SECOND REGULAR SESSION SENATE COMMITTEE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 1326

97TH GENERAL ASSEMBLY

Reported from the Committee on Agriculture, Food Production and Outdoor Resources, May 1, 2014, with recommendation that the Senate Committee Substitute do pass.	
TERRY L. SPIELER. Secretar	ırv.

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AN ACT

To repeal sections 144.010, 262.900, 265.300, 267.565, 275.352, 277.020, 277.040, 281.065, 340.381, 340.396, and 537.325, RSMo, and to enact in lieu thereof fourteen new sections relating to agriculture.

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

Section A. Sections 144.010, 262.900, 265.300, 267.565, 275.352, 277.020,
277.040, 281.065, 340.381, 340.396, and 537.325, RSMo, are repealed and fourteen
new sections enacted in lieu thereof, to be known as sections 144.010, 261.270,
261.272, 261.273, 261.275, 262.900, 265.300, 267.565, 277.020, 277.040, 281.065,
340.381, 340.396, and 537.325, to read as follows:

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:

4 (1) "Admission" includes seats and tables, reserved or otherwise, and 5 other similar accommodations and charges made therefor and amount paid for 6 admission, exclusive of any admission tax imposed by the federal government or 7 by sections 144.010 to 144.525;

8 (2) "Business" includes any activity engaged in by any person, or caused 9 to be engaged in by him, with the object of gain, benefit or advantage, either 10 direct or indirect, and the classification of which business is of such character as 11 to be subject to the terms of sections 144.010 to 144.525. A person is "engaging 12 in business" in this state for purposes of sections 144.010 to 144.525 if such 13 person "engages in business in this state" or "maintains a place of business in

14this state" under section 144.605. The isolated or occasional sale of tangible 15personal property, service, substance, or thing, by a person not engaged in such business, does not constitute engaging in business within the meaning of sections 16 144.010 to 144.525 unless the total amount of the gross receipts from such sales, 17exclusive of receipts from the sale of tangible personal property by persons which 18 property is sold in the course of the partial or complete liquidation of a 1920household, farm or nonbusiness enterprise, exceeds three thousand dollars in any 21calendar year. The provisions of this subdivision shall not be construed to make 22any sale of property which is exempt from sales tax or use tax on June 1, 1977, 23subject 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;

29(4) "Gross receipts", except as provided in section 144.012, means the total 30 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 31the businesses herein referred to, capable of being valued in money, whether 3233received in money or otherwise; except that, the term "gross receipts" shall not 34include 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 3536 sections 144.010 to 144.525 on the gross receipts, charges incident to the 37extension of credit shall be specifically exempted. For the purposes of sections 38 144.010 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 39 consideration where the right to continuous possession or use of any article of 40 tangible personal property is granted under a lease or contract and such transfer 41 42 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 4344 such article, and the tax shall be computed and paid by the lessee upon the rentals paid; 45

46 (5) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not
47 limited to, ostrich and emu, aquatic products as defined in section 277.024,
48 llamas, alpaca, buffalo, elk and captive cervids documented as obtained from
49 a legal source and not from the wild, goats, horses, other equine, or rabbits raised

50 in confinement for human consumption;

51 (6) "Motor vehicle leasing company" shall be a company obtaining a 52 permit from the director of revenue to operate as a motor vehicle leasing 53 company. Not all persons renting or leasing trailers or motor vehicles need to 54 obtain such a permit; however, no person failing to obtain such a permit may 55 avail itself of the optional tax provisions of subsection 5 of section 144.070, as 56 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;

67 (9) "Research or experimentation activities" are the development of an 68 experimental or pilot model, plant process, formula, invention or similar property, 69 and the improvement of existing property of such type. Research or 70 experimentation activities do not include activities such as ordinary testing or 71 inspection of materials or products for quality control, efficiency surveys, 72 advertising promotions or research in connection with literary, historical or 73 similar projects;

(10) "Sale" or "sales" includes installment and credit sales, and the 74exchange of properties as well as the sale thereof for money, every closed 75transaction constituting a sale, and means any transfer, exchange or barter, 76 conditional or otherwise, in any manner or by any means whatsoever, of tangible 77personal property for valuable consideration and the rendering, furnishing or 78 selling for a valuable consideration any of the substances, things and services 79herein designated and defined as taxable under the terms of sections 144.010 to 80 81 144.525;

82 (11) "Sale at retail" means any transfer made by any person engaged in 83 business as defined herein of the ownership of, or title to, tangible personal 84 property to the purchaser, for use or consumption and not for resale in any form 85 as tangible personal property, for a valuable consideration; except that, for the

