

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
HOUSE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 665

98TH GENERAL ASSEMBLY

2016

4848H.02T

AN ACT

To repeal sections 135.679, 261.235, 262.960, 262.962, 348.407, 348.430, 348.432, 348.436, and 414.082, RSMo, and to enact in lieu thereof ten new sections relating to agriculture.

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

Section A. Sections 135.679, 261.235, 262.960, 262.962, 348.407, 348.430, 348.432, 348.436, and 414.082, RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as sections 135.679, 135.686, 261.235, 262.960, 262.962, 348.407, 348.430, 348.432, 348.436, and 414.082, to read as follows:

135.679. 1. This section shall be known and may be cited as the "Qualified Beef Tax Credit Act".

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

(1) "Agricultural property", any real and personal property, including but not limited to buildings, structures, improvements, equipment, and livestock, that is used in or is to be used in this state by residents of this state for:

(a) The operation of a farm or ranch; and

(b) Grazing, feeding, or the care of livestock;

(2) "Authority", the agricultural and small business development authority established in chapter 348;

(3) "Backgrounded", any additional weight at the time of the first qualifying sale, before being finished, above the established baseline weight;

(4) "Baseline weight", the average weight in the immediate past **[three]** **two** years of all beef animals sold that are thirty months of age or younger, categorized by sex. Baseline weight for qualified beef animals that are physically

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 out-of-state but whose ownership is retained by a resident of this state shall be
17 established by the average transfer weight in the immediate past **[three] two**
18 years of all beef animals that are thirty months of age or younger and that are
19 transferred out-of-state but whose ownership is retained by a resident of this
20 state, categorized by sex. The established baseline weight shall be effective for
21 a period of three years. If the taxpayer is a qualifying beef animal producer with
22 fewer than **[three] two** years of production, the baseline weight shall be
23 established by the available average weight in the immediate past year of all beef
24 animals sold that are thirty months of age or younger, categorized by sex. If the
25 qualifying beef animal producer has no previous production, the baseline weight
26 shall be established by the authority;

27 (5) "Finished", the period from backgrounded to harvest;

28 (6) "Qualifying beef animal", any beef animal that is certified by the
29 authority, that was born in this state after August 28, 2008, that was raised and
30 backgrounded or finished in this state by the taxpayer, excluding any beef animal
31 more than thirty months of age as verified by certified written birth records;

32 (7) "Qualifying sale", the first time a qualifying beef animal is sold in this
33 state after the qualifying beef animal is backgrounded, and a subsequent sale if
34 the weight of the qualifying beef animal at the time of the subsequent sale is
35 greater than the weight of the qualifying beef animal at the time of the first
36 qualifying sale of such beef animal;

37 (8) "Tax credit", a credit against the tax otherwise due under chapter 143,
38 excluding withholding tax imposed by sections 143.191 to 143.265, or otherwise
39 due under chapter 147;

40 (9) "Taxpayer", any individual or entity who:

41 (a) Is subject to the tax imposed in chapter 143, excluding withholding tax
42 imposed by sections 143.191 to 143.265, or the tax imposed in chapter 147;

43 (b) In the case of an individual, is a resident of this state as verified by
44 a 911 address or in the absence of a 911 system, a physical address; and

45 (c) Owns or rents agricultural property and principal place of business is
46 located in this state.

47 3. For all **[taxable] tax** years beginning on or after January 1, 2009, but
48 ending on or before December 31, **[2016] 2021**, a taxpayer shall be allowed a tax
49 credit for the first qualifying sale and for a subsequent qualifying sale of all
50 qualifying beef animals.

51 (1) The tax credit amount for the first qualifying sale shall be ten cents

52 per pound **for qualifying sale weights under six hundred pounds and**
53 **twenty-five cents per pound for qualifying sale weights of six hundred**
54 **pounds or greater**, shall be based on the backgrounded weight of all qualifying
55 beef animals at the time of the first qualifying sale, and shall be calculated as
56 follows:

57 (a) **If the qualifying sale weight is under six hundred pounds**, the
58 qualifying sale weight minus the baseline weight multiplied by ten cents, as long
59 as the qualifying sale weight is equal to or greater than [two] **one** hundred
60 pounds above the baseline weight; **or**

61 (b) **If the qualifying sale weight is six hundred pounds or**
62 **greater, the qualifying sale weight minus the baseline weight**
63 **multiplied by twenty-five cents**, as long as the qualifying sale weight is
64 **equal to or greater than one hundred pounds above the baseline**
65 **weight**.

