

## HCS SCS SB 355 -- AGRICULTURE

This bill changes the laws regarding agricultural programs in Missouri.

### FUEL ETHANOL PRODUCER INCENTIVE FUND

The Fuel Ethanol Producer Incentive Fund was created to provide economic incentives for the production of ethanol in Missouri. Qualified ethanol producers receive a monthly incentive grant for 60 consecutive months in an amount determined by the number of gallons of ethanol produced. The bill extends the expiration date of the producer incentives from December 31, 2007, to December 31, 2015.

### BIODIESEL FUEL

The bill removes the requirement that the Missouri Qualified Biodiesel Incentive Fund be funded with moneys other than from general revenue.

Missouri qualified biodiesel producers are eligible to receive a monthly production incentive grant from the fund for 60 consecutive months. If the producer fails to receive the full grant amount during the 60-month period due to a lack of appropriations to the fund, the 60-month eligibility period may be extended for an additional 24 months or until the producer receives the full grant amount.

Qualified biodiesel producers receive grants in an amount equal to 30 cents per gallon for the first 15 million gallons of biodiesel produced in a fiscal year. The bill provides for a 10 cent per-gallon grant on the next 15 million gallons produced in the same fiscal year.

The expiration date of the Biodiesel for Schools Program is extended from the 2005-2006 school year to the 2011-2012 school year. The program allows school districts to establish contracts with nonprofit, farmer-owned new generation cooperatives to supply bus fuel containing at least 20% biodiesel.

### MOTOR FUEL TAX

The bill authorizes an ultimate vendor, delivering 100 or more gallons of gasoline to a certified farmer for on-farm use, to claim the motor fuel tax refund on the gasoline. This provision has an effective date of January 1, 2006.

### SALES AND USE TAX

The bill exempts from state and local sales and use taxes natural gas, propane, and electricity used by an eligible new generation cooperative or an eligible new generation processing entity and field drain tile used exclusively for producing crops; raising and feeding livestock, fish, poultry, pheasants, chukar, and quail; or for producing milk for retail sale.

#### FOOD INSPECTIONS

The bill exempts all foods which are not potentially hazardous sold by religious, charitable, or nonprofit organizations at their religious events or at charitable functions from all state laws and regulations relating to food inspection.

Sellers of jams, jellies, and honey will be exempt from specified production requirements as long as they do not sell more than \$30,000 worth of jams, jellies, and honey per domicile, per year. These sellers also will be exempt from all other health standards pursuant to Sections 196.190 - 196.271, RSMo, as long as the following requirements are met:

- (1) The jams, jellies, and honey must be manufactured in the domicile of the person processing and selling them;
- (2) The jams, jellies, and honey must be labeled in legible English with certain information;
- (3) A placard must be displayed in a prominent location stating that the product has not been inspected by the Department of Health and Senior Services; and
- (4) A record of jams, jellies, and honey processed and sold must be maintained.

Anyone who violates these provisions may be issued an injunction by the department preventing them from selling jams, jellies, and honey.

#### DRAINAGE AND LEVEE DISTRICTS

The bill gives any drainage district, levee district, or drainage and levee district two years after the lapse of the corporate charter to reinstate and extend the time of its corporate existence through the circuit court having jurisdiction.

This provision of the bill contains an emergency clause.

#### MISSOURI WINE AND GRAPE BOARD

The bill establishes the Missouri Wine and Grape Board to promote the growth and development of the grape-growing industry in

Missouri. The 11-member board will consist of seven current members of the Missouri Wine and Grape Advisory Board and four ex officio members, including the president of the Missouri Grape Growers Association, the president of the Missouri Vintners Association, the president of the Missouri Wine Marketing and Research Council, and the Director of the Department of Agriculture. All board members including the ex officio members will be voting members. The appointment, terms, meeting requirements, powers, and duties of the board are specified in the bill. An executive director will be hired to administer, manage, and direct the affairs of the board.

The Missouri Wine and Grape Fund is created for the deposit of moneys that currently are credited to the Marketing Development Fund. The moneys in the fund will be used exclusively for programs for the growing, selling, and marketing of grapes and grape products in Missouri.

#### PESTICIDES

The University of Missouri Extension Service is authorized to collect a fee from private pesticide applicators to offset the actual costs associated with providing an instructional course on the application of pesticides. Private applicators are required to complete the instructional course in order to qualify for a certified private applicator's license. The Director of the Department of Agriculture and the university extension service are required to annually review the costs of the instructional course. Private applicators completing the course on-line will not be assessed the fee associated with the instructional course.

#### TAX CREDIT WAITING PERIOD

The bill removes the two-year waiting period before a contributor receiving a tax credit for a cash contribution to the Agricultural and Small Business Development Authority can be an owner, member, investor, or lender of an eligible new generation cooperative or eligible new generation processing entity that receives financial assistance from the authority.

#### MEAT INSPECTION STANDARDS

Currently, all commercial plants slaughtering and/or processing livestock or poultry for human consumption are required to be operated in accordance with prescribed standards. The bill designates llamas, alpaca, and buffalo as livestock and makes them subject to the same standards.

#### PREMISES REGISTRATION INFORMATION CONFIDENTIALITY

Any information related to premises registration is required to be kept confidential and shared only with state and federal animal health officials. The information is not subject to

subpoena except by a state or federal agency.