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86 purposes of sections 144.010 to 144.525 and the tax imposed thereby: (i) purchases of tangible personal property made by duly licensed physicians, 87 dentists, optometrists and veterinarians and used in the practice of their 88 professions shall be deemed to be purchases for use or consumption and not for 89 90 resale; and (ii) the selling of computer printouts, computer output or microfilm or microfiche and computer-assisted photo compositions to a purchaser to enable 9192 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 93 computer-assisted photo compositions shall be considered as the sale of a service 94 and not as the sale of tangible personal property. Where necessary to conform to 95 96 the context of sections 144.010 to 144.525 and the tax imposed thereby, the term 97 "sale at retail" shall be construed to embrace:

98 (a) Sales of admission tickets, cash admissions, charges and fees to or in
99 places of amusement, entertainment and recreation, games and athletic events;
100 (b) Sales of electricity, electrical current, water and gas, natural or
101 artificial, to domestic, commercial or industrial consumers;

102 (c) Sales of local and long distance telecommunications service to 103 telecommunications subscribers and to others through equipment of 104 telecommunications subscribers for the transmission of messages and 105 conversations, and the sale, rental or leasing of all equipment or services 106 pertaining or incidental thereto;

107 (d) Sales of service for transmission of messages by telegraph companies;
108 (e) Sales or charges for all rooms, meals and drinks furnished at any
109 hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist
110 camp, tourist cabin, or other place in which rooms, meals or drinks are regularly
111 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

122 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;

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(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

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(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.

142 2. For purposes of the taxes imposed under sections 144.010 to 144.525,
143 and any other provisions of law pertaining to sales or use taxes which incorporate
144 the provisions of sections 144.010 to 144.525 by reference, the term
145 "manufactured homes" shall have the same meaning given it in section 700.010.
146 3. Sections 144.010 to 144.525 may be known and quoted as the "Sales
147 Tax Law".

261.270. 1. The provisions of sections 261.270 to 261.275 shall be 2 known and may be cited as the "Missouri Dairy Revitalization Act of 3 2014".

2. There is hereby created in the state treasury the "Missouri Dairy Industry Revitalization Fund", which shall consist of moneys appropriated to the fund. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements of the fund. Upon appropriation by the general assembly, moneys in the fund shall be used solely to enhance and improve Missouri's dairy and dairy processing industries in the

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manner provided for in sections 261.270 to 261.275. Notwithstanding 11 the provisions of section 33.080 to the contrary, any moneys remaining 12in the fund at the end of the biennium shall not revert to the credit of 13the general revenue fund. The state treasurer shall invest moneys in 14 the fund in the same manner as other funds are invested. Any interest 15and moneys earned on such investments shall be credited to the fund. 16 173. Each fiscal year the University of Missouri shall conduct research or contract with an independent research company to conduct 18 research to determine the estimated sales tax revenue generated in the 19 state from sales of dairy products. The cost for such calculation shall 20be paid out of the Missouri dairy industry revitalization fund. The 21estimated sales tax revenue generated in the state from the sales of 2223dairy products shall be calculated and provided to the department of agriculture by October first of each year. 24

4. Moneys appropriated from the general revenue fund to the Missouri dairy industry revitalization fund shall not exceed forty percent of the estimated sales tax revenue generated in the state from sales of dairy products during the preceding fiscal year calculated under subsection 3 of this section and shall be expended in the following order of priority:

31 (1) First, to the dairy producer margin insurance premium
 32 assistance program created in section 261.272;

33 (2) Second, to the Missouri dairy scholars program created in
 34 section 261.273; and

35 (3) Third, to the commercial agriculture program created in 36 section 261.275.

261.272. 1. The department of agriculture shall establish and administer, through the Missouri agricultural and small business development authority, a dairy producer margin insurance premium assistance program for the purpose of assisting dairy producers who participate in the federal margin protection program for dairy producers as contained in the federal Agricultural Act of 2014.

2. All dairy producers in the state who participate in the federal
margin protection program for dairy producers shall be eligible to
apply to participate in the dairy producer margin insurance premium
assistance program. Dairy producers shall apply with the Missouri
agricultural and small business development authority by January first

of each year. The department of agriculture shall promulgate rules and
regulations to implement the dairy producer margin insurance
premium assistance program.

