutions that voluntarily elect to participate in the farm-to-table program;**

(4) "Schools", includes any school in this state that maintains a food service program under the United States Department of Agriculture and administered by the school;

[(3)**] (5)** "Small agribusiness", a qualifying agribusiness as defined in section 348.400, and located in Missouri with gross annual sales of less than five million dollars;

[(4)**] (6)** "Small farm", a family-owned farm or family farm corporation as defined in section 350.010, and located in Missouri with less than two hundred fifty thousand dollars in gross sales per year.

2. There is hereby created a taskforce under the AgriMissouri **marketing** program established in section 261.230, which shall be known as the "**[**Farm-to-School**] Farm-to-Table** Taskforce". The taskforce shall be made up of at least one representative from each of the following **[**agencies**]**: the University of Missouri extension service, the department of agriculture, **the department of corrections, the department of health and senior services,** the department of elementary and secondary education, **[**and**]** the office of administration**, and a representative from one of the military bases in the state**. In addition, the director of the department of agriculture shall appoint **[**two persons**] one person** actively engaged in the practice of small agribusiness. In addition, the **[**director of the department of elementary and secondary**] commissioner of** education shall appoint **[**two persons**] one person** from **[**schools**] a school** within the state who **[**direct**] directs** a food service program. **The director of the department of corrections shall appoint one person employed as a correctional facility food service director. The director of the department of health and senior services shall appoint one person employed as a hospital or nursing home food service director. The director of the department of agriculture shall appoint one person who is a registered dietician under section 324.200.** One representative for the department of agriculture shall serve as the chairperson for the taskforce and shall coordinate the taskforce meetings. The taskforce shall hold at least two meetings, but may hold more as it deems necessary to fulfill its requirements under this section. Staff of the department of agriculture may provide administrative assistance to the taskforce if such assistance is required.

3. The mission of the taskforce is to provide recommendations for strategies that:

(1) Allow **[**schools**] institutions** to more easily incorporate locally grown agricultural products into their cafeteria offerings, salad bars, and vending machines; and

(2) Allow **[**schools**] institutions** to work with food service providers to ensure greater use of locally grown agricultural products by developing standardized language for food service contracts.

4. In fulfilling its mission under this section, the taskforce shall review various food service contracts of **[**schools**] institutions** within the state to identify standardized language that could be included in such contracts to allow **[**schools**] institutions** to more easily procure and use locally grown agricultural products.

5. The taskforce shall prepare a report containing its findings and recommendations and shall deliver such report to the governor, the general assembly, and to the director of each

[agency**]** **entity** represented on the taskforce **[**by no later than December 31, 2015**]** **no later than December thirty-first of each year**.

6. In conducting its work, the taskforce may hold public meetings at which it may invite testimony from experts, or it may solicit information from any party it deems may have information relevant to its duties under this section.

7. **Nothing in** this section shall **[**expire on December 31, 2015**]** **require an institution to participate in the farm-to-table program, and the department shall not establish guidelines or promulgate rules that require institutions to participate in such program**.

265.300. The following terms as used in sections 265.300 to 265.470, unless the context otherwise indicates, mean:

(1) "Adulterated", any meat or meat product under one or more of the circumstances listed in Title XXI, Chapter 12, Section 601 of the United States Code as now constituted or hereafter amended;

(2) "Capable of use as human food", any carcass, or part or product of a carcass, of any animal unless it is denatured or otherwise identified, as required by regulation prescribed by the director, to deter its use as human food, or is naturally inedible by humans;

(3) "Cold storage warehouse", any place for storing meat or meat products which contains at any one time over two thousand five hundred pounds of meat or meat products belonging to any one private owner other than the owner or operator of the warehouse;

(4) "Commercial plant", any establishment in which livestock or poultry are slaughtered for transportation or sale as articles of commerce intended for or capable of use for human consumption, or in which meat or meat products are prepared for transportation or sale as articles of commerce, intended for or capable of use for human consumption;

(5) "Director", the director of the department of agriculture of this state, or his authorized representative;

(6) "Livestock", cattle, calves, sheep, swine, ratite birds including but not limited to ostrich and emu, aquatic products as defined in section 277.024, llamas, alpaca, buffalo**, bison**, elk documented as obtained from a legal source and not from the wild, goats, or horses, other equines, or rabbits raised in confinement for human consumption;

(7) "Meat", any edible portion of livestock or poultry carcass or part thereof;

(8) "Meat product", anything containing meat intended for or capable of use for human consumption, which is derived, in whole or in part, from livestock or poultry;

(9) "Misbranded", any meat or meat product under one or more of the circumstances listed in Title XXI, Chapter 12, Section 601 of the United States Code as now constituted or hereafter amended;

(10) "Official inspection mark", the symbol prescribed by the director stating that an article was inspected and passed or condemned;

(11) "Poultry", any domesticated bird intended for human consumption;

(12) "Prepared", slaughtered, canned, salted, rendered, boned, cut up, or otherwise manufactured or processed;

(13) "Unwholesome":

(a) Processed, prepared, packed or held under unsanitary conditions;

(b) Produced in whole or in part from livestock or poultry which has died other than by slaughter.

266.301. It shall be unlawful for any distributor to sell, offer for sale or expose for sale for consumption or use in this state any fertilizer without first securing a permit from the **[**director**] fertilizer control board**. Such permit shall expire on the thirtieth day of June of each year. Application for such permit shall be on forms furnished by the **[**director**] fertilizer control board**.

266.311. It shall be unlawful for any person to sell, offer for sale or expose for sale any fertilizer for use or consumption in this state which is misbranded. Any fertilizer shall be deemed to be misbranded if it fails to carry the printed statement required under section 266.321, or if the chemical composition of such fertilizer does not meet the guarantee expressed on said statement within allowable tolerances fixed by the **[**director**] fertilizer control board**, or if the container for such fertilizer or any statement accompanying the same carries any false or misleading statement, or if false or misleading statements concerning its agricultural value are made on any advertising matter accompanying or associated with such fertilizer.