66 (2) The tax credit amount for each subsequent qualifying sale shall be ten
67 cents per pound **for qualifying sale weights under six hundred pounds**
68 **and twenty-five cents per pound for qualifying sale weights of six**
69 **hundred pounds or greater**, shall be based on the backgrounded weight of all
70 qualifying beef animals at the time of the subsequent qualifying sale, and shall
71 be calculated as follows:

72 (a) **If the qualifying sale weight is under six hundred pounds**, the
73 qualifying sale weight minus the baseline weight multiplied by ten cents, as long
74 as the qualifying sale weight is equal to or greater than [two] **one** hundred
75 pounds above the baseline weight; **or**

76 (b) **If the qualifying sale weight is six hundred pounds or**
77 **greater, the qualifying sale weight minus the baseline weight**
78 **multiplied by twenty-five cents**, as long as the qualifying sale weight is
79 **equal to or greater than one hundred pounds above the baseline**
80 **weight**.

81 The authority may waive no more than twenty-five percent of the [two hundred
82 pound] **one-hundred-pound** weight gain requirement, but any such waiver shall
83 be based on a disaster declaration issued by the U. S. Department of Agriculture.

84 4. The amount of the tax credit claimed shall not exceed the amount of the
85 taxpayer's state tax liability for the [taxable] **tax** year for which the credit is
86 claimed. No tax credit claimed under this section shall be refundable. The tax
87 credit shall be claimed in the [taxable] **tax** year in which the qualifying sale of

88 the qualifying beef occurred, but any amount of credit that the taxpayer is
89 prohibited by this section from claiming in a [taxable] **tax** year may be carried
90 forward to any of the taxpayer's [five] **four** subsequent [taxable] **tax** years [and
91 carried backward to any of the taxpayer's three previous taxable years]. **The**
92 **total amount of tax credits that any taxpayer may claim shall not**
93 **exceed fifteen thousand dollars per year. No taxpayer shall be allowed**
94 **to claim tax credits under this section for more than three years.** The
95 amount of tax credits that may be issued to all eligible applicants claiming tax
96 credits authorized in this section **and section 135.686** in a [fiscal] **calendar**
97 year shall not exceed [three] **two** million dollars. Tax credits shall be issued on
98 an as-received application basis until the [fiscal] **calendar** year limit is
99 reached. Any credits not issued in any [fiscal] **calendar** year shall expire and
100 shall not be issued in any subsequent years.

101 5. To claim the tax credit allowed under this section, the taxpayer shall
102 submit to the authority an application for the tax credit on a form provided by the
103 authority and any application fee imposed by the authority. The application shall
104 be filed with the authority at the end of each calendar year in which a qualified
105 sale was made and for which a tax credit is claimed under this section. The
106 application shall include any certified documentation and information required
107 by the authority. All required information obtained by the authority shall be
108 confidential and not disclosed except by court order, subpoena, or as otherwise
109 provided by law. If the taxpayer and the qualified sale meet all criteria required
110 by this section and approval is granted by the authority, the authority shall issue
111 a tax credit certificate in the appropriate amount. Tax credit certificates issued
112 under this section may be assigned, transferred, sold, or otherwise conveyed, and
113 the new owner of the tax credit certificate shall have the same rights in the tax
114 credit as the original taxpayer. Whenever a tax credit certificate is assigned,
115 transferred, sold or otherwise conveyed, a notarized endorsement shall be filed
116 with the authority specifying the name and address of the new owner of the tax
117 credit certificate or the value of the tax credit.

118 6. Any information provided under this section shall be confidential
119 information, to be shared with no one except state and federal animal health
120 officials, except as provided in subsection 5 of this section.

121 7. **The authority shall, at least annually, submit a report to the**
122 **Missouri general assembly reviewing the costs and benefits of the**
123 **program established under this section.**

124 8. The authority may promulgate rules to implement the provisions of this
125 section. Any rule or portion of a rule, as that term is defined in section 536.010,
126 that is created under the authority delegated in this section shall become effective
127 only if it complies with and is subject to all of the provisions of chapter 536 and,
128 if applicable, section 536.028. This section and chapter 536 are nonseverable and
129 if any of the powers vested with the general assembly pursuant to chapter 536 to
130 review, to delay the effective date, or to disapprove and annul a rule are
131 subsequently held unconstitutional, then the grant of rulemaking authority and
132 any rule proposed or adopted after August 28, 2007, shall be invalid and void.

133 [8.] 9. This section shall not be subject to the Missouri sunset act,
134 sections 23.250 to 23.298.