3. Participating dairy producers who have paid their annual 15federal premium payment in accordance with the federal Agricultural 16 Act of 2014 and who provide proof of such payment to the Missouri 17agricultural and small business development authority shall be eligible 18 to have a portion of their premium payment reimbursed. Eligible dairy 19 20producers shall receive seventy percent of their federal premium payment up to a maximum premium reimbursement rate of thirty-four 2122cents per hundredweight of milk.

4. The University of Missouri and the Missouri agricultural and
small business development authority shall provide risk management
training for Missouri dairy producers annually.

261.273. 1. There is hereby established the "Missouri Dairy 2 Scholars Program", which shall be administered by the department of 3 agriculture. The program shall, upon appropriation, provide 4 scholarships, subject to the eligibility criteria enumerated in this 5 section, for eligible students in an agriculture-related degree program 6 who make a commitment to work in the agriculture industry in 7 Missouri as a condition of receiving such scholarship.

2. Subject to appropriation, each year the department of
agriculture shall make available to eligible students up to eighty
scholarships in the amount of five thousand dollars to assist with the
cost of eligible students' tuition and fees at a two-year or four-year
college or university in Missouri. Such amount shall be paid out of the
Missouri dairy industry revitalization fund created in section 261.270.
3. As used in this section, the term "eligible student" shall mean

15 an individual who:

16 (1) Is a United States citizen and a Missouri resident who 17 attended a Missouri high school;

(2) Is pursuing or has attained an agriculture-related degree
approved by the department of agriculture and offered by a two-year
or four-year college or university in Missouri;

(3) Signs an agreement with the department of agriculture in
which the recipient agrees to work in the agriculture industry in
Missouri for at least two years for every one year the recipient received

24 the Missouri dairy scholars scholarship;

(4) Has graduated from high school with a cumulative grade
point average of at least two and one-half on a four-point scale or
equivalent;

(5) Maintains a cumulative grade point average of at least two
and one-half on a four-point scale or equivalent while enrolled in the
college or university program; and

31 (6) Works on a dairy farm or has a dairy-related internship for
32 at least three months of each year the recipient receives the Missouri
33 dairy scholars scholarship.

261.275. The University of Missouri's commercial agriculture program shall conduct an annual study of the dairy industry and shall 2develop a dairy-specific plan for how to grow and enhance the dairy 3 and dairy processing industries in Missouri. The results of such study 4 shall be reported to the department of agriculture and all agriculture-5related legislative committee chairpersons by January first of each 6 year. The costs for such study shall be subject to appropriations and 7 shall be paid out of the Missouri dairy industry revitalization fund 8 created in section 261.270. 9

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;

8 (2) "Blighted area", that portion of the city within which the legislative 9 authority of such city determines that by reason of age, obsolescence, inadequate, 10 or outmoded design or physical deterioration have become economic and social 11 liabilities, and that such conditions are conducive to ill health, transmission of 12 disease, crime or inability to pay reasonable taxes;

13 (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, 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;

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

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

(b) That does not exceed fifty laying hens, six hundred fifty broilerchickens, 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, elk and captive cervids 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;

34 35 (8) "Processing UAZ", a type of UAZ:

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

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

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

(9) "Meat", any edible portion of livestock or poultry carcass or partthereof;

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

(11) "Poultry", any domesticated bird intended for human consumption;
(12) "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 121.301 of Part 121 of Title 13 of the Code of Federal Regulations;

48 (13) "Value-added agricultural products", any product or products that are49 the result of:

50 (a) Using an agricultural product grown in this state to produce a meat 51 or dairy product in this state;

52 (b) A change in the physical state or form of the original agricultural 53 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;

(14) "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:

63 (a) Any organization or person who grows produce or other agricultural64 products;

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

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

67 (d) Any organization that sells at a minimum seventy-five percent locally68 grown food;

69 (15) "Vending UAZ", a type of UAZ:

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

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

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

83 (b) The number of jobs to be created;

84 (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.

88 (2) A municipality shall review and modify the application as necessary89 before either approving or denying the request to establish an UAZ.

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

93 If the municipality finds during its review that the UAZ is not meeting the94 requirements set out in this section, the municipality may dissolve the UAZ.

95 3. The governing body of any municipality planning to seek designation of an urban agricultural zone shall establish an urban agricultural zone 96 97 board. The number of members on the board shall be seven. One member of the 98 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 99 100 board shall be appointed by other affected taxing districts. The remaining four 101 members shall be chosen by the chief elected officer of the municipality. The four 102members 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 103 104 located, and at least one of such four members shall have experience in or 105represent organizations associated with sustainable agriculture, urban farming, 106 community gardening, or any of the activities or products authorized by this 107 section for UAZs.

