

HOUSE BILL NO. 2762

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WEBER.

5688H.011

DANA RADEMAN MILLER, Chief Clerk

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

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 **4. To participate in the loan program, a family farmer shall first obtain approval**
17 **for a specialty agricultural crops loan from a lender. Each family farmer shall be**
18 **eligible for only one specialty agricultural crops loan per family.**

19 **5. The maximum amount of the specialty agricultural crops loan for specialty**
20 **crop producers shall be thirty-five thousand dollars.**

21 **6. Eligible borrowers under the program:**

22 **(1) Shall use the proceeds of the specialty agricultural crops loan to acquire the**
23 **farming resources described in subsection 3 of this section;**

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

26 **(3) Shall not be charged interest by the lender for the first year of the qualified**
27 **specialty agricultural crops loan.**

28 **7. Upon approval of the specialty agricultural crops loan by a lender under**
29 **subsection 4 of this section, the loan shall be submitted for approval by the authority.**
30 **The authority shall promulgate rules establishing eligibility under this section, taking**
31 **into consideration:**

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

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

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

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

37 **8. For eligible borrowers participating in the program, the authority shall be**
38 **responsible for reviewing the purchase price of any farming resources to be purchased**
39 **by an eligible borrower under the program to determine whether the price to be paid is**
40 **appropriate for the type of farming resources purchased. The authority may impose a**
41 **one-time loan review fee of one percent, which shall be collected by the lender at the**
42 **time of the loan and paid to the authority.**

43 **9. Nothing in this section shall be construed to preclude a family farmer from**
44 **participating in any other agricultural program.**

45 **10. Any rule or portion of a rule, as that term is defined in section 536.010, that**
46 **is created under the authority delegated in this section shall become effective only if it**
47 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
48 **section 536.028. This section and chapter 536 are nonseverable, and if any of the powers**
49 **vested with the general assembly pursuant to chapter 536 to review, to delay the**
50 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**
51 **then the grant of rulemaking authority and any rule proposed or adopted after August**
52 **28, 2022, shall be invalid and void.**

53 **11. Under section 23.253 of the Missouri sunset act:**

54 **(1) The provisions of the new program authorized under this section shall**
55 **automatically sunset six years after the effective date of this section unless reauthorized**
56 **by an act of the general assembly; and**

57 **(2) If such program is reauthorized, the program authorized under this section**
58 **shall automatically sunset twelve years after the effective date of the reauthorization of**
59 **this section; and**

60 **(3) This section shall terminate on September first of the calendar year**
61 **immediately following the calendar year in which the program authorized under this**
62 **section is sunset.**

348.493. 1. As used in this section, "state tax liability" means any state tax
2 **liability incurred by a taxpayer under the provisions of chapters 143, 147, and 148,**
3 **exclusive of the provisions relating to the withholding of tax as provided for in sections**
4 **143.191 to 143.265 and related provisions.**

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

17 **3. The Missouri agricultural and small business development authority shall be**
18 **responsible for the administration and issuance of the certificate of tax credits**
19 **authorized by this section. The authority shall issue a certificate of tax credit at the**
20 **request of any lender. Each request shall include a true copy of the loan documents, the**
21 **name of the lender who is to receive a certificate of tax credit, the type of state tax**
22 **liability against which the tax credit is to be used, and the amount of the certificate of**
23 **tax credit to be issued to the lender based on the interest waived by the lender under**
24 **section 348.491 on the loan for the first year.**

25 **4. The department of revenue shall accept a certificate of tax credit in lieu of**
26 **other payment in such amount as is equal to the lesser of the amount of the tax or the**
27 **remaining unused amount of the credit as indicated on the certificate of tax credit and**

28 shall indicate on the certificate of tax credit the amount of tax thereby paid and the date
29 of such payment.

30 5. The following provisions shall apply to tax credits authorized under this
31 section:

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

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

39 (3) Notwithstanding any provision of law to the contrary, a lender may assign,
40 transfer, sell, or otherwise convey tax credits authorized under this section, with the new
41 owner of the tax credit receiving the same rights in the tax credit as the lender. For any
42 tax credits assigned, transferred, sold, or otherwise conveyed, a notarized endorsement
43 shall be filed by the lender with the authority specifying the name and address of the
44 new owner of the tax credit and the value of such tax credit; and

45 (4) Notwithstanding any other provision of this section to the contrary, any
46 commercial bank may use tax credits created under this section as provided in section
47 148.064 and receive a net tax credit against taxes actually paid in the amount of the first
48 year's interest on loans made under this section. If such first-year tax credits reduce
49 taxes due as provided in section 148.064 to zero, the remaining tax credits may be
50 carried over as otherwise provided in this section and used as provided in section
51 148.064 in subsequent years.

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

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

56 (2) If such program is reauthorized, the program authorized under this section
57 shall automatically sunset twelve years after the effective date of the reauthorization of
58 this section; and

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

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