266.331. Every distributor shall, within thirty days after each six-months' period ending June thirtieth and December thirty-first, file with the **[**director**] fertilizer control board** on forms supplied by **[**him**] the fertilizer control board** a sworn certificate setting forth the information required **[**by the director**]** by rule. At the time of filing said certificate, each distributor of fertilizer, excluding manipulated animal or vegetable manure, shall pay to the director the fee prescribed **[**by the director**]** by rule, which fee shall not exceed one dollar per ton and one dollar ten cents per metric ton; except that, sales to fertilizer manufacturers or exchanges between them are hereby exempted. Each distributor of fertilizer consisting of manipulated animal or vegetable manure shall pay to the director a fee paid for each ton of manure as prescribed **[**by the director**]** by rule, which fee shall not exceed two cents for each percent nitrogen for manure containing less than five percent nitrogen; or which fee shall not exceed four cents for each percent nitrogen for manure containing at least five but less than ten percent nitrogen; or which fee shall not exceed six cents for each percent nitrogen for manure containing ten or more percent nitrogen. In the event that the **[**director**] fertilizer control board** has not prescribed a fee under this

section, each distributor required to pay a fee under this section shall pay a fee of one and one-half cents for each one hundred pounds of fertilizer sold **[**by him**]** during the period covered by the certificate filed under this section. **[**The fees so paid to the director shall be used for defraying the expenses in administering sections 266.291 to 266.351 and the rules promulgated under sections 266.291 to 266.351, and for practical and scientific experiments by the Missouri agricultural experiment station in the value and proper use of fertilizers. Such fees may also be used to support such related research and methodology, publications, and educational programs extending the results of the fertilizer experiments as may be of practical use to the farmers of this state.**] The director is hereby authorized to collect fees and hold all fees in a separate fund that shall be utilized by the fertilizer control board to administer sections 266.291 to 266.351.**

266.336. 1. There is hereby created **[**an advisory council to the director, which**] a "Fertilizer Control Board". The fertilizer control board** shall be composed of **[**fifteen**] thirteen** members **[**appointed by the director pursuant to this section**]**. Of the **[**fifteen**] thirteen** members **[**so appointed**]**, five shall be actively employed as fertilizer manufacturers or distributors**[**,**] and** five shall be actively engaged in the business of farming**[**, and five shall be chosen from the residents at large of this state. The five members chosen from the residents at large of this state**] . The nonprofit corporation organized under Missouri law to promote the interests of the fertilizer industry shall nominate persons employed as fertilizer manufacturers or distributors, and Missouri nonprofit organizations that represent farmers shall nominate persons engaged in the business of farming. Such nominations shall be submitted to the director, and the director shall select members from these nominations. Three at large members** shall be selected by the director with the approval of a majority of the other ten members of the **[**advisory council**] fertilizer control board**.

2. The **[**advisory council**] fertilizer control board** shall:

(1) Meet at least **[**once**] twice** each year **with meetings conducted according to bylaws**;

(2) **[**Annually**]** Review **[**with the director**] and approve** the income received and expenditures made under sections 266.291 to 266.351;

(3) **[**Review and approve all rules, and revisions or rescissions thereof, to be promulgated by the director**] In accordance with this section and chapter 536, adopt, amend, promulgate, or repeal after due notice and hearing rules and regulations to enforce, implement, and effectuate the powers and duties of sections 266.291 to 266.351. Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to**

chapter 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be invalid and void;

(4) **[**Consider all information and advise the director in determining**] Revoke or suspend a permit, or refuse to issue a permit, to any distributor who has knowingly violated any of the provisions of sections 266.291 to 266.351, or has failed or neglected to pay the fees or penalties provided for in sections 266.291 to 266.351. The board shall conduct a hearing if requested by the distributor to review all penalties assessed and permit decisions made by the board. Upon completion of a hearing, the board shall determine if penalty modifications are warranted giving consideration to the history of previous violations, the seriousness of the violation, any overage in any other ingredients, demonstrated good faith of the distributor, and any other factors deemed appropriate. Any penalty modification shall comply with section 266.343;**

(5) Determine the method and amount of fees to be assessed. In performing its duties under this subdivision, the **[**advisory council**] fertilizer control board** shall represent the best interests of the Missouri farmers **and Missouri agribusinesses**;

[(5) Serve in an advisory capacity in all matters pertaining to the administration of sections 266.291 to 266.351**]**

(6) Secure access to a laboratory with necessary equipment, and employees as may be necessary, to aid in the administration of sections 266.291 to 266.351;

(7) Pursue nutrient research, educational, and outreach programs to ensure the adoption and implementation of practices that optimize nutrient use efficiency, ensure soil fertility, and address environmental concerns with regard to fertilizer use extending the results of the fertilizer experiments that may be of practical use to the farmers and agribusinesses of this state;

(8) Exercise general supervision of the administration and enforcement of sections 266.291 to 266.351, and all rules, regulations, and orders promulgated under such sections; and

(9) Institute and prosecute through the attorney general of the state suits to collect any fees due under sections 266.301 to 266.347 which are not promptly paid.

3. Authorized agents of the fertilizer control board are hereby authorized and empowered to:

(1) Only to the extent necessary to determine general compliance, collect samples, inspect, and make analysis of fertilizer sold, offered, or exposed for sale within this state; except that, samples taken of fertilizer sold in bulk shall be taken from the bulk container immediately after mixing on the premises of the mixing facility or, if not possible, to be

sampled from the bulk container wherever found. All samples shall have a preliminary analysis completed within five business days of the sample being obtained. If requested, a portion of any sample found subject to penalty or other legal action shall be provided to the distributor liable for the penalty;

(2) Only to the extent necessary to determine general compliance, inspect and audit the books of every distributor who sells, offers for sale, or exposes for sale fertilizer for consumption or use in this state to determine if the distributor is in compliance with the provisions of sections 266.291 to 266.351;

(3) Require every distributor to file documentation as prescribed by rules promulgated under sections 266.291 to 266.351. Such documents shall not be required more often than six-month intervals, and all such documents shall be returned to the distributor upon request;

(4) Enter upon any public or private premises during regular business hours in order to have access to fertilizer subject to sections 266.291 to 266.351 and the rules and regulations promulgated under sections 266.291 to 266.351, and to take samples and inspect such fertilizer;

(5) Issue and enforce a written or printed "stop-sale, use, or removal" order to the owner or custodian of any fertilizer that is found to be in violation of the provisions of sections 266.291 to 266.351, with such order prohibiting the further sale of such fertilizer until sections 266.291 to 266.351 have been complied with or otherwise disposed of;

(6) Publish each year a full and detailed report giving the names and addresses of all distributors registered under sections 266.291 to 266.351, the analytical results of all samples collected, and a statement of all fees and penalties received and expenditures made under sections 266.291 to 266.351;

(7) Establish from information secured from manufacturers and other reliable sources, the market value of fertilizer and fertilizer materials for the purpose of determining the amount of damages due if the official analysis shows an excessive deficiency from the guaranteed analysis; and

(8) Retain, employ, provide for, and compensate such consultants, assistants, and other employees on a full- or part-time basis and contract for goods and services as may be necessary to carry out the provisions of sections 266.291 to 266.351, and prescribe the times at which they shall be appointed and their powers and duties.