135.686. 1. This section shall be known and may be cited as the
2 **“Meat Processing Facility Investment Tax Credit Act”.**

3 **2. As used in this section, the following terms mean:**

4 **(1) "Authority", the agricultural and small business development**
5 **authority established in chapter 348;**

6 **(2) “Meat processing facility”, any commercial plant, as defined**
7 **under section 265.300, at which livestock are slaughtered or at which**
8 **meat or meat products are processed for sale commercially and for**
9 **human consumption;**

10 **(3) “Meat processing modernization or expansion”, constructing,**
11 **improving, or acquiring buildings or facilities, or acquiring equipment**
12 **for meat processing including the following, if used exclusively for**
13 **meat processing and if acquired and placed in service in this state**
14 **during tax years beginning on or after January 1, 2017, but ending on**
15 **or before December 31, 2021:**

16 **(a) Building construction including livestock handling, product**
17 **intake, storage, and warehouse facilities;**

18 **(b) Building additions;**

19 **(c) Upgrades to utilities including water, electric, heat,**
20 **refrigeration, freezing, and waste facilities;**

21 **(d) Livestock intake and storage equipment;**

22 **(e) Processing and manufacturing equipment including cutting**
23 **equipment, mixers, grinders, sausage stuffers, meat smokers, curing**
24 **equipment, cooking equipment, pipes, motors, pumps, and valves;**

25 **(f) Packaging and handling equipment including sealing,**

26 bagging, boxing, labeling, conveying, and product movement
27 equipment;

28 (g) Warehouse equipment including storage and curing racks;

29 (h) Waste treatment and waste management equipment including
30 tanks, blowers, separators, dryers, digesters, and equipment that uses
31 waste to produce energy, fuel, or industrial products;

32 (i) Computer software and hardware used for managing the
33 claimant's meat processing operation including software and hardware
34 related to logistics, inventory management, production plant controls,
35 and temperature monitoring controls; and

36 (j) Construction or expansion of retail facilities or the purchase
37 or upgrade of retail equipment for the commercial sale of meat
38 products if the retail facility is located at the same location as the meat
39 processing facility.

40 (4) "Tax credit", a credit against the tax otherwise due under
41 chapter 143, excluding withholding tax imposed under sections 143.191
42 to 143.265, or otherwise due under chapter 147;

43 (5) "Taxpayer", any individual or entity who:

44 (a) Is subject to the tax imposed under chapter 143, excluding
45 withholding tax imposed under sections 143.191 to 143.265, or the tax
46 imposed under chapter 147;

47 (b) In the case of an individual, is a resident of this state as
48 verified by a 911 address or, in the absence of a 911 system, a physical
49 address; and

50 (c) Owns a meat processing facility located in this state;

51 (6) "Used exclusively", used to the exclusion of all other uses
52 except for use not exceeding five percent of total use.

53 3. For all tax years beginning on or after January 1, 2017, but
54 ending on or before December 31, 2021, a taxpayer shall be allowed a
55 tax credit for meat processing modernization or expansion related to
56 the taxpayer's meat processing facility. The tax credit amount shall be
57 equal to twenty-five percent of the amount the taxpayer paid in the tax
58 year for meat processing modernization or expansion.

59 4. The amount of the tax credit claimed shall not exceed the
60 amount of the taxpayer's state tax liability for the tax year for which
61 the credit is claimed. No tax credit claimed under this section shall be

62 refundable. The tax credit shall be claimed in the tax year in which the
63 meat processing modernization or expansion expenses were paid, but
64 any amount of credit that the taxpayer is prohibited by this section
65 from claiming in a tax year may be carried forward to any of the
66 taxpayer's four subsequent tax years. The total amount of tax credits
67 that any taxpayer may claim shall not exceed seventy-five thousand
68 dollars per year. If two or more persons own and operate the meat
69 processing facility, each person may claim a credit under this section
70 in proportion to his or her ownership interest; except that, the
71 aggregate amount of the credits claimed by all persons who own and
72 operate the meat processing facility shall not exceed seventy-five
73 thousand dollars per year. The amount of tax credits authorized in this
74 section and section 135.679 in a calendar year shall not exceed two
75 million dollars. Tax credits shall be issued on an as-received
76 application basis until the calendar year limit is reached. Any credits
77 not issued in any calendar year shall expire and shall not be issued in
78 any subsequent year.

79 5. To claim the tax credit allowed under this section, the
80 taxpayer shall submit to the authority an application for the tax credit
81 on a form provided by the authority and any application fee imposed
82 by the authority. The application shall be filed with the authority at
83 the end of each calendar year in which a meat processing
84 modernization or expansion project was completed and for which a tax
85 credit is claimed under this section. The application shall include any
86 certified documentation, proof of meat processing modernization or
87 expansion, and any other information required by the authority. All
88 required information obtained by the authority shall be confidential
89 and not disclosed except by court order, subpoena, or as otherwise
90 provided by law. If the taxpayer and the meat processing
91 modernization or expansion meet all criteria required by this section
92 and approval is granted by the authority, the authority shall issue a tax
93 credit certificate in the appropriate amount. Tax credit certificates
94 issued under this section may be assigned, transferred, sold, or
95 otherwise conveyed, and the new owner of the tax credit certificate
96 shall have the same rights in the tax credit as the original taxpayer. If
97 a tax credit certificate is assigned, transferred, sold, or otherwise

98 conveyed, a notarized endorsement shall be filed with the authority
99 specifying the name and address of the new owner of the tax credit
100 certificate and the value of the tax credit.

