

SENATE BILL NO. 1157

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR BROWN.

5738S.01H

ADRIANE D. CROUSE, Secretary

AN ACT

To amend chapter 348, RSMo, by adding thereto two new sections relating to specialty agricultural crops.

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

Section A. Chapter 348, RSMo, is amended by adding thereto two new sections, to be known as sections 348.491 and 348.493, to read as follows:

348.491. 1. This section shall be known and may be cited as the "Specialty Agricultural Crops Act".

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

(1) "Authority", the Missouri agricultural and small business development authority created in section 348.020;

(2) "Family farmer", a farmer who is a Missouri resident and who has less than one hundred thousand dollars in gross sales per year;

(3) "Lender", the same definition as in section 348.015;

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

3. The authority shall establish a specialty agricultural crops loan program for family farmers for the purchase of specialty crop seeds, seedlings, or trees; soil amendments including compost; irrigation equipment; fencing; row covers; trellising; season extension equipment;

19 refrigeration equipment; equipment for planting and
20 harvesting; and nonchemical pesticides and herbicides.

21 4. To participate in the loan program, a family farmer
22 shall first obtain approval for a specialty agricultural
23 crops loan from a lender. Each family farmer shall be
24 eligible for only one specialty agricultural crops loan per
25 family.

26 5. The maximum amount of the specialty agricultural
27 crops loan shall be thirty-five thousand dollars.

28 6. Eligible borrowers under the program:

29 (1) Shall use the proceeds of the specialty
30 agricultural crops loan to acquire the farming resources
31 described in subsection 3 of this section;

32 (2) Shall not finance more than ninety percent of the
33 anticipated cost of the purchase of such farming resources
34 through the specialty agricultural crops loan; and

35 (3) Shall not be charged interest by the lender for
36 the first year of the qualified specialty agricultural crops
37 loan.

38 7. Upon approval of the specialty agricultural crops
39 loan by a lender under subsection 4 of this section, the
40 loan shall be submitted for approval by the authority. The
41 authority shall promulgate rules establishing eligibility
42 under this section, taking into consideration:

43 (1) The eligible borrower's ability to repay the
44 specialty agricultural crops loan;

45 (2) The general economic conditions of the area in
46 which the farm is located;

47 (3) The prospect of a financial return for the family
48 farmer for the type of farming resource for which the
49 specialty agricultural crops loan is sought; and

50 (4) Such other factors as the authority may establish.

51 8. For eligible borrowers participating in the
52 program, the authority shall be responsible for reviewing
53 the purchase price of any farming resources to be purchased
54 by an eligible borrower under the program to determine
55 whether the price to be paid is appropriate for the type of
56 farming resources purchased. The authority may impose a one-
57 time loan review fee of one percent, which shall be
58 collected by the lender at the time of the loan and paid to
59 the authority.

60 9. Nothing in this section shall be construed to
61 preclude a family farmer from participating in any other
62 agricultural program.

63 10. Any rule or portion of a rule, as that term is
64 defined in section 536.010, that is created under the
65 authority delegated in this section shall become effective
66 only if it complies with and is subject to all of the
67 provisions of chapter 536 and, if applicable, section
68 536.028. This section and chapter 536 are nonseverable, and
69 if any of the powers vested with the general assembly
70 pursuant to chapter 536 to review, to delay the effective
71 date, or to disapprove and annul a rule are subsequently
72 held unconstitutional, then the grant of rulemaking
73 authority and any rule proposed or adopted after August 28,
74 2022, shall be invalid and void.

75 11. Under section 23.253 of the Missouri sunset act:

76 (1) The provisions of the new program authorized under
77 this section shall automatically sunset six years after the
78 effective date of this section unless reauthorized by an act
79 of the general assembly; and

80 (2) If such program is reauthorized, the program
81 authorized under this section shall automatically sunset

82 twelve years after the effective date of the reauthorization
83 of this section; and

84 (3) This section shall terminate on September first of
85 the calendar year immediately following the calendar year in
86 which the program authorized under this section is sunset.