[3.] **4. The filling of vacancies, the selection of officers, the conduct of its meetings, and all other matters concerning the fertilizer control board shall be outlined in the bylaws established by the fertilizer control board.** All members of the **[**advisory council**]** **fertilizer**

control board shall serve for terms of three years and until their successors are duly appointed and qualified; except that, of the members first appointed:

(1) Two members who are actively employed as fertilizer manufacturers or distributors, two members actively engaged in the business of farming, and **[**two members chosen from the residents of this state at large**] one at-large member** shall serve for terms of three years;

(2) Two members who are actively employed as fertilizer manufacturers or distributors, two members actively engaged in the business of farming, and **[**two members chosen from the residents of this state at large**] one at-large member** shall serve for terms of two years; and

(3) The remaining three members shall serve for terms of one year.

[4.**] 5.** All members shall be residents of this state. No member **[**may**] shall** serve more than two consecutive terms on the **[**advisory council**] fertilizer control board**, but any member may be reappointed after he **or she** has not been a member of the advisory council for a period of at least three years.

[5.**] 6.** All members shall be reimbursed for reasonable expenses incurred in the performance of their official duties in accordance with the reimbursement policy set by the **[**director**] fertilizer control board bylaws**. All reimbursements paid under this section shall be paid from fees collected under sections 266.291 to 266.351.

[6. Every vacancy on the advisory council shall be filled by the director with the approval of a majority of the remaining members of the council. The person selected to fill any such vacancy shall possess the same qualifications required by this section as the member he replaces and shall serve until the end of the unexpired term of his predecessor.**]**

266.343. If any fertilizer offered for sale in this state shall upon official analysis prove deficient from its guarantee as stated on the bag or other container, penalties shall be assessed as follows:

(1) For a single ingredient fertilizer containing nitrogen or available phosphate or soluble potash:

(a) When the value of this ingredient is found to be deficient from the guarantee to the extent of three percent and not over five percent, the distributor shall be liable for the actual deficiency;

(b) When the deficiency exceeds five percent of the total value, the penalty shall be three times the actual value of the shortage;

(2) For multiple ingredient fertilizers containing two or more of the single ingredients: Nitrogen or available phosphate or soluble potash, penalties shall be assessed according to (a), (b) or (c) as herein stated. When a multiple ingredient fertilizer is subject to a penalty under (a), (b) and (c) only the larger penalty shall be assessed.

(a) When the total combined values of the nitrogen or available phosphate or soluble potash is found to be deficient to the extent of three percent and not over five percent, the distributor shall be liable for the actual deficiency in total value.

(b) When the deficiency exceeds five percent of the total value, the penalty shall be three times the actual value of the shortage.

(c) When either the nitrogen, available phosphate or soluble potash value is found deficient from the guarantee to the extent of ten percent up to the maximum of two units (two percent plant food), the distributors shall be liable for the value of such shortages**;**

(3) Total penalties assessed upon a distributor shall not exceed five thousand dollars per calendar year or the amount of the current value of the plant food deficiency, whichever is greater, unless the distributor knowingly violates the provisions of sections 266.291 to 266.351. A distributor who knowingly violates the provisions of sections 266.291 to 266.351 shall be assessed a penalty of not more than twenty-five thousand dollars for each offense.

266.347. 1. The penalties assessed **[**by the director**]** under section 266.343 shall be paid by the distributor to the purchaser of such fertilizer, and in the event such purchaser cannot be ascertained, then said penalty shall be paid **[**to the director and used for the purposes specified in section 266.321, except the maximum paid the purchaser will approximate the actual value of the deficiency**] to the director under section 266.331 and shall be used in accordance with the provisions of such section**.

2. **[**The director shall prepare**] If the preliminary analysis shows that a fertilizer has a potential plant food deficiency, the distributor shall be provided preliminary notification within two business days by telephone or email in addition to a notification letter delivered by mail. Once the analysis is certified,** a written certification of penalties assessed under section 266.343 **[**addressed to the distributor. A copy of such certification of assessment**]** shall be mailed to the distributor liable for the penalty.

3. Any decision, finding, order or ruling of the **[**director**] fertilizer control board** made pursuant to the provisions of sections 266.291 through 266.351 shall be subject to judicial review in the manner provided by chapter 536.

4. If any distributor shall fail to pay any penalty assessed **[**by the director**]** after the time for judicial review has expired, or after any judgment or decree approving such assessment has become final, the person entitled to such penalty under the provisions of subsection 1 shall be entitled to bring a civil action to recover the same, and in such civil action such persons shall be entitled to recover from the distributor the amount of the penalty, a reasonable attorney's fee and costs of the action.

266.600. No political subdivision shall adopt or enforce any ordinance, rule, or regulation relating to the labeling, cultivation, or other use of fertilizers or soil conditioners as such terms are defined in sections 266.291 and 266.361, respectively. The provisions of this section shall not apply to any ordinance, rule, or regulation enacted prior to January 1, 2016.

267.169. 1. For purposes of this section, the term "animal" shall mean the same as the term "livestock" as defined in section 277.020.

2. The following data shall not be considered a public record and shall not be subject to disclosure under chapter 610:

(1) Premises registration data collected from participants in the federal Animal Disease Traceability Program, or any successor program;

(2) Animal identification data collected from participants in the federal Animal Disease Traceability Program, or any successor program;

(3) Environmental data collected from participants in the federal Animal Disease Traceability Program, or any successor program; and

(4) Animal tracking data collected from participants in the federal Animal Disease Traceability Program, or any successor program.