4. The school district member and the two affected taxing district 108 members shall each have initial terms of five years. Of the four members 109 appointed by the chief elected official, two shall have initial terms of four years, 110 and two shall have initial terms of three years. Thereafter, members shall serve 111 112terms of five years. Each member shall hold office until a successor has been 113appointed. All vacancies shall be filled in the same manner as the original appointment. For inefficiency or neglect of duty or misconduct in office, a 114 member of the board may be removed by the applicable appointing authority. 115

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.

120 6. The members of the board annually shall elect a chair from among the121 members.

122 7. The role of the board shall be to conduct the activities necessary to 123 advise the governing body on the designation of an urban agricultural zone and 124 any other advisory duties as determined by the governing body. The role of the 125 board after the designation of an urban agricultural zone shall be review and 126 assessment of zone activities.

1278. 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 128 129for a public hearing and notify each taxing district located wholly or partially 130 within the boundaries of the proposed urban agricultural zone. The board shall 131 send, by certified mail, a notice of such hearing to all taxing districts and political 132subdivisions in the area to be affected and shall publish notice of such hearing 133 in a newspaper of general circulation in the area to be affected by the designation 134at least twenty days prior to the hearing but not more than thirty days prior to 135the hearing. Such notice shall state the time, location, date, and purpose of the 136hearing. At the public hearing any interested person or affected taxing district 137 may file with the board written objections to, or comments on, and may be heard 138 orally in respect to, any issues embodied in the notice. The board shall hear and 139 consider all protests, objections, comments, and other evidence presented at the 140 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 141 142the 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.

146 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 147148 this section, or by the state or any political subdivision thereof, for a period of up 149to twenty-five years as specified by ordinance under subsection 9 of this section, 150except 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 151which such real property is located, or, if not located within a county, then by the 152assessor of such city, in an amount not greater than the amount of taxes due and 153payable thereon during the calendar year preceding the calendar year during 154155which the urban agricultural zone was designated. The amounts of such tax assessments shall not be increased during such period so long as the real 156157property is used in furtherance of the activities provided under the provisions of 158subdivision (13) of subsection 1 of this section. At the conclusion of the period of 159abatement provided by the ordinance, the property shall then be reassessed. If 160 only a portion of real property is used as an UAZ, then only that portion of real 161 property shall be exempt from assessment or payment of ad valorem taxes on

162 such property, as provided by this section.

163 11. If the water services for the UAZ are provided by the municipality, the 164 municipality may authorize a grower UAZ to pay wholesale water rates. If 165 available, for the cost of water consumed on the UAZ and pay fifty percent of the 166 standard cost to hook onto the water source.

167 12. (1) Any local sales tax revenues received from the sale of agricultural 168 products sold in the UAZ shall be deposited in the urban agricultural zone fund 169 established in subdivision (2) of this subsection. An amount equal to one percent 170 shall be retained by the director of revenue for deposit in the general revenue 171 fund to offset the costs of collection.

172(2) There is hereby created in the state treasury the "Urban Agricultural 173Zone Fund", which shall consist of money collected under subdivision (1) of this 174subsection. The state treasurer shall be custodian of the fund. In accordance 175with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, shall 176177be used for the purposes authorized by this section. Notwithstanding the 178provisions of section 33.080 to the contrary, any moneys remaining in the fund 179 at the end of the biennium shall not revert to the credit of the general revenue 180 fund. The state treasurer shall invest moneys in the fund in the same manner 181 as other funds are invested. Any interest and moneys earned on such 182investments shall be credited to the fund. School districts may apply to the department for money in the fund to be used for the development of curriculum 183184 on or the implementation of urban farming practices under the guidance of the 185University of Missouri extension service and a certified vocational agricultural 186 instructor. The funds are to be distributed on a competitive basis within the 187 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 188 number of students eligible for free and reduced-price lunches attending the 189 190schools within such district or districts.

191 13. Any rule or portion of a rule, as that term is defined in section 192 536.010, that is created under the authority delegated in this section shall 193 become effective only if it complies with and is subject to all of the provisions of 194 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are 195 nonseverable and if any of the powers vested with the general assembly pursuant 196 to chapter 536 to review, to delay the effective date, or to disapprove and annul 197 a rule are subsequently held unconstitutional, then the grant of rulemaking

198 authority and any rule proposed or adopted after August 28, 2013, shall be 199 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.

