

HCS HB 601 -- AGRICULTURE

SPONSOR: Rone

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Rural Community Development by a vote of 13 to 3. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 6 to 2.

The following is a summary of the House Committee Substitute for HB 601.

This bill modifies the provisions of law related to agriculture.

LAND SURVEYS (Sections 60.301, 60.315, and 60.345, RSMo)

The bill adds "center of section" to the points of land included in the definition of "corners of the United States public land survey".

The bill substitutes the phrase "an existent corner" with "a position" within the definition of "obliterated, decayed or destroyed corner".

A description of the procedure used to relate the intersection of meridional and latitudinal lines to the measurement between four known corners is repealed.

Certain options that can be used to reestablish lost standard corners and lost section and quarter-section corners are repealed and replaced with the single proportionate method.

The bill also provides that the proportional position shall be offset, if necessary, in a cardinal direction to the true line defined by the nearest adjacent corners on opposite sides of the quarter corner to be established.

AGRICULTURAL TAX CREDITS (Sections 135.305, 135.686, 135.755, and 348.436)

The bill modifies several agricultural tax credits. In it's main provisions, the bill:

- (1) Extends the tax credit for Missouri wood energy producers from June 30, 2020 to June 30, 2027;
- (2) Extends the Meat Processing Facility Investment Tax Credit for the expansion or modernization of meat processing facilities from December 31, 2021 to December 31, 2027;

(3) Establishes a tax credit for retail dealers selling higher ethanol blend at the retail dealer's service station for all tax years beginning on or after January 1, 2022. The credit is equal to \$.05 per gallon of higher ethanol blend sold and dispensed through metered pumps at the service station during the tax year. The tax credit is nontransferable and nonrefundable. The tax credit will sunset on December 31, 2025, unless reauthorized by the General Assembly; and

(4) Extends the Agricultural Product Utilization Contributor Tax Credit under Section 348.430, and the New Generation Cooperative Incentive Tax Credit under Section 348.432 from December 31, 2021 to December 31, 2027.

PESTICIDE CERTIFICATION AND TRAINING (Sections 281.015, 281.020, 281.025, 281.030, 281.035, 281.037, 281.038, 281.040, 281.045, 281.048, 281.050, 281.055, 281.060, 281.063, 281.070, 281.075, 281.085, 281.101, & Section B)

The bill modifies provisions relating to pesticide certification and training. In its main provisions, the bill:

(1) Repeals the ability of the Director of the Department of Agriculture to provide by regulation for the one-time emergency purchase and use of a restricted use pesticide by a private applicator;

(2) Authorizes the Director to, by regulation, classify licenses, including a license for provisional private applicators and noncertified restricted use pesticide (RUP) applicators;

(3) Specifies that no individual may engage in the business of supervising the determination of the need for the use of any pesticide on the lands of another without a certified commercial applicator's license issued by the Director;

(4) Prohibits a certified commercial applicator from knowingly authorizing, directing, or instructing an individual to engage in determining the need for the use of any restricted pesticide on the land of another unless he or she is licensed as a noncertified RUP applicator while working under the direct supervision of a certified commercial applicator. The certified commercial applicator is liable for any use of a restricted use pesticide by an individual operating under the his or her supervision;

(5) Prohibits a certified noncommercial applicator from knowingly authorizing, directing, or instructing an individual to engage in using any restricted use pesticide on lands or structures owned,

leased, or rented by the certified noncommercial applicator or his or her employer unless such individual is licensed as a noncertified RUP applicator while working under the direct supervision of a certified noncommercial applicator. The certified noncommercial applicator is liable for any use of a restricted use pesticide by an individual operating under his or her direct supervision;

(6) Prohibits a pesticide technician from using or determining the need for the use of any pesticide unless there is a certified commercial applicator working from the same physical location as the licensed pesticide technician;

(7) Allows a pesticide technician to complete retraining requirements and renew the his or her license without a certified commercial applicator working from the same physical location;

(8) Prohibits a certified private applicator from knowingly authorizing, directing, or instructing an individual to engage in using any restricted use pesticide on lands or structures owned, leased, or rented by the certified private applicator or his or her employer unless such individual is licensed as a certified private applicator or a certified provisional private applicator;

(9) Requires a private applicator to attend an approved program, complete an approved certification course, or pass a certification examination to qualify for a certified private applicator's license or a certified provisional private applicator's license.

(10) Requires the University of Missouri extension to collect reasonable fees for training and study materials, for enrollment in an in-person or an online certification or recertification training program after certain requirements are met;

(11) Requires a certified private applicator holding a valid license to complete recertification training or pass the required private applicator certification examination in order to renew the license;

(12) Specifies that on the date of the certified provisional private applicator's 18th birthday, his or her license will automatically convert to a certified private applicator license with the original expiration date from issuance;

(13) Prohibits a certified public operator from knowingly authorizing, directing, or instructing an individual to engage in using any restricted use pesticide on lands or structures unless such individual is licensed as a noncertified RUP applicator while working under the direct supervision of a certified public

operator. The certified public operator is liable for any use of a restricted use pesticide by an individual operating under his or her direct supervision;