3. Notwithstanding the provisions of subsection 2 of this section, the director of any state agency or the state veterinarian within the department of agriculture shall release information otherwise not considered a public record subject to disclosure to the extent that the information is:

(1) Useful in controlling or preventing a disease outbreak;

(2) For public safety purposes; or

(3) To show particular animals or herds are not involved in a disease outbreak.

4. Nothing in this section shall prevent the disclosure of information:

(1) Described in subsection 2 of this section if such information has been transformed into a statistical or aggregate form that prevents the information from directly or indirectly naming or identifying any individual owner, operator, producer, operation, farmer, rancher, or a specific data gathering site;

(2) Described in subsection 2 of this section pursuant to the expressed written consent of the farmer or rancher; or

(3) Required by law as a condition of compliance with any state agency regulatory function.

5. Any person who knowingly releases information not subject to public disclosure under this section shall be considered to be violating the provisions of this section. Any entity or person alleging a violation of this section may bring an action in any court of

competent jurisdiction. A court may order any appropriate relief necessary, including damages not to exceed ten thousand dollars and reasonable attorney's fees.

267.565. Unless the context requires otherwise, as used in sections 267.560 to 267.660, the following terms mean:

(1) "Accredited approved veterinarian", a veterinarian who has been accredited by the United States Department of Agriculture and approved by the state department of agriculture and who is duly licensed under the laws of Missouri to engage in the practice of veterinary medicine, or a veterinarian domiciled and practicing veterinary medicine in a state other than Missouri, duly licensed under laws of the state in which he resides, accredited by the United States Department of Agriculture, and approved by the chief livestock sanitary official of that state;

(2) "Animal", an animal of the equine, bovine, porcine, ovine, caprine, or species domesticated or semidomesticated;

(3) "Approved laboratory", a laboratory approved by the department;

(4) "Approved vaccine" or "bacterin", a vaccine or bacterin produced under the license of the United States Department of Agriculture and approved by the department for the immunization of animals against infectious and contagious disease;

(5) "Bird", a bird of the avian species;

(6) "Certified free herd", a herd of cattle, swine, goats or a flock of sheep or birds which has met the requirements and the conditions set forth in sections 267.560 to 267.660 and as required by the department and as recommended by the United States Department of Agriculture, and for such status for a specific disease and for a herd of cattle, swine, goats or flock of sheep or birds in another state which has met those minimum requirements and conditions under the supervision of the livestock sanitary authority of the state in which said animals or birds are domiciled, and as recommended by the United States Department of Agriculture for such status for a specific disease;

(7) "Condition", upon examination of any animal or bird in this state by the state veterinarian or his or her duly authorized representative, the findings of which indicate the presence or suspected presence of a toxin in such animal or bird that warrants further examination or observation for confirmation of the presence or nonpresence of such toxin;

(8) "Department" or "department of agriculture", the department of agriculture of the state of Missouri, and when by this law the said department of agriculture is charged to perform a duty, it shall be understood to authorize the performance of such duty by the director of agriculture of the state of Missouri, or by the state veterinarian of the state of Missouri or his duly authorized deputies acting under the supervision of the director of agriculture;

(9) "Holding period", restriction of movement of animals or birds into or out of a premise under such terms and conditions as may be designated by order of the state veterinarian

or his or her duly authorized representative prior to confirmation of a contagious disease or condition;

(10) "Infected animal" or "infected bird", an animal or bird which shows a positive reaction to any recognized serological test or growth on culture or any other recognized test for the detection of any disease of livestock or poultry as approved by the department or when clinical symptoms and history justifies designating such animal or bird as being infected with a contagious or infectious disease;

(11) "Isolated" or "isolation", a condition in which animals or birds are quarantined to a certain designated premises and quarantined separately and apart from any other animals or birds on adjacent premises;

(12) "Licensed market", a market as defined and licensed under chapter 277;

(13) "Livestock", horses, cattle, swine, sheep, goats, ratite birds including but not limited to ostrich and emu, aquatic products as defined in section 277.024, llamas, alpaca, buffalo**,** **bison**, elk documented as obtained from a legal source and not from the wild and raised in confinement for human consumption or animal husbandry, poultry and other domesticated animals or birds;

(14) "Official health certificate" is a legal record covering the requirements of the state of Missouri executed on an official form of the standard size from the state of origin and approved by the proper livestock sanitary official of the state of origin or an equivalent form provided by the United States Department of Agriculture and issued by an approved, accredited, licensed, graduate veterinarian;

(15) "Public stockyards", any public stockyards located within the state of Missouri and subject to regulations of the United States Department of Agriculture or the Missouri department of agriculture;

(16) "Quarantine", a condition in which an animal or bird of any species is restricted in movement to a particular premises under such terms and conditions as may be designated by order of the state veterinarian or his duly authorized deputies;

(17) "Traders" or "dealers", any person, firm or corporation engaged in the business of buying, selling or exchange of livestock on any basis other than on a commission basis at any sale pen, concentration point, farm, truck or other conveyance including persons, firms or corporations employed as an agent of the vendor or purchaser excluding public stockyards under federal supervision or markets licensed under sections 267.560 to 267.660 and under the supervision of the department, breed association sales or any private farm sale.

276.606. As used in sections 276.600 to 276.661, the following terms mean:

(1) "Agent", any person authorized to act for a livestock dealer;

(2) "Dealer transactions", any purchase, sale, or exchange of livestock by a dealer, or agent, representative, or consignee of a dealer or person in which any interest equitable or legal is acquired or divested whether directly or indirectly;

(3) "Director", the director of the Missouri department of agriculture or his designated representative;

(4) "Engaged in the business of buying, selling, or exchanging in commerce livestock", sales and purchases of greater frequency than the person would make in feeding operation under the normal operation of a farm, if the person is a farmer. If the person is not a farmer he is a dealer engaged in the business of buying, selling, or exchanging in commerce livestock;

(5) "Livestock", cattle, swine, sheep, goats, horses and poultry, llamas, alpaca, buffalo**,** **bison**, and other domesticated or semidomesticated or exotic animals;

(6) "Livestock dealer", any person engaged in the business of buying, selling, or exchanging in commerce of livestock;

(7) "Livestock transactions", any purchase, sale or exchange of livestock by a person, whether or not a livestock dealer, in which any interest equitable or legal is acquired or divested whether directly or indirectly;

(8) "Official ear tag", a metal or plastic ear tag prescribed by the director conforming to the nine character alpha-numeric national uniform ear-tagging system;

(9) "Person", any individual, partnership, corporation, association or other legal entity;

(10) "State veterinarian", the state veterinarian of the Missouri department of agriculture, or his appointed agent.