101 6. Any information provided under this section shall be
102 confidential information, to be shared with no one except state and
103 federal animal health officials, except as provided in subsection 5 of
104 this section.

105 7. The authority shall promulgate rules establishing a process for
106 verifying that a facility's modernization or expansion for which tax
107 credits were allowed under this section has in fact expanded the
108 facility's production within three years of the issuance of the tax credit
109 and if not, the authority shall promulgate through rulemaking a
110 process by which the taxpayer shall repay the authority an amount
111 equal to that of the tax credit allowed.

112 8. The authority shall, at least annually, submit a report to the
113 Missouri general assembly reviewing the costs and benefits of the
114 program established under this section.

115 9. The authority may promulgate rules to implement the
116 provisions of this section. Any rule or portion of a rule, as that term is
117 defined in section 536.010, that is created under the authority delegated
118 in this section shall become effective only if it complies with and is
119 subject to all of the provisions of chapter 536 and, if applicable, section
120 536.028. This section and chapter 536 are nonseverable, and if any of
121 the powers vested with the general assembly pursuant to chapter 536
122 to review, to delay the effective date, or to disapprove and annul a rule
123 are subsequently held unconstitutional, then the grant of rulemaking
124 authority and any rule proposed or adopted after August 28, 2016, shall
125 be invalid and void.

126 10. This section shall not be subject to the Missouri sunset act,
127 sections 23.250 to 23.298.

261.235. 1. There is hereby created in the state treasury for the use of
2 the agriculture business development division of the state department of
3 agriculture a fund to be known as "The AgriMissouri Fund". All moneys received
4 by the state department of agriculture for Missouri agricultural products
5 marketing development from any source, including trademark fees, shall be
6 deposited in the fund. Moneys deposited in the fund shall, upon appropriation

7 by the general assembly to the state department of agriculture, be expended by
8 the agriculture business development division of the state department of
9 agriculture for promotion of Missouri agricultural products under the
10 AgriMissouri program. The unexpended balance in the AgriMissouri fund at the
11 end of the biennium shall not be transferred to the general revenue fund of the
12 state treasury and accordingly shall be exempt from the provisions of section
13 33.080 relating to transfer of funds to the ordinary revenue funds of the state by
14 the state treasurer.

15 2. There is hereby created within the department of agriculture the
16 "AgriMissouri Advisory Commission for Marketing Missouri Agricultural
17 Products". The commission shall establish guidelines, and make
18 recommendations to the director of agriculture, for the use of funds appropriated
19 by the general assembly for the agriculture business development division of the
20 department of agriculture, and for all funds collected or appropriated to the
21 AgriMissouri fund created pursuant to subsection 1 of this section. The
22 guidelines shall focus on the promotion of the AgriMissouri trademark associated
23 with Missouri agricultural products that have been approved by the general
24 assembly, and shall advance the following objectives:

25 (1) Increasing the impact and fostering the effectiveness of local efforts
26 to promote Missouri agricultural products;

27 (2) Enabling and encouraging expanded advertising efforts for Missouri
28 agricultural products;

29 (3) Encouraging effective, high-quality advertising projects, innovative
30 marketing strategies, and the coordination of local, regional and statewide
31 marketing efforts;

32 (4) Providing training and technical assistance to cooperative-marketing
33 partners of Missouri agricultural products.

34 3. The commission may establish a fee structure for sellers electing to use
35 the AgriMissouri trademark associated with Missouri agricultural products, **so**
36 **long as the fees established and collected under this subsection do not**
37 **yield revenue greater than the total cost of administering this section**
38 **during the ensuing year.** [Under the fee structure:

39 (1) A seller having gross annual sales greater than two million dollars per
40 fiscal year of Missouri agricultural products which constitute the final product of
41 a series of processes or activities shall remit to the agriculture business
42 development division of the department of agriculture, at such times and in such

43 manner as may be prescribed, a trademark fee of one-half of one percent of the
44 aggregate amount of all of such seller's wholesale sales of products carrying the
45 AgriMissouri trademark; and

46 (2) All sellers having gross annual sales less than or equal to two million
47 dollars per fiscal year of Missouri agricultural products which constitute the final
48 product of a series of processes or activities shall, after three years of selling
49 Missouri agricultural products carrying the AgriMissouri trademark, remit to the
50 agriculture business development division of the department of agriculture, at
51 such times and in such manner as may be prescribed, a trademark fee of one-half
52 of one percent of the aggregate amount of all of such seller's wholesale sales of
53 products carrying the AgriMissouri trademark.] All trademark fees shall be
54 deposited to the credit of the AgriMissouri fund, created pursuant to this section.

55 4. [The agriculture business development division of the department of
56 agriculture is authorized to promulgate rules consistent with the guidelines and
57 fee structure established by the commission. No rule or portion of a rule shall
58 become effective unless it has been promulgated pursuant to the provisions of
59 chapter 536.