265.300. The following terms as used in sections 265.300 to 265.470, 2 unless the context otherwise indicates, mean:

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

6 (2) "Capable of use as human food", any carcass, or part or product of a 7 carcass, of any animal unless it is denatured or otherwise identified, as required 8 by regulation prescribed by the director, to deter its use as human food, or is 9 naturally inedible by humans;

10 (3) "Cold storage warehouse", any place for storing meat or meat products 11 which contains at any one time over two thousand five hundred pounds of meat 12 or meat products belonging to any one private owner other than the owner or 13 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;

19 (5) "Director", the director of the department of agriculture of this state,20 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, elk and captive cervids 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;

26 (7) "Meat", any edible portion of livestock or poultry carcass or part 27 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;

31 (9) "Misbranded", any meat or meat product under one or more of the

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32 circumstances listed in Title XXI, Chapter 12, Section 601 of the United States33 Code as now constituted or hereafter amended;

34 (10) "Official inspection mark", the symbol prescribed by the director35 stating that an article was inspected and passed or condemned;

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

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

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(13) "Unwholesome":

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

41 (b) Produced in whole or in part from livestock or poultry which has died42 other than by slaughter.

267.565. Unless the context requires otherwise, as used in sections 2 267.560 to 267.660, the following terms mean:

3 (1) "Accredited approved veterinarian", a veterinarian who has been 4 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 56 Missouri to engage in the practice of veterinary medicine, or a veterinarian domiciled and practicing veterinary medicine in a state other than Missouri, duly 7 8 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 9 10 official of that state;

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

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(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;

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

19 (6) "Certified free herd", a herd of cattle, swine, goats or a flock of sheep 20 or birds which has met the requirements and the conditions set forth in sections 21 267.560 to 267.660 and as required by the department and as recommended by 22 the United States Department of Agriculture, and for such status for a specific 23 disease and for a herd of cattle, swine, goats or flock of sheep or birds in another 24 state which has met those minimum requirements and conditions under the 25 supervision of the livestock sanitary authority of the state in which said animals 26 or birds are domiciled, and as recommended by the United States Department of27 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;

52 (12) "Licensed market", a market as defined and licensed under chapter53 277;

54 (13) "Livestock", horses, cattle, swine, sheep, goats, ratite birds including 55 but not limited to ostrich and emu, aquatic products as defined in section 56 277.024, llamas, alpaca, buffalo, elk **and captive cervids** documented as 57 obtained from a legal source and not from the wild and raised in confinement for 58 human consumption or animal husbandry, poultry and other domesticated 59 animals or birds;

60 (14) "Official health certificate" is a legal record covering the requirements 61 of the state of Missouri executed on an official form of the standard size from the 62 state of origin and approved by the proper livestock sanitary official of the state 63 of origin or an equivalent form provided by the United States Department of 64 Agriculture and issued by an approved, accredited, licensed, graduate 65 veterinarian;

66 (15) "Public stockyards", any public stockyards located within the state 67 of Missouri and subject to regulations of the United States Department of 68 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.

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, elk and captive cervids 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;

7 (2) "Livestock market", a place of business or place where livestock is 8 concentrated for the purpose of sale, exchange or trade made at regular or 9 irregular intervals, whether at auction or not, except this definition shall not 10 apply to any public farm sale or purebred livestock sale, or to any sale, transfer, 11 or exchange of livestock from one person to another person for movement or 12 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;

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

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

277.040. 1. Any person engaged in establishing or operating a livestock sale or market for the purpose aforesaid shall file with the state veterinarian of 2 the state department of agriculture an application for a license to transact such 3 business under the provisions of this chapter. The application shall state the 4 nature of the business and the city, township and county, and the complete post 5office address at which the business is to be conducted, together with any 6 additional information that the state veterinarian requires, and a separate license 7 8 shall be secured for each place where a sale is to be conducted such as is defined 9 and required to be licensed under the provisions of this chapter.

10 2. The state veterinarian shall then issue to the applicant a license upon 11 payment of an annual license fee to be fixed by rule or regulation entitling the 12 applicant to conduct a livestock sale or market for the period of the license year 13 or for any unexpired portion thereof, unless the license is revoked as herein 14 provided.

3. All license fees collected under this chapter **shall not yield revenue greater than the total cost of administering this chapter during the ensuing year. All license fees collected** shall be made payable to the order of the state treasurer and deposited with him to the credit of the "Livestock Sales and Markets Fees Fund" hereby created, subject to appropriation by the general assembly, to inure to the use and benefit of the animal health division of the department of agriculture.

4. No business entity, whether a proprietorship, partnership or corporation shall be issued a livestock market license if any such proprietor, partner or, if a corporation, any officer or major shareholder thereof, participated in the violation of any provision of this chapter within the preceding five years, which resulted in the revocation of a livestock market license.