277.020. The following terms as used in this chapter mean:

(1) "Livestock", cattle, swine, sheep, ratite birds including but not limited to ostrich and emu, aquatic products as defined in section 277.024, llamas, alpaca, buffalo**,** **bison**, elk documented as obtained from a legal source and not from the wild and raised in confinement for human consumption or animal husbandry, goats and poultry, equine and exotic animals;

(2) "Livestock market", a place of business or place where livestock is concentrated for the purpose of sale, exchange or trade made at regular or irregular intervals, whether at auction or not, except this definition shall not apply to any public farm sale or purebred livestock sale, or to any sale, transfer, or exchange of livestock from one person to another person for movement or transfer to other farm premises or directly to a licensed market;

(3) "Livestock sale", the business of mediating, for a commission, or otherwise, sale, purchase, or exchange transactions in livestock, whether or not at a livestock market; except the term "livestock sale" shall not apply to order buyers, livestock dealers or other persons acting directly as a buying agent for any third party;

(4) "Person", individuals, partnerships, corporations and associations;

(5) "State veterinarian", the state veterinarian of the Missouri state department of agriculture.

348.407. 1. The authority shall develop and implement agricultural products utilization grants as provided in this section.

2. The authority may reject any application for grants pursuant to this section.

3. The authority shall make grants, and may make loans or guaranteed loans from the grant fund to persons for the creation, development and operation, for up to three years from the time of application approval, of rural agricultural businesses whose projects add value to agricultural products and aid the economy of a rural community.

4. The authority may make loan guarantees to qualified agribusinesses for agricultural business development loans for businesses that aid in the economy of a rural community and support production agriculture or add value to agricultural products by providing necessary products and services for production or processing.

5. The authority may make grants, loans, or loan guarantees to Missouri businesses to access resources for accessing and processing locally grown agricultural products for use in **[**schools**]** **institutions, as defined in section 262.962,** within the state.

6. The authority may, upon the provision of a fee by the requesting person in an amount to be determined by the authority, provide for a feasibility study of the person's rural agricultural business concept.

7. Upon a determination by the authority that such concept is feasible and upon the provision of a fee by the requesting person, in an amount to be determined by the authority, the authority may then provide for a marketing study. Such marketing study shall be designed to determine whether such concept may be operated profitably.

8. Upon a determination by the authority that the concept may be operated profitably, the authority may provide for legal assistance to set up the business. Such legal assistance shall include, but not be limited to, providing advice and assistance on the form of business entity, the availability of tax credits and other assistance for which the business may qualify as well as helping the person apply for such assistance.

9. The authority may provide or facilitate loans or guaranteed loans for the business including, but not limited to, loans from the United States Department of Agriculture Rural Development Program, subject to availability. Such financial assistance may only be provided to feasible projects, and for an amount that is the least amount necessary to cause the project to occur, as determined by the authority. The authority may structure the financial assistance in a way that facilitates the project, but also provides for a compensatory return on investment or loan payment to the authority, based on the risk of the project.

10. The authority may provide for consulting services in the building of the physical facilities of the business.

11. The authority may provide for consulting services in the operation of the business.

12. The authority may provide for such services through employees of the state or by contracting with private entities.

13. The authority may consider the following in making the decision:

(1) The applicant's commitment to the project through the applicant's risk;

(2) Community involvement and support;

(3) The phase the project is in on an annual basis;

(4) The leaders and consultants chosen to direct the project;

(5) The amount needed for the project to achieve the bankable stage; and

(6) The project's planning for long-term success through feasibility studies, marketing plans**,** and business plans.

14. The department of agriculture, the department of natural resources, the department of economic development and the University of Missouri may provide such assistance as is necessary for the implementation and operation of this section. The authority may consult with other state and federal agencies as is necessary.

15. The authority may charge fees for the provision of any service pursuant to this section.

16. The authority may adopt rules to implement the provisions of this section.

17. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 348.005 to 348.180 shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. All rulemaking authority delegated prior to August 28, 1999, is of no force and effect and repealed. Nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to August 28, 1999, if it fully complied with all applicable provisions of law. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 1999, shall be invalid and void.

414.082. 1. The fee for the inspection of gasoline, gasoline-alcohol blends, kerosene, diesel fuel, heating oil, aviation turbine fuel, and other motor fuels under this chapter shall be fixed by the director of revenue at a rate per barrel which will approximately yield revenue equal to the expenses of administering this chapter; except that, until December 31, **[**1993, the rate shall be one and one-half cents per barrel and beginning January 1, 1994, the fee shall not be less than one and one-half cents per barrel nor exceed two and one-half**] 2016, the rate shall not**

exceed two and one-half cents per barrel, from January 1, 2017, through December 31, 2021, the rate shall not exceed four cents per barrel, and after January 1, 2022, the rate shall not exceed five cents per barrel.

2. Annually the director of the department of agriculture shall ascertain the total expenses for administering sections 414.012 to 414.152 during the preceding year, and shall forward a copy of such expenses to the director of revenue. The director of revenue shall fix the inspection fee for the ensuing calendar year at such rate per barrel, within the limits established by subsection 1 of this section, as will approximately yield revenue equal to the expenses of administering sections 414.012 to 414.152 during the preceding calendar year and shall collect the fees and deposit them in the state treasury to the credit of the "Petroleum Inspection Fund" which is hereby created. Beginning July 1, 1988, all expenses of administering sections 414.012 to 414.152 shall be paid from appropriations made out of the petroleum inspection fund.

