

FIRST REGULAR SESSION

SENATE BILL NO. 502

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOWARD.

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S2186.011

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 348.407 and 348.408, RSMo Supp. 1998, relating to the Missouri agricultural and small business development authority, and to enact in lieu thereof two new sections relating to rural agricultural businesses.

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

Section A. Sections 348.407 and 348.408, RSMo Supp. 1998, are repealed and two new sections enacted in lieu thereof, to be known as sections 348.407 and 348.408, to read as follows:

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

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

3. The authority shall make grants from the grant fund to persons or entities **for the creation, development and operation, for up to three years, of rural agricultural businesses** whose projects add value to agricultural products and aid the economy of a rural community.

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

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

6. **Upon a determination by the authority that the concept may be operated profitably, the authority may provide for legal assistance to set up the business. Such**

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

legal assistance shall include, but not be limited to, providing advice and assistance on the form of business entity, the availability of tax credits and job development for which the business may qualify as well as helping the person apply for such assistance.

7. The authority may organize loans for the business including, but not limited to, loans from the United States Department of Agriculture Rural Development Program, subject to availability.

8. The authority may provide for consulting services in the building of the physical facilities of the business and for the operation of the business.

9. The authority may consider the following in making the decision:

- (1) The applicant's commitment to the project through the applicant's risk;
- (2) Community involvement and support;
- (3) The phase the project is in on an annual basis;
- (4) The leaders and consultants chosen to direct the project;
- (5) The amount needed for the project to achieve the bankable stage; and
- (6) The projects planning for long-term success through feasibility studies, marketing plans and business plans.

[5. The authority may charge for each grant application a one-time fee not to exceed two hundred dollars to be paid to the authority at the time of application. Such moneys shall be deposited to the program fund.]

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

11. The authority shall adopt such rules as are necessary for the implementation of the program. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo. The authority is authorized to adopt those rules that are reasonable and necessary to accomplish the limited duties specifically delegated within this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is promulgated under the authority delegated in this section shall become effective only if it has been promulgated pursuant to the provisions of chapter 536, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this section shall be invalid and void.

348.408. 1. There is hereby established in the state treasury the "Agricultural Product Utilization Grant Fund". The fund shall consist of money appropriated to it by the general

assembly, charges, gifts, grants, bequests from federal, private or other sources, and investment income on the fund. Notwithstanding the provisions of section 33.080, RSMo, no portion of the fund shall be transferred to the general revenue fund.

2. The fund shall be administered by the authority.

3. [Beginning with fiscal year 1997-98.] The general assembly may appropriate moneys not to exceed [one and one-half] **three** million dollars [for the establishment and initial funding of the fund] **annually**. In any given year, at least [one-third] **ten percent** of the appropriation shall be awarded to grant requests of twenty-five thousand dollars or less. No single [grant award shall exceed one] **rural agricultural business concept shall receive more than two** hundred [fifty] thousand dollars **in grant awards from the authority**.

4. Moneys in the fund may be invested by the state treasurer, and any income therefrom shall be deposited to the credit of the fund.

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