(14) Authorizes a person who volunteers to work for a public agency to use general use pesticides without a license under the supervision of the public agency on lands owned or managed by the agency;

(15) Creates requirements for the application for a noncertified RUP applicator's license;

(16) Requires that a pesticide dealership location or outlet from which restricted use pesticides are distributed, sold, held for sale, or offered for sale at retail or wholesale have at least one individual licensed as a pesticide dealer;

(17) Prohibits an individual from being issued more than one pesticide dealer license and requires each mobile salesperson possessing restricted use pesticides for distribution or sale to be licensed as a pesticide dealer;

(18) Requires each applicant for a pesticide dealer's license to pass a pesticide dealer examination;

(19) Requires licensed certified applicators, licensed noncertified restricted use pesticide applicators, licensed pesticide technicians, and licensed pesticide dealers to notify the Department within 10 days of any conviction of or plea to certain offenses;

(20) Authorizes the Director to issue a pesticide applicator certification on a reciprocal basis with other states without examination to a nonresident who is licensed as a certified applicator in accordance with the reciprocating state's requirements and is a resident of the reciprocating state;

(21) Repeals the requirement that a nonresident applying for certain pesticide licenses to operate in Missouri must designate the Secretary of State as the agent of the nonresident upon whom process may be served unless the nonresident has designated a Missouri resident agent;

(22) Prohibits any person from using or supervising the use of pesticides that are canceled or suspended; and

(23) Specifies that it is unlawful for any person not holding a valid certified applicator license in proper certification categories or a valid pesticide dealer license to purchase or

acquire restricted use pesticides and that it is unlawful for any person to steal or attempt to steal pesticide certification examinations or examination materials, cheat on pesticide certification examinations, evade completion of recertification or retraining requirements, or aid and abet any person in an attempt to steal examinations or examination materials, cheat on examinations, or evade recertification or retraining requirements.

The provisions of this bill will become effective July 1, 2024.

#### FARM VEHICLES REGISTRATION (Section 301.033)

The bill requires the Department of Revenue to establish a system in which persons who own multiple farm vehicles can elect to have the vehicles placed on the same registration renewal schedule.

All farm vehicles included in the fleet of a registered farm vehicle fleet owner shall be registered during April or on a prorated basis, as specified in the bill. The bill allows the owner of a farm vehicle fleet to add a farm vehicle or transfer plates to a fleet vehicle. The owner must pay a transfer fee of \$2 for each vehicle transferred.

Farm vehicles registered under this provision shall be issued a special license plate with the phrase "Farm Fleet Vehicle" and be issued multiyear license plates that do not require a renewal tab. The Director of the Department of Revenue shall issue a registration certificate or other proof of payment of the annual or biennial fee that must be carried in the vehicle for which it is issued.

#### FAMILY FARMS ACT (Section 348.500)

Currently, a small farmer may qualify for the Family Farm Livestock Loan Program if he or she is a farmer that is a Missouri resident who has less than \$250,000 in gross sales per year and is only eligible for one loan per family and for only one type of livestock. The bill allows a farmer to qualify if he or she has less than \$500,000 in gross sales per year and removes the restriction to only one loan per family. In addition, the bill doubles the maximum amount of the loan for each type of livestock.

#### EMINENT DOMAIN (Sections 393.170 and 523.262)

The bill specifies that, before the Public Service Commission (PSC) issues an approval for a merchant line, an entity, defined in the bill, must provide the PSC with a resolution of support passed by the county commission in each county through which the merchant line will be built. The bill specifies that no entity has the

power of eminent domain for the purposes of constructing merchant lines. This restriction will not apply to any rural electric cooperatives or any electrical corporation operating under a cooperative business plan.

#### MISSOURI MADE FUELS ACT (Sections 414.152 and 414.600)

The bill establishes the "Missouri-Made Fuels Act", which specifies that all diesel fuel sold or offered for sale in Missouri for use in internal combustion engines must contain at least the following stated percentage of biodiesel fuel oil by volume on and after the following dates:

- (1) April 1, 2023, until March 31, 2024, 5%; and
- (2) Beginning April 1, 2024, 10%.

The minimum content levels shall be in effect during the months of April, May, June, July, August, September, and October, except in certain circumstances. The minimum content levels go into effect when the Director of the Department of Agriculture submits notice in the Missouri Register that certain conditions have been met and the state is prepared to move to the next scheduled minimum content level.

The minimum biodiesel content levels shall not apply to certain equipment and the bill specifies requirements for bills of lading or shipping manifests for diesel fuel and for biodiesel-blended products.

A violation of the provisions of this bill is a class A misdemeanor.

The Missouri-Made Fuels Act will sunset 10 years after its effective date.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

**PROPOSERS:** Supporters say that this bill would help grow the market for ethanol, a Missouri made fuel product. By incentivizing the use of the product, retailers are more likely to upgrade their infrastructure to safely offer higher blends of ethanol fuel to customers.

Testifying for the bill were Representative Rone; Missouri Soybean Association; Missouri Farm Bureau; Steve Murphy, Missouri Renewable

Fuel Association; Brian Lehman, Missouri Corn Growers Association; and Missouri Petroleum and Convenience Retailers Association.

OPPONENTS: Written testimony was submitted in opposition to the bill.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.