3. The unexpended balance in the fund at the end of each fiscal year shall not be transferred to the general revenue fund of the state, and the provisions of section 33.080 relating to the transfer of funds to the general revenue fund of the state by the state treasurer shall not apply to this fund.

4. The state treasurer shall invest all sums in the petroleum inspection fund not needed for current operating expenses in interest-bearing banking accounts or United States government obligations in the manner provided by law. All yield, increment, gain, interest or income derived from the investment of these sums shall accrue to the benefit of, and be deposited within the state treasury to the credit of, the petroleum inspection fund.

620.1950. Sections 620.1950 to 620.1958 shall be known and may be cited as the "Show Me Rural Jobs Act".

620.1951. As used in sections 620.1950 to 620.1958, the following terms mean:

(1) "Affiliate", a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person or entity. For the purpose of sections 620.1950 to 620.1958, a person is "controlled by" another person if the controlling person holds, directly or indirectly, the majority voting or ownership interest in the controlled person or has control over the day-to-day operations of the controlled person by contract or by law;

(2) "Approved investment company", an entity approved by the department under section 620.1953;

(3) "Closing date", the date on which an approved investment company collects all of the amounts specified under subsection 6 of section 620.1953;

(4) "Credit-eligible capital contribution", an investment of cash by a person or entity subject to taxes under section 375.916 or chapter 143, 148, or 153, excluding

withholding tax imposed under sections 143.191 to 143.265, in an approved investment company that equals the amount specified on a tax credit certificate issued under subsection 5 of section 620.1953. Such investment shall purchase an equity interest in the approved investment company or purchase, at par value or premium, a debt instrument that has a maturity date at least five years from the date of investment;

(5) "Department", the Missouri department of agriculture;

(6) "Funding", any capital or equity investment in a rural business concern or any loan to a rural business concern with a final maturity at least two years after the date of issuance;

(7) "Growth capital", cash investments in an approved investment company in the amount as stated on the notice issued under subsection 5 of section 620.1953 and comprised of at least sixty percent of credit-eligible capital contributions;

(8) "Operating company", a company doing business in Missouri excluding any publicly traded business;

(9) "Principal business operations", the location where at least sixty percent of the business's employees work or where employees that are paid at least sixty percent of the business's payroll work. A business that has agreed to relocate, using the proceeds of its funding so that it meets the requirements of this definition shall be deemed to have its principal business operations in the new location provided that it satisfies this definition within one hundred eighty days after funding;

(10) "Rural area", a location:

(a) That is not within a city or town with a population greater than eighty thousand according to the most recent decennial United States census or the urbanized area contiguous and adjacent to such a city or town; or

(b) Determined to be "rural in character" by the director of the department;

(11) "Rural business concern", an operating company that:

(a) Has its principal business operations in one or more rural areas in Missouri;

(b) Has fewer than two hundred fifty employees or had a federal adjusted gross income less than fifteen million dollars in the preceding tax year; and

(c) Engages in industries related to manufacturing, plant sciences, technology, or agricultural technology or, if not engaged in such industries, the department makes a determination that the targeted funding will be highly beneficial to the economic growth of the state. In making such a determination, the department may consider input, if any, from the Missouri agricultural and small business development authority.

620.1952. 1. There is hereby created in the state treasury the "Show Me Rural Jobs Fund", which shall consist of moneys collected under sections 620.1950 to 620.1958. The

state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys in the fund shall be used solely for the administration of sections 620.1950 to 620.1958.

2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

3. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

620.1953. 1. Beginning October 1, 2016, the department shall accept applications for approved investment companies. The application shall include:

(1) The amount of growth capital sought by the applicant;

(2) Either:

(a) A copy of the applicant's or its affiliate's license as a rural business investment company under 7 U.S.C. Section 2009cc or as a small business investment company under 15 U.S.C. Section 681 and evidence demonstrating that the applicant or its affiliates have invested at least one hundred million dollars in operating companies and at least fifty million dollars in operating companies located in rural areas; or

(b) Evidence demonstrating that the applicant or its affiliates have invested in at least one hundred fifty million dollars in limited partnerships or limited liability companies through one or more federal tax credit program administered by an agency of this state and evidence that the applicant has domiciled in this state for the five years preceding its application;

(3) An estimate of the number of jobs that will be created or retained in Missouri as a result of the applicant's funding;

(4) A business plan for the applicant's proposed funding that includes a revenue impact assessment prepared by a nationally recognized third-party independent economic forecasting firm and that projects state and local tax revenue to be generated by the applicant's funding under its ten-year business plan;

(5) An affidavit from each investor stating a commitment to make a credit-eligible capital contribution in support of the business plan and the amount of such credit-eligible capital contribution; and

(6) A nonrefundable application fee of five thousand dollars.

The application may also include, but is not required to include, a letter of recommendation from the Missouri agricultural and small business development authority.

2. The department shall make an application determination within thirty days of receipt in the order in which applications are received. The department shall deem applications received on the same day as received simultaneously. Except as provided under subsection 4 of section 620.1955, the department shall not approve more than one hundred twenty-five million dollars in growth capital and not more than one hundred million dollars in credit-eligible capital contributions under this section. If requests for growth capital exceed this limitation, the department shall proportionally reduce the growth capital and the credit-eligible capital contributions for each approved application as necessary to meet the limitation. No application by an applicant and its affiliates shall be approved for more than one third the limitation provided in this subsection.

3. The department shall deny an application submitted under this section if:

(1) The application fee is not paid in full;

(2) The applicant does not satisfy all the requirements under subdivision 2 of subsection 1 of this section;

(3) The revenue impact assessment does not demonstrate that the applicant's business plan will result in a positive economic impact in Missouri over a ten-year period that exceeds the cumulative amount of tax credits the applicant seeks;

(4) Commitments for credit-eligible capital contributions do not equal at least sixty percent of the total growth capital sought under the applicant's business plan;

(5) The department has already approved the maximum amount of growth capital and credit-eligible capital contributions allowed under subsection 2 of this section; or

(6) The department determines that the applicant does not satisfy any other reasonable requirement. Such requirements shall apply to all applicants equally, and the department shall not apply this subdivision arbitrarily.