60 5.] The commission shall consist of nine members appointed by the
61 governor with the advice and consent of the senate. One member shall be the
62 director of the agriculture business development division of the department of
63 agriculture, or his or her representative. At least one member shall be a
64 specialist in advertising; at least one member shall be a specialist in
65 agribusiness; at least one member shall be a specialist in the retail grocery
66 business; at least one member shall be a specialist in communications; at least
67 one member shall be a specialist in product distribution; at least one member
68 shall be a family farmer with expertise in livestock farming; at least one member
69 shall be a family farmer with expertise in grain farming and at least one member
70 shall be a family farmer with expertise in organic farming. Members shall serve
71 for four-year terms, except in the first appointments three members shall be
72 appointed for terms of four years, three members shall be appointed for terms of
73 three years and three members shall be appointed for terms of two years
74 each. Any member appointed to fill a vacancy of an unexpired term shall be
75 appointed for the remainder of the term of the member causing the vacancy. The
76 governor shall appoint a chairperson of the commission, subject to ratification by
77 the commission.

78 [6.] 5. Commission members shall receive no compensation but shall be

79 reimbursed for actual and necessary expenses incurred in the performance of
80 their official duties on the commission. The division of agriculture business
81 development of the department of agriculture shall provide all necessary staff and
82 support services as required by the commission to hold commission meetings, to
83 maintain records of official acts and to conduct all other business of the
84 commission. The commission shall meet quarterly and at any such time that it
85 deems necessary. Meetings may be called by the chairperson or by a petition
86 signed by a majority of the members of the commission. Ten days' notice shall
87 be given in writing to such members prior to the meeting date. A simple majority
88 of the members of the commission shall be present to constitute a quorum. Proxy
89 voting shall not be permitted.

90 **6. If the commission does establish a fee structure as permitted**
91 **under subsection 3 of this section, the agriculture business**
92 **development division of the department of agriculture shall promulgate**
93 **rules establishing the commission's fee structure. The department of**
94 **agriculture shall also promulgate rules and regulations for the**
95 **implementation of this section. Any rule or portion of a rule, as that**
96 **term is defined in section 536.010 that is created under the authority**
97 **delegated in this section shall become effective only if it complies with**
98 **and is subject to all of the provisions of chapter 536, and, if applicable,**
99 **section 536.028. This section and chapter 536 are nonseverable and if**
100 **any of the powers vested with the general assembly pursuant to chapter**
101 **536, to review, to delay the effective date, or to disapprove and annul**
102 **a rule are subsequently held unconstitutional, then the grant of**
103 **rulemaking authority and any rule proposed or adopted after August**
104 **28, 2016, shall be invalid and void.**

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

3 2. There is hereby created within the department of agriculture the
4 "[Farm-to-School] **Farm-to-Table** Program" to connect Missouri farmers and
5 [schools] **institutions** in order to provide [schools] **institutions** with locally
6 grown agricultural products for inclusion in [school] meals and snacks and to
7 strengthen local farming economies. **The department shall establish**
8 **guidelines for voluntary participation and parameters for program**
9 **goals, which shall include, but not be limited to, participating**
10 **institutions purchasing at least ten percent of their food products**

11 **locally by December 31, 2019.** The department shall designate an employee
12 to administer and monitor the [farm-to-school] **farm-to-table** program and to
13 serve as liaison between Missouri farmers and [schools] **institutions. Nothing**
14 **in this section, nor the guidelines developed by the department, shall**
15 **require an institution to participate in the farm-to-table program.**

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

- 19 (1) The department of health and senior services;
- 20 (2) The department of elementary and secondary education; [and]
- 21 (3) The office of administration; **and**
- 22 **(4) The department of corrections.**

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

- 25 (1) Establishing and maintaining a website database to allow farmers and
26 [schools] **institutions** to connect whereby farmers can enter the locally grown
27 agricultural products they produce along with pricing information, the times such
28 products are available, and where they are willing to distribute such products;
- 29 (2) Providing leadership at the state level to encourage [schools]
30 **institutions** to procure and use locally grown agricultural products;
- 31 (3) Conducting workshops and training sessions and providing technical
32 assistance to [school] **institution** food service directors, personnel, farmers, and
33 produce distributors and processors regarding the [farm-to-school] **farm-to-table**
34 program; and
- 35 (4) Seeking grants, private donations, or other funding sources to support
36 the [farm-to-school] **farm-to-table** program.

