

CCS#2 HCS SCS SB 356 -- AGRICULTURE

This bill changes the laws regarding the Joint Committee on Urban Agriculture, sales tax exemptions, noxious weeds, listing of livestock brands, the Commodity Merchandising Council Program, and grain dealers; creates the Puppy Protection Trust Fund; and establishes the Missouri Farmland Trust Act.

JOINT COMMITTEE ON URBAN AGRICULTURE (Section 21.801, RSMo)

The bill renames the Joint Committee on Urban Farming to the Joint Committee on Urban Agriculture and extends the expiration date of the provisions regarding the committee from January 1, 2011, to January 1, 2013. The committee must prepare a final report with its recommendations to the Speaker of the House of Representatives, the President Pro Tem of the Senate, and the Governor by December 31, 2012.

INCOME TAX REFUND DESIGNATION TO THE PUPPY PROTECTION TRUST FUND (Section 143.1014)

Beginning January 1, 2011, the bill authorizes an individual or corporation to designate at least \$1 on a Missouri individual return or at least \$2 on a combined return of his or her tax refund amount to the newly created Puppy Protection Trust Fund. A taxpayer may also donate to the fund by sending a separate check with the payment of his or her taxes. The donations are to be used by the Department of Agriculture for the sole purpose of administering the Canine Cruelty Prevention Act.

SALES TAX EXEMPTIONS (Sections 144.010, 144.020, 144.030, and 144.070)

The bill exempts the following items from state and local sales and use taxes:

(1) The sale of captive wildlife which includes, but is not limited to, exotic partridges, gray partridge, northern bobwhite quail, ring-necked pheasant, captive waterfowl, captive white-tailed deer, captive elk, and captive furbearers held under a permit issued by the Department of Conservation for hunting purposes. This exemption does not apply to the sales tax on a harvested animal; and

(2) The sale of any accessories for and upgrades to farm machinery and equipment, rotary mowers used exclusively for agricultural purposes, and freight charges on any exempt item.

MISSOURI FARMLAND TRUST ACT (Section 262.815)

The bill establishes the Missouri Farmland Trust Act to allow individuals and entities to donate or otherwise convey farmland to the Department of Agriculture to preserve it as farmland and to assist beginning farmers by allowing long-term low and variable cost leases on the land making it affordable for the next generation of farmers to produce food, fiber, and fuel.

The Missouri Farmland Trust will be implemented to accomplish the following objectives:

- (1) Protecting and preserving Missouri's farmland;
- (2) Linking new generations of prospective farmers with present farmers; and
- (3) Promoting best practices in environmental, livestock, and land stewardship.

The Missouri Farmland Trust Advisory Board is established within the department to make recommendations to the department director regarding the appropriate uses of farmland in the trust and the criteria for the selection of program participants and to review and make recommendations regarding applications to lease farmland in the trust.

The bill specifies the membership of the board and the terms of its members. The department is authorized to accept or acquire by purchase, lease, donation, or agreement any agricultural lands, easements, or real and personal property including, but not limited to, buildings, structures, improvements, equipment, or facilities subject to preservation and improvement which will be the property of the trust.

The Missouri Farmland Trust Fund is created consisting of gifts, donations, and appropriations by the General Assembly. Upon appropriation, moneys in the fund must be used for the administration of the trust and may be used to make payments to counties for the value of land in lieu of real and personal property taxes for privately owned land acquired and for the maintenance, operation, regulation, and improvement of the trust's assets to promote agriculture and the general welfare. Property acquired by the department must be used for agricultural purposes and must be farmed and maintained using the best environmental, conservation, and stewardship practices as specified by the department. No beginning farmer can lease farmland in the trust for more than 20 years. Any person or entity donating to or leasing land from the department must release the state, its employees, volunteers, agents, and any entity acting in concert or on behalf of the state from any and all claims, actions, or demands that he or she and his or her

relatives and legal representatives have now or may have in the future for any injury, death, or property damage related to participation in these activities as well as the negligence or any other acts connected to the activities and the condition of the property where the activities occurred.

#### NOXIOUS WEEDS (Sections 263.190 - 263.241 and 263.450)

The bill:

(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, the Highways and Transportation Commission within the Department of Transportation, any 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 its authorized agent, 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 recorded 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 bill removes this requirement and instead specifies that the department director must create a list and make it available on a publicly accessible web site. The list must be updated from time to time.

#### COMMODITY MERCHANDISING COUNCIL PROGRAM (Section 275.360)

The bill adds a rice grower or producer to those exempt from the provision allowing an agricultural producer or grower to independently request a refund of the fees paid to the Commodity Merchandising Council Program from the Director of the Department of Agriculture.

GRAIN DEALERS (Sections 276.401, 276.416, 276.421, 276.436, 276.441, 276.446, and 411.280)

The bill:

(1) Revises the definition of "grain dealer" or "dealer" to exempt a producer or feeder of grain for livestock or poultry who exclusively buys grain for his or her own farming or feeding purposes from licensed grain dealers or whose total grain purchases from producers during his or her fiscal year do not exceed 50,000 bushels instead of the current \$100,000;

(2) Requires every licensed grain dealer or applicant for a grain dealer's license to maintain a minimum net worth equal to 5% of annual grain purchases as established in the required financial statements. Currently, only certain dealers or applicants are required to maintain a specified minimum net worth;

(3) 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 calculation of the amount of a dealer's or applicant's assets and liabilities;

(4) 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;

(5) 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 or 2% of the estimated amount if the dealer has been engaged in the business for less than a year. Currently, the amount must be between 1% and 5% of the purchases or the estimate;

(6) Changes the net worth an owner of a licensed grain warehouse must have and maintain to the greater of \$10,000 or the amount which results from multiplying the storage capacity of the warehouse by 25 cents per bushel instead of the current 15 cents per bushel; and

(7) Repeals the provision allowing a grain dealer who has purchased less than \$400,000 of grain during the previous year to satisfy the bond requirement by filing with the Director of the Department of Agriculture a bond at the rate of \$1,000 for every \$20,000 worth of grain purchased with a minimum bond of \$10,000.

The provisions regarding the Puppy Protection Trust Fund will expire December 31 six years from the effective date.

The bill contains an emergency clause for the provisions regarding the Joint Committee on Urban Agriculture.