

HCS SCS SB 703 -- AGRICULTURE

SPONSOR: Munzlinger (Reiboldt)

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Agriculture Policy by a vote of 14 to 0. Voted "Do Pass" by the Select Committee on Agriculture by a vote of 8 to 3.

This bill modifies the provisions relating to agriculture.

ETHANOL PRODUCER INCENTIVE FUND (Sections 142.028 and 142.029, RSMo)

The bill extends the sunset on the ethanol producer incentive fund from December 31, 2015, to December 31, 2020 and extends the time period in which ethanol producers of ethanol made from qualified biomass are eligible for subsidies from the fund.

GASEOUS BIOFUEL INCENTIVE FUND (Section 142.041)

This bill creates the Missouri Qualified Solid Biomass Fuel Producer Incentive Fund to provide economic subsidies to Missouri qualified gaseous biofuel producers through the Department of Agriculture. A qualified producer is eligible for a monthly grant from the fund for a total of 60 months. If the producer failed, due to a lack of appropriations, to receive the full amount for which they were eligible during the 60 months, the producer can continue to be eligible until they have received the maximum amount of funding for which they were eligible. The bill specifies the formula for calculating the amount of funding for which a producer is eligible, the time frames for applying for and disbursement of the grants, and the application requirements.

The provisions of this section expire on December 31, 2018.

TAX EXEMPTION AGRICULTURAL DISASTER (Section 143.121)

The bill authorizes an income tax exemption for all tax years beginning on or after January 1, 2015, for the amount of any income received as payment from any program which compensates agricultural producers who have suffered a loss as a result of a disaster or emergency.

DEFINITION OF LIVESTOCK (Sections 144.010, 262.900, 265.300, 267.565, and 277.020)

The bill adds bison to the definition of livestock.

AGRICULTURAL DATA DISCLOSURE (Sections 261.130 and 267.169)

The bill specifies that certain information on an agricultural producer or owner of agricultural land in connection with a producer or owner's voluntary participation in a government program that is maintained by the departments of Agriculture or Natural Resources is not considered a public record and subject to public disclosure. The departments may disclose the information under certain circumstances. The participation of a producer or owner in any program administered by the departments may not be conditioned on the consent of the producer or owner to disclose this information.

Certain information relating to animals is not considered a public record and may not be subject to disclosure except under specific circumstances. Any person who knowingly releases such data may be subject to civil action, and a court may order appropriate relief including damages up to \$10,000 and reasonable attorney's fees.

FARM TO TABLE ACT (Sections 262.960, 262.962, and 348.407)

The bill changes and expands the Farm-to-School Program to the Farm-to-Table Program to include schools, correctional facilities, hospitals, nursing homes, and military bases. The bill requires the Department of Agriculture to establish guidelines for participation and program goals, including that participating institutions must purchase at least 10% of their food locally by December 31, 2019.

The bill also changes and expands the Farm-to-School Taskforce to the Farm-To-Table Taskforce to include a representative from the departments of Corrections and Health and Senior Services and a representative from one of the state's military bases. The Director of the Department of Corrections will appoint one person who is employed as a correctional facility food service director and the Director of the Department of Health and Senior Services will appoint one person who is employed as a hospital or nursing home food services director.

FERTILIZER CONTROL BOARD (Sections 266.301, 266.311, 266.331, 266.336, 266.343, 266.347, and Repeal of 266.341)

The bill transfers the duties of enforcing and administering the laws relating to fertilizers from the Director of the Missouri Agricultural Experiment Station to the newly created Fertilizer Control Board. The board must be composed of 13 members appointed by the Director of the Department of Agriculture from persons nominated by specified nonprofit corporations. Five of the members must be actively employed as fertilizer manufacturers or distributors, five must be actively engaged in the business of

farming, and three must be at-large members selected by the department director with the approval of a majority of the other 10 members of the board. The board must meet at least twice annually to conduct the specified duties of the board. Agents of the board are authorized to carry out specified activities in order to fulfill the duties of the board. The bill specifies that if a fertilizer is, upon official analysis, proven deficient from its guarantee as stated on the bag or other container, the total penalties assessed upon a fertilizer distributor cannot exceed \$5,000 per year or the amount of the current value of the plant food deficiency, whichever is greater. A distributor who knowingly and with malicious intent violates or attempts to violate the laws relating to fertilizer must be assessed a penalty of up to \$25,000 for each offense. If the preliminary analysis of a fertilizer shows a potential deficiency, the distributor must be notified within two business days by telephone or email in addition to a mailed notification letter.