4. If the department denies an application, the applicant may provide additional information within fifteen days of the notice of denial to the department to complete, clarify, or cure defects in the application identified by the department, and the department shall reconsider the application and make a determination within fifteen days before approving any pending applications submitted after the denied applicant's original submission date.

5. The department shall not deny an application or reduce the requested growth capital for reasons other than those described under subsections 2 and 3 of this section. If the department approves an application, it shall provide written notice to the applicant stating:

(1) The applicant is an approved investment company;

(2) The approved amount of the growth capital; and

(3) A tax credit certificate for each investor whose affidavit was included in the application.

The department shall provide a copy of such notice to the department of economic development.

6. After receiving notice of approval, an approved investment company shall:

(1) Within sixty days:

(a) Collect the credit-eligible capital contributions from each investor who was issued a tax credit certificate; and

(b) Collect one or more investments of cash that, if added to credit-eligible capital contributions, equals the approved investment company's growth capital.

At least ten percent of the approved investment company's growth capital shall be composed of equity investments contributed by affiliates of the approved investment company, including employees, officers, and directors of such affiliates; and

(2) Within sixty-five days, deliver to the department and the department of economic development documentation sufficient to prove that the amounts described under subdivision 1 of this subsection have been collected.

7. If the approved investment company fails to fully comply with the provisions of subsection 6 of this section, the approved investment company's approval shall lapse and the corresponding growth capital and credit-eligible capital contributions under this division shall not count toward the limits on total growth capital and credit-eligible capital contributions under subsection 2 of this section. The department shall first award lapsed growth capital pro rata to each approved investment company that was awarded less than its requested growth capital, which the approved investment company may allocate to its investors in its discretion. Any remaining growth capital may be awarded by the department to new approved companies.

8. Application fees submitted to the department shall be credited to the show me rural jobs fund. No other fee shall be charged for the administration of tax credits by the department or the department of economic development.

620.1954. 1. There is hereby allowed a nonrefundable tax credit for taxpayers who make a credit-eligible capital contribution to an approved investment company and who receive a tax credit certificate issued under subsection 5 of section 620.1953. The credit may be claimed against taxes imposed under section 375.916 or chapter 143, 148, or 153,

excluding withholding tax imposed under sections 143.191 to 143.265. The credit shall not be sold, transferred, or allocated to any other entity except an affiliate.

2. On the closing date, the taxpayer shall earn a vested credit equal to the amount of the taxpayer's credit-eligible capital contribution to the approved investment company as specified on the tax credit certificate. The taxpayer may claim up to twenty percent of the credit authorized under this section for each of the five tax years beginning on or after July 1, 2018, exclusive of amounts carried forward under subsection 3 of this section.

3. If the amount of the credit for a tax year exceeds the taxpayer's tax liability for that year, the excess shall be carried forward and claimed during the next five tax years. A taxpayer claiming a credit under this section shall submit a copy of the tax credit certificate with the taxpayer's return for each tax year the credit is claimed.

4. The maximum amount of credits claimed in any one fiscal year by all taxpayers shall not exceed fifteen million dollars, exclusive of amounts carried forward under subsection 3 of this section.

620.1955. 1. The department of economic development shall revoke a tax credit certificate issued under subsection 5 of section 620.1953 if any of the following occur with respect to an approved investment company before it exits the program in accordance with subsection 5 of this section:

(1) The approved investment company does not invest one hundred percent of its growth capital in funding within two years of the closing date;

(2) The approved investment company, after investing one hundred percent of its growth capital in funding, fails to maintain that investment for the five years after the closing date. An investment that is sold or repaid, in whole or in part, shall be deemed maintained if the approved investment company reinvests an amount equal to the returned or recovered portion, excluding any profits realized, in other funding within twelve months of the receipt of the returned or recovered portion. Amounts received periodically by an approved investment company shall be deemed continually invested in funding if the amounts are reinvested in funding for one or more rural business concerns by the end of the following calendar year;

(3) The approved investment company, before exiting the program, makes a distribution or payment that results in the approved investment fund having less than one hundred percent of its growth capital invested in fundings or available for investment in fundings and held as cash or other marketable securities;

(4) The approved investment company invests more than twenty percent of its growth capital in the same rural business concern, including amounts invested in affiliates of the rural business concern; or

(5) The approved investment company invests funding in a rural business concern that, directly or indirectly through an affiliate, owns, has the right to acquire an ownership interest, makes a loan to, or makes an investment in the approved investment company, an affiliate of the approved investment company, or an investor in the approved investment company. This subsection shall not apply to investments in publicly traded securities by a rural business concern or an owner or affiliate of such rural business concern. For purposes of this subdivision, an approved investment company shall not be considered an affiliate of a rural business concern solely as a result of its funding.

2. Before revoking one or more tax credit certificates under this division, the department of economic development shall notify the approved investment company of the reasons for the pending revocation. The approved investment company shall have ninety days from the date of such notice to correct the violations to the satisfaction of the department of economic development and avoid revocation of the tax credit certificate. The approved investment company shall be charged five thousand dollars per day for each day taken to correct the violations, and such amounts shall be deposited in the show me rural jobs fund.

3. If the department of economic development revokes a tax credit certificate, the department of revenue shall make an assessment for the amount of the credit claimed by the certificate holder before the certificate was revoked.

4. If tax credit certificates are revoked under this section, the associated growth capital and credit-eligible capital contributions do not count toward the limit on total growth capital and credit-eligible capital contributions described under subsection 2 of section 620.1953. The department of economic development shall first award reverted growth capital pro rata to each approved investment company that was awarded less than its requested growth capital. Any remaining growth capital may be awarded by the department of economic development to new approved investment companies.

5. After five years of the closing date, an approved investment company shall be allowed to leave the program if none of the approved investments company's tax credit certificates were revoked or are pending revocation. The department of economic development shall release an approved investment company from the program and the regulations of this act within thirty days of receiving a request to exit.