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

- 3 (1) **"Institutions", facilities including, but not limited to, schools,**
4 **correctional facilities, hospitals, nursing homes, long-term care**
5 **facilities, and military bases;**
- 6 (2) **"Locally grown agricultural products", food or fiber produced or**
7 **processed by a small agribusiness or small farm;**
- 8 [(2)] (3) **"Participating institutions", institutions that voluntarily**
9 **elect to participate in the farm-to-table program;**
- 10 (4) **"Schools", includes any school in this state that maintains a food**

11 service program under the United States Department of Agriculture and
12 administered by the school;

13 [(3)] (5) "Small agribusiness", a qualifying agribusiness as defined in
14 section 348.400, and located in Missouri with gross annual sales of less than five
15 million dollars;

16 [(4)] (6) "Small farm", a family-owned farm or family farm corporation
17 as defined in section 350.010, and located in Missouri with less than two hundred
18 fifty thousand dollars in gross sales per year.

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

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

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

47 machines; and

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

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

56 5. The taskforce shall prepare a report containing its findings and
57 recommendations and shall deliver such report to the governor, the general
58 assembly, and to the director of each [agency] **entity** represented on the
59 taskforce [by no later than December 31, 2015] **no later than December**
60 **thirty-first of each year.**

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

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

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

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

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

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

15 5. The authority may make grants, loans, or loan guarantees to Missouri

16 businesses to access resources for accessing and processing locally grown
17 agricultural products for use in [schools] **institutions, as defined in section**
18 **262.962**, within the state.

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

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

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

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

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

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

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

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

- 49 (1) The applicant's commitment to the project through the applicant's risk;
50 (2) Community involvement and support;
51 (3) The phase the project is in on an annual basis;

- 52 (4) The leaders and consultants chosen to direct the project;
53 (5) The amount needed for the project to achieve the bankable stage; and
54 (6) The project's planning for long-term success through feasibility
55 studies, marketing plans, and business plans.

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

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

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

65 17. Any rule or portion of a rule, as that term is defined in section
66 536.010, that is created under the authority delegated in sections 348.005 to
67 348.180 shall become effective only if it complies with and is subject to all of the
68 provisions of chapter 536 and, if applicable, section 536.028. All rulemaking
69 authority delegated prior to August 28, 1999, is of no force and effect and
70 repealed. Nothing in this section shall be interpreted to repeal or affect the
71 validity of any rule filed or adopted prior to August 28, 1999, if it fully complied
72 with all applicable provisions of law. This section and chapter 536 are
73 nonseverable and if any of the powers vested with the general assembly pursuant
74 to chapter 536 to review, to delay the effective date or to disapprove and annul
75 a rule are subsequently held unconstitutional, then the grant of rulemaking
76 authority and any rule proposed or adopted after August 28, 1999, shall be
77 invalid and void.

348.430. 1. The tax credit created in this section shall be known as the
2 "Agricultural Product Utilization Contributor Tax Credit".

3 2. As used in this section, the following terms mean:

4 (1) "Authority", the agriculture and small business development authority
5 as provided in this chapter;

6 (2) "Contributor", an individual, partnership, corporation, trust, limited
7 liability company, entity or person that contributes cash funds to the authority;

8 (3) "Development facility", a facility producing either a good derived from
9 an agricultural commodity or using a process to produce a good derived from an
10 agricultural product;

11 (4) "Eligible new generation cooperative", a nonprofit cooperative
12 association formed pursuant to chapter 274, or incorporated pursuant to chapter
13 357, for the purpose of operating within this state a development facility or a
14 renewable fuel production facility;

15 (5) "Eligible new generation processing entity", a partnership, corporation,
16 cooperative, or limited liability company organized or incorporated pursuant to
17 the laws of this state consisting of not less than twelve members, approved by the
18 authority, for the purpose of owning or operating within this state a development
19 facility or a renewable fuel production facility in which producer members:

20 (a) Hold a majority of the governance or voting rights of the entity and
21 any governing committee;

22 (b) Control the hiring and firing of management; and

23 (c) Deliver agricultural commodities or products to the entity for
24 processing, unless processing is required by multiple entities;

25 (6) "Renewable fuel production facility", a facility producing an energy
26 source which is derived from a renewable, domestically grown, organic compound
27 capable of powering machinery, including an engine or power plant, and any by-
28 product derived from such energy source.

29 3. For all tax years beginning on or after January 1, 1999, a contributor
30 who contributes funds to the authority may receive a credit against the tax or
31 estimated quarterly tax otherwise due pursuant to chapter 143, other than taxes
32 withheld pursuant to sections 143.191 to 143.265, chapter 148 chapter 147, in an
33 amount of up to one hundred percent of such contribution. Tax credits claimed
34 in a taxable year may be done so on a quarterly basis and applied to the
35 estimated quarterly tax pursuant to this subsection. If a quarterly tax credit
36 claim or series of claims contributes to causing an overpayment of taxes for a
37 taxable year, such overpayment shall not be refunded but shall be applied to the
38 next taxable year. The awarding of such credit shall be at the approval of the
39 authority, based on the least amount of credits necessary to provide incentive for
40 the contributions. A contributor that receives tax credits for a contribution to the
41 authority shall receive no other consideration or compensation for such
42 contribution, other than a federal tax deduction, if applicable, and goodwill.