FERTILIZERS AND SOIL CONDITIONERS (Section 266.600)

The bill prohibits any political subdivision from adopting or enforcing 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 bill do not apply to any ordinance, rule, or regulation enacted prior to January 1, 2016.

PETROLEUM INSPECTION FUND (Section 414.082)

Currently, the fee for the inspection of certain motor fuels shall not be less than 1.5 cents per barrel and shall not exceed 2.5 cents per barrel. This bill specifies that the per barrel fee may not exceed 4 cents per barrel from 2017 to 2021, and may not exceed 5 cents per barrel from 2022 and thereafter.

SHOW ME RURAL JOBS ACT (Sections 620.1950 - 620.1958)

The bill establishes the Show Me Rural Jobs Act. Beginning October 1, 2016, the Department of Agriculture will accept and review applications for approved investment companies that invest in rural business concerns. In making the determination of whether or not a Missouri business is a rural business concern, the department may consider input from the Missouri Agricultural and Small Business Development Authority. Applications must include the amount of growth capital the applicant is seeking and a \$5,000 application fee to be deposited into the newly created "Show Me Rural Jobs Fund" to be used solely for the administration of the Show Me Rural Jobs Act. The bill requires growth capital to be comprised of 60%

or less credit-eligible capital contribution and 40% or more cash investments. The bill lists other information that must be included such as evidence that the applicant meets certain criteria and information on the potential benefit to the state. For the credit-eligible capital contributions, each investor must submit an affidavit stating a commitment to make the contribution and the amount.

The department must make an application determination within 30 days of receipt of the application in the order received. The department can approve up to \$125 million in growth capital and up to \$100 million in credit-eligible capital contributions. If the department denies an application for specified reasons the applicant may provide additional information, within 15 days of the denial, to fix any problems identified by the department. Upon approval, the department will provide written notice to the applicant with the amount of growth capital and a tax credit certificate for each investor whose affidavit was attached.

Within 60 days of the notice of approval, the approved investment company can collect the credit-eligible capital contributions from the investors who signed affidavits and one or more cash investments that will compose the remaining amount of growth capital. Within 65 days, the approved investment company will provide the department with documentation that the amounts have been collected. If the company fails to comply, the department shall award lapsed growth capital to each approved investment company that received less than it requested. Any remaining capital may be awarded to newly approved companies.

The bill authorizes a tax credit for taxpayers for capital contributions to an approved investment company. The tax credit cannot be refunded, transferred, or sold, but can be allocated to an affiliate or carried forward up to five years. The taxpayer may claim up to 20% of the credit for each year after July 1, 2018. The total amount of tax credits authorized cannot exceed \$15 million annually.

The Department of Economic Development shall revoke tax credit certificates issued under this bill, as specified, depending on the approved investment company's actions. The department must provide notice to the approved investment company before revoking the tax credit certificates and the company has 90 days to correct any violations. If the tax credit certificates are revoked, they no longer count toward the limits above and may be reallocated. After five years an approved investment company may leave the program. If state and local tax revenues fall short of the amount anticipated in the application, the state may recover a percentage of the distributions.

Each approved investment company must submit a report to the departments of Agriculture and Economic Development roughly two years after it collects the total growth investment and annually thereafter each April.

Before funding a rural business concern, an approved investment company must provide the department with certain documents. The department must review the documents and provide notice of approval or denial to the investment company within 15 days or the funding will be deemed approved.

These provisions will sunset six years after the effective date.

PROPONENTS: Supporters say that this bill would change the definition of livestock to include bison, which more accurately describes the animal referred to as buffalo in Missouri.

Testifying for the bill were Senator Munzlinger and The Nature Conservatory.

OPPONENTS: There was no opposition voiced to the committee.