281.065. 1. The director shall not issue a certified commercial applicator's license until the applicant or the employer of the applicant has furnished evidence of financial responsibility with the director consisting either of a surety bond or a liability insurance policy or certification thereof, protecting persons who may suffer legal damages as a result of the operations of the applicant; except that, such surety bond or liability insurance policy need not apply to damages or injury to crops, plants or land being worked upon by the applicant. Following the receipt of the initial license, the certified commercial applicator

9 shall not be required to furnish evidence of financial responsibility to 10 the department for the purpose of license renewal unless upon request. Annual renewals for surety bonds or liability insurance must 11 be maintained at the business location from which the certified 12commercial applicator is licensed. Valid surety bonds or liability 13insurance certificates shall be available for inspection by the director 14or his or her designee at a reasonable time during regular business 15hours or, upon a request in writing, the director shall be furnished a 16 copy of the surety bond or liability insurance certificate within ten 1718 working days of receipt of the request.

19 2. The amount of the surety bond or liability insurance required by this 20section shall be not less than [twenty-five] fifty thousand dollars [for property damage and bodily injury insurance, each separately and] for each 2122occurrence. Such surety bond or liability insurance shall be maintained at not 23less than that sum at all times during the licensed period. The director shall be notified by the surety or insurer within twenty days prior to any 2425cancellation or reduction [at the request of the bond- or policyholder or any 26cancellation of such] of the surety bond or liability insurance [by the surety or insurer, as long as the total and aggregate of the surety and insurer for all claims 27shall be limited to the face of the bond or liability insurance policy]. If the surety 28bond or liability insurance policy which provides the financial responsibility for 2930 the [applicant] certified commercial applicator is provided by the employer of the [applicant] certified commercial applicator, the employer of the 31 32[applicant] certified commercial applicator shall immediately notify the director upon the termination of the employment of the [applicant] certified 33 34**commercial applicator** or when a condition exists under which the [applicant] certified commercial applicator is no longer provided bond or insurance 35coverage by the employer. The [applicant] certified commercial applicator 36 37shall then immediately execute a surety bond or an insurance policy to cover the financial responsibility requirements of this section and [shall furnish the 38 director with evidence of financial responsibility as required by this section] the 39 certified commercial applicator or the applicator's employer shall 40 maintain the surety bond or liability insurance certificate at the 41 business location from which the certified commercial applicator is 4243**licensed**. The director may accept a liability insurance policy or surety bond in the proper sum which has a deductible clause in an amount not exceeding one 44

45 thousand dollars; except that, if the bond- or policyholder has not satisfied the 46 requirement of the deductible amount in any prior legal claim, such deductible 47 clause shall not be accepted by the director unless the bond- or policyholder 48 [furnishes the director with] executes and maintains a surety bond or liability 49 insurance which shall satisfy the amount of the deductible as to all claims that 50 may arise in his or her application of pesticides.

3. If the surety [furnished] becomes unsatisfactory, the bond- or 5152policyholder shall, upon notice, immediately execute a new bond or insurance policy and maintain the surety bond or liability insurance certificate at 53the business location from which the certified commercial applicator 54is licensed if he or she fails to do so, the director shall cancel his or her 5556license, or deny the license of an applicant, and give him or her notice of 57cancellation or denial, and it shall be unlawful thereafter for the applicant to engage in the business of using pesticides until the bond or insurance is brought 5859into compliance with the requirements of subsection 1 of this section. If the bondor policyholder does not execute a new bond or insurance policy within sixty days 60 61 of expiration of such bond or policy, the licensee shall be required to satisfy all the requirements for licensure as if never before licensed. 62

4. Nothing in sections 281.010 to 281.115 shall be construed to relieve any
person from liability for any damage to the person or lands of another caused by
the use of pesticides even though such use conforms to the rules and regulations
of the director.

340.381. 1. Sections 340.381 to 340.396 establish a student loan 2 forgiveness program for approved veterinary students who practice in areas of 3 defined need. Such program shall be known as the "**Dr. Merrill Townley** Large 4 Animal Veterinary Student Loan Program".

2. There is hereby created in the state treasury the "Veterinary Student 5Loan Payment Fund", which shall consist of general revenue appropriated to the 6 large animal veterinary student loan program, voluntary contributions to support 7 or match program activities, money collected under section 340.396, and funds 8 received from the federal government. The state treasurer shall be custodian of 9 10 the fund and shall approve disbursements from the fund in accordance with sections 30.170 and 30.180. Upon appropriation, money in the fund shall be used 11 12solely for the administration of sections 340.381 to 340.396. Notwithstanding the 13 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 14

15 fund. The state treasurer shall invest moneys in the fund in the same manner16 as other funds are invested. Any interest and moneys earned on such17 investments shall be credited to the fund.