43 4. A contributor shall submit to the authority an application for the tax
44 credit authorized by this section on a form provided by the authority. If the
45 contributor meets all criteria prescribed by this section and the authority, the
46 authority shall issue a tax credit certificate in the appropriate amount. Tax

47 credits issued pursuant to this section may be claimed in the taxable year in
48 which the contributor contributes funds to the authority. For all fiscal years
49 beginning on or after July 1, 2004, tax credits allowed pursuant to this section
50 [may be carried back to any of the contributor's three prior tax years and] may
51 be carried forward to any of the contributor's [five] **four** subsequent taxable
52 years. Tax credits issued pursuant to this section may be assigned, transferred
53 or sold and the new owner of the tax credit shall have the same rights in the
54 credit as the contributor. Whenever a certificate of tax credit is assigned,
55 transferred, sold or otherwise conveyed, a notarized endorsement shall be filed
56 with the authority specifying the name and address of the new owner of the tax
57 credit or the value of the credit.

58 5. The funds derived from contributions in this section shall be used for
59 financial assistance or technical assistance for the purposes provided in section
60 348.407 to rural agricultural business concepts as approved by the authority. The
61 authority may provide or facilitate loans, equity investments, or guaranteed loans
62 for rural agricultural business concepts, but limited to two million dollars per
63 project or the net state economic impact, whichever is less. Loans, equity
64 investments or guaranteed loans may only be provided to feasible projects, and
65 for an amount that is the least amount necessary to cause the project to occur, as
66 determined by the authority. The authority may structure the loans, equity
67 investments or guaranteed loans in a way that facilitates the project, but also
68 provides for a compensatory return on investment or loan payment to the
69 authority, based on the risk of the project.

70 6. In any given year, at least ten percent of the funds granted to rural
71 agricultural business concepts shall be awarded to grant requests of twenty-five
72 thousand dollars or less. No single rural agricultural business concept shall
73 receive more than two hundred thousand dollars in grant awards from the
74 authority. Agricultural businesses owned by minority members or women shall
75 be given consideration in the allocation of funds.

76 **7. The authority shall, at least annually, submit a report to the**
77 **Missouri general assembly reviewing the costs and benefits of the**
78 **program established under this section.**

348.432. 1. The tax credit created in this section shall be known as the
2 "New Generation Cooperative Incentive Tax Credit".

3 2. As used in this section, the following terms mean:

4 (1) "Authority", the agriculture and small business development authority

5 as provided in this chapter;

6 (2) "Development facility", a facility producing either a good derived from
7 an agricultural commodity or using a process to produce a good derived from an
8 agricultural product;

9 (3) "Eligible new generation cooperative", a nonprofit cooperative
10 association formed pursuant to chapter 274 or incorporated pursuant to chapter
11 357 for the purpose of operating within this state a development facility or a
12 renewable fuel production facility and approved by the authority;

13 (4) "Eligible new generation processing entity", a partnership, corporation,
14 cooperative, or limited liability company organized or incorporated pursuant to
15 the laws of this state consisting of not less than twelve members, approved by the
16 authority, for the purpose of owning or operating within this state a development
17 facility or a renewable fuel production facility in which producer members:

18 (a) Hold a majority of the governance or voting rights of the entity and
19 any governing committee;

20 (b) Control the hiring and firing of management; and

21 (c) Deliver agricultural commodities or products to the entity for
22 processing, unless processing is required by multiple entities;

23 (5) "Employee-qualified capital project", an eligible new generation
24 cooperative with capital costs greater than fifteen million dollars which will
25 employ at least sixty employees;

26 (6) "Large capital project", an eligible new generation cooperative with
27 capital costs greater than one million dollars;

28 (7) "Producer member", a person, partnership, corporation, trust or limited
29 liability company whose main purpose is agricultural production that invests cash
30 funds to an eligible new generation cooperative or eligible new generation
31 processing entity;

32 (8) "Renewable fuel production facility", a facility producing an energy
33 source which is derived from a renewable, domestically grown, organic compound
34 capable of powering machinery, including an engine or power plant, and any by-
35 product derived from such energy source;

36 (9) "Small capital project", an eligible new generation cooperative with
37 capital costs of no more than one million dollars.

38 3. Beginning tax year 1999, and ending December 31, 2002, any producer
39 member who invests cash funds in an eligible new generation cooperative or
40 eligible new generation processing entity may receive a credit against the tax or

41 estimated quarterly tax otherwise due pursuant to chapter 143, other than taxes
42 withheld pursuant to sections 143.191 to 143.265 or chapter 148, chapter 147, in
43 an amount equal to the lesser of fifty percent of such producer member's
44 investment or fifteen thousand dollars.

