

HCS SB 161 -- AGRICULTURE

SPONSOR: Munzlinger (Guernsey)

COMMITTEE ACTION: Voted "do pass" by the Committee on Agriculture and Agribusiness by a vote of 14 to 0.

This substitute changes the laws regarding hydroelectric power generating equipment, noxious weeds, listing of livestock brands, grain dealers, and agribusiness loan guarantees.

HYDROELECTRIC POWER GENERATING EQUIPMENT (Sections 173.010, 137.080, and 137.115, RSMo)

The substitute classifies certain hydroelectric power generating equipment as tangible personal property and requires that it be assessed at 1% of its true value in money.

NOXIOUS WEEDS (Sections 263.190 - 263.241 and 263.450)

The substitute:

(1) Specifies that "noxious weed" means any weed designated as noxious by rules established by the Director of the Department of Agriculture and requires the department to maintain a list of noxious weeds and make it available to the public;

(2) Expands the requirement of every landowner to control all noxious weeds growing on his or her land sufficiently to prevent the weeds from going to seed to include any person, association of persons, corporation, partnership, Highways and Transportation Commission, state department, state agency, county commission, township board, school board, drainage board, governing body of an incorporated city, railroad company or other transportation company, and any person supervising state-owned lands;

(3) Prohibits the sale of any noxious weed species; and

(4) Repeals provisions designating specific plants as noxious weeds and requiring entities to control the spread of the weeds as well as the provisions regarding a county noxious weed fund.

LISTING OF LIVESTOCK BRANDS (Section 268.121)

Currently, the Director of the Department of Agriculture must publish a list of all livestock brands in a book form and send a copy of the book and any supplement to the county recorder of deeds in each county and to each licensed livestock market and slaughter plant in the state. The substitute removes this requirement but requires the department director to create a list

and make it available on a publicly accessible web site. The list must be updated from time to time.

GRAIN DEALERS (Sections 276.416, 276.421, 276.436, 276.441, 276.446, and 411.280)

The substitute:

- (1) Requires every licensed grain dealer or applicant for a grain dealer license to maintain a minimum net worth equal to 5% of the total amount of grain purchased in the previous fiscal year. Currently, only certain dealers or applicants are required to maintain a specified minimum net worth;
- (2) Requires any licensed grain dealer or applicant to have and maintain current assets at least equal to 100% of current liabilities and specifies certain requirements regarding the determination of the amount of assets and liabilities;
- (3) Increases the minimum surety bond requirement for a licensed grain dealer from \$20,000 to \$50,000 and the maximum from \$300,000 to \$600,000;
- (4) Changes the formula for determining the amount of surety bond required by specifying that the amount must be equal to 2% of the dealer's previous year's grain purchases, instead of between 1% and 5% of the purchases;
- (5) Increases the multiplication factor for determining the net worth an owner of a licensed grain warehouse must have and maintain from 15 cents to 25 cents per bushel; and
- (6) Repeals the provision that allows a grain dealer who has purchased less than \$400,000 of grain the previous year to satisfy the bond requirement by filing bonds at the rate of \$1,000 per \$20,000 worth of grain purchased.

AGRICULTURAL PRODUCT UTILIZATION AND BUSINESS DEVELOPMENT LOAN PROGRAM (Sections 348.400, 348.407, and 348.412)

The Missouri Agricultural and Small Business Development Authority is allowed to make loan guarantees to certain agribusinesses under the Agricultural Product Utilization and Business Development Loan Program. A "qualifying agribusiness" is defined as any business whose primary customer base is producers of agricultural goods and products or any business whose function is the support of agricultural production or processing by providing goods and services used for producing or processing agricultural products.

FISCAL NOTE: Estimated Net Effect on General Revenue Fund of an income of \$0 to a cost of Unknown in FY 2012, FY 2013, and FY 2014. Estimated Net Effect on Other State Funds of an income of Unknown to a cost of Unknown in FY 2012, FY 2013, and FY 2014.

PROPOONENTS: Supporters say that the loan guarantee program will allow grain elevators, agricultural supply dealers, and other agriculture-related businesses better access to credit. The expansion of the current program will stimulate the economy in rural Missouri by helping businesses in rural communities maintain and increase their business.

Testifying for the bill were Senator Munzlinger; Tony Stafford, Missouri Agricultural and Small Business Development Authority; Department of Agriculture; Missouri Bankers Association; Missouri Agribusiness Association; Missouri Pork Association; Missouri Cattlemen's Association; Missouri Farm Bureau; and Missouri Corn Growers Association.

OPPONENTS: There was no opposition voiced to the committee.