

# SENATE BILL NO. 15

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR BROWN.

5954S.01I

ADRIANE D. CROUSE, Secretary

## AN ACT

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

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

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

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

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

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

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

**9 (3) "Lender", the same definition as in section  
10 348.015;**

**11 (4) "Specialty crop", fruits and vegetables, tree  
12 nuts, dried fruits, and horticulture and nursery crops  
13 including, but not limited to, floriculture. "Specialty  
14 crop" shall not include medical marijuana or industrial hemp.**

**15 3. The authority shall establish a specialty  
16 agricultural crops loan program for family farmers for the  
17 purchase of specialty crop seeds, seedlings, or trees; soil  
18 amendments including compost; irrigation equipment; fencing;**

19 row covers; trellising; season extension equipment;  
20 refrigeration equipment; and equipment for planting and  
21 harvesting.

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

27 5. The maximum amount of the specialty agricultural  
28 crops loan for a family farmer shall be thirty-five thousand  
29 dollars.

30 6. Family farmers under the program:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

85           (3) This section shall terminate on September first of  
86 the calendar year immediately following the calendar year in  
87 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.

Section B. Because of the importance of agriculture to  
2 state of Missouri, section A of this act is deemed necessary  
3 for the immediate preservation of the public health,  
4 welfare, peace, and safety, and is hereby declared to be an  
5 emergency act within the meaning of the constitution, and  
6 section A of this act shall be in full force and effect upon  
7 its passage and approval.

✓