

FIRST REGULAR SESSION

HOUSE BILL NO. 1383

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE DIEHL.

2747H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 135.1610, RSMo, and to enact in lieu thereof two new sections relating to the production of agricultural products.

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

Section A. Section 135.1610, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 135.1610 and 261.021, to read as follows:

135.1610. 1. As used in this section, the following terms mean:

(1) "Eligible expenses", expenses incurred in the construction or development of establishing or improving an urban farm in an urban area **or a small-scale specialty crop farm in a food desert**. The term eligible expenses shall not include any expense for labor or any expense incurred to grow medical marijuana or industrial hemp;

(2) "Food desert", a census tract that has a poverty rate of at least twenty percent or a median family income of less than eighty percent of the statewide average and where at least five hundred people or thirty-three percent of the population is located at least a half mile away from a full-service grocery store in an urban area or at least ten miles away from a full-service grocery store in a rural area;

(3) "Rural area", a rural place as designated by the United States Census Bureau;

(4) "Small-scale specialty crop farm", a farm no larger than thirty acres that grows three or more categories of specialty crops at any given time on at least half of such farm's total acreage;

(5) "Specialty crop", fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops including, but not limited to, floriculture;

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.

18 (6) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding
19 withholding tax imposed under sections 143.191 to 143.265;

20 ~~[(3)]~~ (7) "Taxpayer", any individual, partnership, or corporation as described under
21 section 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding
22 withholding tax imposed under sections 143.191 to 143.265, or any charitable organization
23 that is exempt from federal income tax and whose Missouri unrelated business taxable
24 income, if any, would be subject to the state income tax imposed under chapter 143;

25 ~~[(4)]~~ (8) "Urban area", an urbanized area as defined by the United States Census
26 Bureau;

27 ~~[(5)]~~ (9) "Urban farm", an agricultural plot or facility in an urban area that produces
28 agricultural food products used solely for distribution to the public by sale or donation.
29 Urban farm shall include community-run gardens **and shall not exceed five total acres.**
30 Urban farm shall not include personal farms or residential lots for personal use.

31 2. For all tax years beginning on or after January 1, 2023, a taxpayer shall be allowed
32 to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent
33 of the taxpayer's eligible expenses for establishing or improving an urban farm **or small-scale**
34 **specialty crop farm in a food desert** that focuses on food production.

35 3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's
36 state tax liability in the tax year for which the credit is claimed, and the taxpayer shall not be
37 allowed to claim a tax credit under this section in excess of five thousand dollars for each
38 urban farm **or small-scale specialty crop farm.** The total amount of tax credits that may be
39 authorized for all taxpayers for eligible expenses incurred on any given urban farm **or small-**
40 **scale specialty crop farm** shall not exceed twenty-five thousand dollars. Any issued tax
41 credit that cannot be claimed in the tax year in which the eligible expenses were incurred may
42 be carried over to the next three succeeding tax years until the full credit is claimed.

43 4. The total amount of tax credits that may be authorized under this section shall not
44 exceed two hundred thousand dollars in any calendar year.

45 5. Tax credits issued under the provisions of this section shall not be transferred, sold,
46 or assigned.

47 6. The Missouri agricultural and small business development authority shall recapture
48 the amount of tax credits issued to any taxpayer who, after receiving such tax credit, uses the
49 urban farm for the personal benefit of the taxpayer instead of for producing agricultural food
50 products used solely for distribution to the public by sale or donation.

51 7. The Missouri agricultural and small business development authority may
52 promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as
53 that term is defined in section 536.010, that is created under the authority delegated in this
54 section shall become effective only if it complies with and is subject to all of the provisions of

55 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
56 nonseverable and if any of the powers vested with the general assembly pursuant to chapter
57 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
58 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
59 adopted after January 2, 2023, shall be invalid and void.

60 8. Under section 23.253 of the Missouri sunset act:

61 (1) The program authorized under this section shall automatically sunset on
62 December 31, 2028, unless reauthorized by an act of the general assembly;

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

66 (3) This section shall terminate on September first of the calendar year immediately
67 following the calendar year in which the program authorized under this section is sunset; and

68 (4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit
69 properly issued before the program was sunset in a tax year after the program is sunset.

**261.021. 1. As used in this section, the term "socially disadvantaged
2 community" means an area containing a group of individuals whose members have
3 been subjected to racial or ethnic prejudice because of the identity of such individuals as
4 members of a group without regard to the individual qualities of such individuals.**

**5 2. There is hereby created within the department of agriculture the "Socially
6 Disadvantaged Communities Outreach Program" to connect historically unserved and
7 underserved communities with access to healthy fresh food and knowledge and skills
8 related to food production.**

9 3. The outreach program shall:

10 (1) **Provide financial assistance for people growing food in socially
11 disadvantaged communities through programs such as those authorized in section
12 135.1610;**

13 (2) **Encourage activities that support and promote urban agriculture or specialty
14 crop farming in socially disadvantaged communities;**

15 (3) **Provide educational and skills training related to food production in socially
16 disadvantaged communities; and**

17 (4) **Address food deserts in urban and rural socially disadvantaged communities.**

18 **4. The department shall designate an employee to administer and monitor the
19 socially disadvantaged communities outreach program and to serve as a liaison to
20 affected communities. The duties of such employee shall include, but not be limited to:**

21 (1) **Providing leadership at the state level to encourage participation in programs
22 to meet the goals under subsections 2 and 3 of this section;**

23 **(2) Conducting workshops and other sessions that provide educational and skills**
24 **training related to food production to residents of socially disadvantaged communities;**
25 **and**

26 **(3) Seeking grants, private donations, or other funding sources to support the**
27 **socially disadvantaged communities outreach program.**

28 **5. On or before December thirty-first of each year, the department shall submit a**
29 **report to the general assembly detailing the number of residents who received training**
30 **under this section, the number of tax credits issued under section 135.1610, and any**
31 **recommendations for legislative action to improve the program.**

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