340.396. 1. Sections 340.381 to 340.396 shall not be construed to require the department to enter into contracts with individuals who qualify for education loans or loan repayment programs when federal, state, and local funds are not available for such purposes.

5 2. Sections 340.381 to 340.396 shall not be subject to the provisions of 6 sections 23.250 to 23.298.

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[3. Sections 340.381 to 340.396 shall expire on June 30, 2013.]

537.325. 1. As used in this section, unless the context otherwise requires, 2 the following words and phrases shall mean:

3 (1) "Engages in an equine activity", riding, training, assisting in medical 4 treatment of, driving or being a passenger upon an equine, whether mounted or 5 unmounted, or any person assisting a participant or any person involved in show 6 management. The term "engages in an equine activity" does not include being a 7 spectator at an equine activity, except in cases where the spectator places himself 8 in an unauthorized area;

(2) "Equine", a horse, pony, mule, donkey or hinny;

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(3) "Equine activity":

(a) Equine shows, fairs, competitions, performances or parades that
involve any or all breeds of equines and any of the equine disciplines, including,
but not limited to, dressage, hunter and jumper horse shows, grand prix jumping,
three-day events, combined training, rodeos, driving, pulling, cutting, polo,
steeplechasing, English and western performance riding, endurance trail riding
and western games and hunting;

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(b) Equine training or teaching activities or both;

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(c) Boarding equines;

(d) Riding, inspecting or evaluating an equine belonging to another,
whether or not the owner has received [some] or currently receives monetary
consideration or other thing of value for the use of the equine or is permitting a
prospective purchaser of the equine to ride, inspect or evaluate the equine;

(e) Rides, trips, hunts or other equine activities [of any type] howeverinformal or impromptu that are sponsored by an equine activity sponsor; and

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(f) Placing or replacing horseshoes on an equine;

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(4) "Equine activity sponsor", an individual, group, club, partnership or

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corporation, whether or not operating for profit or nonprofit, legal entity, or any employee thereof, which sponsors, organizes or provides the facilities for, an equine activity, including but not limited to pony clubs, 4-H clubs, hunt clubs, riding clubs, school- and college-sponsored classes, programs and activities, therapeutic riding programs and operators, instructors and promoters of equine facilities, including but not limited to stables, clubhouses, pony ride strings, fairs and arenas at which the activity is held;

34 (5) "Equine professional", a person engaged for compensation, or an 35 employee of such a person engaged:

36 (a) In instructing a participant or renting to a participant an equine for37 the purpose of riding, driving or being a passenger upon the equine; or

(b) In renting equipment or tack to a participant;

39 (6) "Inherent risks of equine or livestock activities", those dangers or
40 conditions which are an integral part of equine or livestock activities, including
41 but not limited to:

42 (a) The propensity of any equine or livestock to behave in ways that may
43 result in injury, harm or death to persons on or around it;

44 (b) The unpredictability of any equine's or livestock's reaction to such
45 things as sounds, sudden movement and unfamiliar objects, persons or other
46 animals;

47 (c) Certain hazards such as surface and subsurface conditions;

(d) Collisions with other equines, **livestock**, or objects;

49 (e) The potential of a participant to act in a negligent manner that may
50 contribute to injury to the participant or others, such as failing to maintain
51 control over the animal or not acting within his ability;

52 (7) "Livestock", the same as used in section 277.020;

53 (8) "Livestock activity":

(a) Grazing, herding, feeding, branding, milking, or other activity
that involves the care or maintenance of livestock;

56 (b) A livestock show, fair, competition, or auction;

57 (c) A livestock training or teaching activity;

58 (d) Boarding livestock; and

59 (e) Inspecting or evaluating livestock;

60 (9) "Livestock activity sponsor", an individual, group, club, 61 partnership or corporation, whether or not operating for profit or 62 nonprofit, legal entity, or any employee thereof, which sponsors, 63 organizes or provides the facilities for, a livestock activity;

64 (10) "Livestock facility", a property or facility at which a
65 livestock activity is held;

66 (11) "Livestock owner", a person who owns livestock that is 67 involved in livestock activity;

(12) "Participant", any person, whether amateur or professional, who
engages in an equine activity or a livestock activity, whether or not a fee is
paid to participate in the equine activity or livestock activity.