45 4. For all tax years beginning on or after January 1, 2003, any producer
46 member who invests cash funds in an eligible new generation cooperative or
47 eligible new generation processing entity may receive a credit against the tax or
48 estimated quarterly tax otherwise due pursuant to chapter 143, other than taxes
49 withheld pursuant to sections 143.191 to 143.265, chapter 147 or chapter 148, in
50 an amount equal to the lesser of fifty percent of such producer member's
51 investment or fifteen thousand dollars. Tax credits claimed in a taxable year may
52 be done so on a quarterly basis and applied to the estimated quarterly tax
53 pursuant to subsection 3 of this section. If a quarterly tax credit claim or series
54 of claims contributes to causing an overpayment of taxes for a taxable year, such
55 overpayment shall not be refunded but shall be applied to the next taxable year.

56 5. A producer member shall submit to the authority an application for the
57 tax credit authorized by this section on a form provided by the authority. If the
58 producer member meets all criteria prescribed by this section and is approved by
59 the authority, the authority shall issue a tax credit certificate in the appropriate
60 amount. Tax credits issued pursuant to this section may be [carried back to any
61 of the producer member's three prior taxable years and] carried forward to any
62 of the producer member's [five] **four** subsequent taxable years regardless of the
63 type of tax liability to which such credits are applied as authorized pursuant to
64 subsection 3 of this section. Tax credits issued pursuant to this section may be
65 assigned, transferred, sold or otherwise conveyed and the new owner of the tax
66 credit shall have the same rights in the credit as the producer
67 member. Whenever a certificate of tax credit is assigned, transferred, sold or
68 otherwise conveyed, a notarized endorsement shall be filed with the authority
69 specifying the name and address of the new owner of the tax credit or the value
70 of the credit.

71 6. Ten percent of the tax credits authorized pursuant to this section
72 initially shall be offered in any fiscal year to small capital projects. If any portion
73 of the ten percent of tax credits offered to small capital costs projects is unused
74 in any calendar year, then the unused portion of tax credits may be offered to
75 employee-qualified capital projects and large capital projects. If the authority
76 receives more applications for tax credits for small capital projects than tax

77 credits are authorized therefor, then the authority, by rule, shall determine the
78 method of distribution of tax credits authorized for small capital projects.

79 7. Ninety percent of the tax credits authorized pursuant to this section
80 initially shall be offered in any fiscal year to employee-qualified capital projects
81 and large capital projects. If any portion of the ninety percent of tax credits
82 offered to employee-qualified capital projects and large capital costs projects is
83 unused in any fiscal year, then the unused portion of tax credits may be offered
84 to small capital projects. The maximum tax credit allowed per employee-qualified
85 capital project is three million dollars and the maximum tax credit allowed per
86 large capital project is one million five hundred thousand dollars. If the
87 authority approves the maximum tax credit allowed for any employee-qualified
88 capital project or any large capital project, then the authority, by rule, shall
89 determine the method of distribution of such maximum tax credit. In addition,
90 if the authority receives more tax credit applications for employee-qualified
91 capital projects and large capital projects than the amount of tax credits
92 authorized therefor, then the authority, by rule, shall determine the method of
93 distribution of tax credits authorized for employee-qualified capital projects and
94 large capital projects.

95 **8. The authority shall, at least annually, submit a report to the**
96 **Missouri general assembly reviewing the costs and benefits of the**
97 **program established under this section.**

348.436. The provisions of sections 348.430 to 348.436 shall expire
2 December 31, [2016] **2021.**

414.082. 1. The fee for the inspection of gasoline, gasoline-alcohol blends,
2 kerosene, diesel fuel, heating oil, aviation turbine fuel, and other motor fuels
3 under this chapter shall be fixed by the director of revenue at a rate per barrel
4 which will approximately yield revenue equal to the expenses of administering
5 this chapter; except that, until December 31, [1993, the rate shall be one and one-
6 half cents per barrel and beginning January 1, 1994, the fee shall not be less than
7 one and one-half cents per barrel nor exceed two and one-half] **2016, the rate**
8 **shall not exceed two and one-half cents per barrel, from January 1,**
9 **2017, through December 31, 2021, the rate shall not exceed four cents**
10 **per barrel, and after January 1, 2022, the rate shall not exceed five cents**
11 **per barrel.**

12 2. Annually the director of the department of agriculture shall ascertain
13 the total expenses for administering sections 414.012 to 414.152 during the

14 preceding year, and shall forward a copy of such expenses to the director of
15 revenue. The director of revenue shall fix the inspection fee for the ensuing
16 calendar year at such rate per barrel, within the limits established by subsection
17 1 of this section, as will approximately yield revenue equal to the expenses of
18 administering sections 414.012 to 414.152 during the preceding calendar year and
19 shall collect the fees and deposit them in the state treasury to the credit of the
20 "Petroleum Inspection Fund" which is hereby created. Beginning July 1, 1988,
21 all expenses of administering sections 414.012 to 414.152 shall be paid from
22 appropriations made out of the petroleum inspection fund.

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

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

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