6. If the actual revenue impact from its funding through the date of the proposed distribution is:

(1) Less than sixty percent of the amount projected in the approved investment fund's business plan filed as part of its application for certification, then the state shall receive thirty percent of any distribution or payment to an equity holder in an approved

investment fund in excess of the sum of the amount of equity capital invested in the approved investment fund by such equity holder and an amount equal to any projected increase in the equity holder's federal or state tax liability, including penalties and interest, related to the equity holder's ownership, management, or operation of the approved investment fund;

(2) Greater than sixty percent but less than one hundred percent of the amount projected in the approved investment fund's business plan filed as part of its application for certification, then the state shall receive fifteen percent of any distribution or payment to an equity holder in an approved investment fund in excess of the sum of the amount of equity capital invested in the approved investment fund by such equity holder and an amount equal to any projected increase in the equity holder's federal or state tax liability, including penalties and interest, related to the equity holder's ownership, management, or operation of the approved investment fund; or

(3) Equal to or greater than the amount projected in the approved investment fund's business plan filed as part of its application for certification, then the state shall receive zero percent of any distribution or payment to an equity holder in an approved investment fund in excess of the sum of the amount of equity capital invested in the approved investment fund by such equity holder and an amount equal to any projected increase in the equity holder's federal or state tax liability, including penalties and interest, related to the equity holder's ownership, management, or operation of the approved investment fund.

7. The department of economic development shall not revoke a tax credit certificate due to any actions of an approved investment company that occur after the date the department of economic development acknowledges an approved investment company's exit from the program.

620.1956. 1. Each approved investment company shall submit a report to the department of economic development and the department on or before the fifth business day after the second anniversary of the closing date containing:

(1) The approved investment company's bank statements evidencing each funding;

(2) The name and location of each business receiving funding, including evidence that the business qualified as a rural business concern at the time the investment was made; and

(3) The number of employment positions created or retained as a result of the approved investment company's fundings as of the December thirty-first of the preceding year;

2. On or before April thirtieth of each year following the year in which the report required under subsection 1 of this section is due, the approved investment company shall submit an annual report to the department of economic development and the department containing:

(1) The number of employment positions created or retained as a result of the approved investment company's fundings as of December thirty-first of the preceding calendar year;

(2) The average annual salary of such positions; and

(3) Any other information required by the department.

3. The department of revenue and the department may promulgate rules to implement the provisions of the show me rural jobs act. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2016, shall be invalid and void.

4. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the new program authorized under sections 620.1950 to 620.1958 shall automatically sunset on December thirty-first six years after the effective date, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first six years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset. However, nothing in this subsection shall preclude a taxpayer who makes a qualified equity investment prior to sunset of this section under the provisions of section 23.253 from claiming tax credits relating to such qualified equity investment for each credit allowance date.

620.1957. An approved investment fund, before making a funding, may request a written opinion from the department stating whether the business in which it proposes to invest is a rural business concern. The department shall respond to a request with its determination within fifteen business days of receiving such request. If the department

fails to respond within fifteen business days of receiving the request, the business for which determination is sought shall be considered a rural business concern.

620.1958. Prior to funding a rural business concern with growth capital, an approved investment company shall provide the department with at least two of the following three documents for the department's review:

(1) A letter from a commercial bank that conducts business in the state that attests that the rural business concern sought and was denied financing from such commercial bank similar to the funding currently sought from the approved investment company;

(2) An affidavit from the president or chief officer of the rural business concern stating that the company actively sought and was unable to secure sufficient financing similar to the funding currently sought from the approved investment company from other sources; or

(3) A letter from the state representative or state senator of the district in which the principal operations of the rural business concern is located that states such elected official's support for the funding.

The department shall review such documents and shall provided notice of approval or denial to the approved investment company within fifteen days. Any funding not approved or denied within such fifteen-day period shall be deemed approved.

[266.341. 1. The duty of enforcing and administering sections 266.291 to 266.351 shall be vested in the director. The director shall, in accordance with this section and chapter 536, promulgate all rules necessary to provide for the efficient administration and enforcement of sections 266.291 to 266.351; except that, no rule, nor revision or rescission thereof, may be filed with the secretary of state until it has been approved by a majority of the members of the advisory council created in section 266.336. No rule or portion of a rule promulgated under the authority of this chapter shall become effective unless it has been promulgated pursuant to the provisions of section 536.024.

2. The director or his authorized agents are hereby authorized and empowered to:

(1) Collect samples, inspect, and make analysis of fertilizer sold, offered or exposed for sale within this state; except that, samples taken of fertilizer sold in bulk shall be taken from the bulk container immediately after mixing on the premises of the mixing facility or, when not possible, to be sampled from the bulk container wherever found;

(2) Inspect and audit the books of every distributor who sells, offers for sale, or exposes for sale fertilizer for consumption or use in this state, to determine whether or not the provisions of sections 266.291 to 266.351 are being fully complied with;

(3) Require every distributor to file with the director documentation as prescribed by rules promulgated under sections 266.291 to 266.351. Such documents shall not be required more often than two-week intervals, and all such documents shall be returned to the distributor upon his request;

(4) Enter upon any public or private premises during the regular business hours in order to have access to fertilizer subject to sections 266.291 to 266.351 and the rules and regulations promulgated under sections 266.291 to 266.351, and to take samples and inspect such fertilizer;

(5) Issue and enforce a written or printed "stop-sale, use, or removal" order to the owner or custodian of any fertilizer which is found to be in violation of any of the provisions of sections 266.291 to 266.351, which order shall prohibit the further sale of such fertilizer until sections 266.291 to 266.351 have been complied with or such violation has been otherwise legally disposed of by written authority of the director;

(6) Maintain a laboratory with necessary equipment and employ such employees as may be necessary to aid in the administration of sections 266.291 to 266.351;

(7) Publish each year the full and detailed report giving the names and addresses of all distributors registered under sections 266.291 to 266.351, the analytical results of all samples collected, and a statement of all fees and penalties received and expenditures made under sections 266.291 to 266.351;

(8) Revoke or suspend the permit, or refuse to issue a permit, to any distributor who has willfully violated any of the provisions of sections 266.291 to 266.351 or failed or neglected to pay the fees or penalties provided for in sections 266.291 to 266.351;

(9) Institute and prosecute through the attorney general of this state suits to collect any fees due under the provisions of sections 266.291 to 266.351 which are not promptly paid;

(10) Establish from information secured from manufacturers and other reliable sources the market value of fertilizer and fertilizer materials for the purpose of determining the amount of damages due when the official analysis shows an excessive deficiency from the guaranteed analysis.**]**

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