712. Except as provided in subsection 4 of this section, an equine activity sponsor, an equine professional, a livestock activity sponsor, a livestock 7273owner, a livestock facility, a livestock auction market, any employee thereof, or any other person or corporation shall not be liable for an injury to or 7475the death of a participant resulting from the inherent risks of equine or 76livestock activities and, except as provided in subsection 4 of this section, no participant or a participant's representative shall make any claim against, 7778maintain an action against, or recover from an equine activity sponsor, [an] equine professional, livestock activity sponsor, livestock owner, livestock 79 facility, livestock auction market, any employee thereof, or any other 80 person from injury, loss, damage or death of the participant resulting from any 81 of the inherent risks of equine or livestock activities. 82

3. This section shall not apply to the horse racing industry as regulated in sections 313.050 to 313.720. This section shall not apply to any employer-employee relationship governed by the provisions of, and for which liability is established pursuant to, chapter 287.

4. The provisions of subsection 2 of this section shall not prevent or limit the liability of an equine activity sponsor, [an] equine professional, livestock activity sponsor, livestock owner, livestock facility, livestock auction market, any employee thereof, or any other person if the equine activity sponsor, equine professional, livestock activity sponsor, livestock owner, livestock facility, livestock auction market, any employee thereof, or person:

94 (1) Provided the equipment or tack and knew or should have known that
95 the equipment or tack was faulty and such equipment or tack was faulty to the
96 extent that [it did cause] the equipment or tack caused the injury; or

97 (2) Provided the equine **or livestock** and failed to make reasonable and 98 prudent efforts to determine the ability of the participant to engage safely in the SCS HCS HB 1326

99 equine activity or livestock activity and determine the ability of the 100 participant to safely manage the particular equine or livestock based on the 101 participant's age, obvious physical condition or the participant's representations 102 of his or her ability;

(3) Owns, leases, rents or otherwise is in lawful possession and control of
the land or facilities upon which the participant sustained injuries because of a
dangerous latent condition which was known to the equine activity sponsor,
equine professional, livestock activity sponsor, livestock owner, livestock
facility, livestock auction market, any employee thereof, or person and
for which warning signs have not been conspicuously posted;

(4) Commits an act or omission that constitutes willful or wanton
disregard for the safety of the participant and that act or omission caused the
injury;

112 (5) Intentionally injures the participant;

(6) Fails to use that degree of care that an ordinarily careful and prudentperson would use under the same or similar circumstances.

5. The provisions of subsection 2 of this section shall not prevent or limit the liability of an equine activity sponsor [or an], equine professional, livestock activity sponsor, livestock owner, livestock facility, livestock auction market, or any employee thereof under liability provisions as set forth in any other section of law.

120 6. Every equine activity sponsor and livestock activity sponsor shall 121 post and maintain signs which contain the warning notice specified in this 122subsection. Such signs shall be placed in a clearly visible location on or near 123stables, corrals or arenas where the [equine professional] equine activity 124sponsor or livestock activity sponsor conducts equine or livestock 125activities if such stables, corrals or arenas are owned, managed or controlled by 126the [equine professional] equine activity sponsor or livestock activity 127 **sponsor**. The warning notice specified in this subsection shall appear on the 128sign in black letters on a white background with each letter to be a minimum of one inch in height. Every written contract entered into by an equine professional 129 130 [and], equine activity sponsor, livestock activity sponsor, livestock owner, livestock facility, livestock auction market, or any employee thereof for 131132the providing of professional services, instruction or the rental of equipment [or], 133tack, or an equine to a participant, whether or not the contract involves equine or livestock activities on or off the location or site of the equine professional's 134

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[or], equine activity sponsor's or livestock activity sponsor's business, shall
contain in clearly readable print the warning notice specified in this
subsection. The signs and contracts described in this subsection shall contain the
following warning notice:

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WARNING

Under Missouri law, an equine activity sponsor, equine
professional, livestock activity sponsor, livestock owner,
livestock facility, livestock auction market, or any
employee thereof is not liable for an injury to or the death of a
participant in equine or livestock activities resulting from the
inherent risks of equine or livestock activities pursuant to the
Revised Statutes of Missouri.

[275.352. If a national referendum among beef producers passes and a federal assessment on beef producers is adopted pursuant to federal law, no state fees shall be collected under the provisions of this chapter, in excess of a commensurate amount credited against the obligation to pay any such federal assessment. Upon adoption of the federal assessment, beef shall be exempt from the refund provision of section 275.360.]

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