348.493. 1. As used in this section, "state tax
2 liability" means any state tax liability incurred by a
3 taxpayer under the provisions of chapters 143 and 148,
4 exclusive of the provisions relating to the withholding of
5 tax as provided for in sections 143.191 to 143.265 and
6 related provisions.

7 2. Any eligible lender under the specialty
8 agricultural crops loan program under section 348.491 shall
9 be entitled to receive a tax credit equal to one hundred
10 percent of the amount of interest waived by the lender under
11 section 348.491 on a qualifying loan for the first year of
12 the loan only. The tax credit shall be evidenced by a tax
13 credit certificate issued by the Missouri agricultural and
14 small business development authority and may be used to
15 satisfy the state tax liability of the owner of such
16 certificate that becomes due in the tax year in which the
17 interest on a qualified loan is waived by the lender under
18 section 348.491. No lender shall receive a tax credit under
19 this section unless such lender presents a tax credit
20 certificate to the department of revenue for payment of such
21 state tax liability. The amount of the tax credits that may
22 be issued to all eligible lenders claiming tax credits
23 authorized in this section in a fiscal year shall not exceed
24 three hundred thousand dollars.

25 3. The Missouri agricultural and small business
26 development authority shall be responsible for the
27 administration and issuance of the certificate of tax

28 credits authorized by this section. The authority shall
29 issue a certificate of tax credit at the request of any
30 lender. Each request shall include a true copy of the loan
31 documents, the name of the lender who is to receive a
32 certificate of tax credit, the type of state tax liability
33 against which the tax credit is to be used, and the amount
34 of the certificate of tax credit to be issued to the lender
35 based on the interest waived by the lender under section
36 348.491 on the loan for the first year.

37 4. The department of revenue shall accept a
38 certificate of tax credit in lieu of other payment in such
39 amount as is equal to the lesser of the amount of the tax or
40 the remaining unused amount of the credit as indicated on
41 the certificate of tax credit and shall indicate on the
42 certificate of tax credit the amount of tax thereby paid and
43 the date of such payment.

44 5. The following provisions shall apply to tax credits
45 authorized under this section:

46 (1) Tax credits claimed in a tax year may be claimed
47 on a quarterly basis and applied to the estimated quarterly
48 tax of the lender;

49 (2) Any amount of tax credit that exceeds the tax due,
50 including any estimated quarterly taxes paid by the lender
51 under subdivision (1) of this subsection that results in an
52 overpayment of taxes for a tax year, shall not be refunded
53 but may be carried over to any subsequent tax year, not to
54 exceed a total of three years for which a tax credit may be
55 taken for a qualified specialty agricultural crops loan;

56 (3) Notwithstanding any provision of law to the
57 contrary, a lender may assign, transfer, sell, or otherwise
58 convey tax credits authorized under this section, with the
59 new owner of the tax credit receiving the same rights in the

60 tax credit as the lender. For any tax credits assigned,
61 transferred, sold, or otherwise conveyed, a notarized
62 endorsement shall be filed by the lender with the authority
63 specifying the name and address of the new owner of the tax
64 credit and the value of such tax credit; and

65 (4) Notwithstanding any other provision of this
66 section to the contrary, any commercial bank may use tax
67 credits created under this section as provided in section
68 148.064 and receive a net tax credit against taxes actually
69 paid in the amount of the first year's interest on loans
70 made under this section. If such first year tax credits
71 reduce taxes due as provided in section 148.064 to zero, the
72 remaining tax credits may be carried over as otherwise
73 provided in this section and used as provided in section
74 148.064 in subsequent years.

75 6. Under section 23.253 of the Missouri sunset act:

76 (1) The provisions of the new program authorized under
77 this section shall automatically sunset six years after the
78 effective date of this section unless reauthorized by an act
79 of the general assembly; and

80 (2) If such program is reauthorized, the program
81 authorized under this section shall automatically sunset
82 twelve years after the effective date of the reauthorization
83 of this section; and

84 (3) This section shall terminate on September first of
85 the calendar year immediately following the calendar year in
86 which the program authorized under this section is sunset.

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