

FIRST REGULAR SESSION

SENATE BILL NO. 454

94TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR NODLER.

Read 1st time February 6, 2007, and ordered printed.

TERRY L. SPIELER, Secretary.

0492S.011

AN ACT

To repeal section 30.750, RSMo, and to enact in lieu thereof one new section relating to linked deposits.

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

Section A. Section 30.750, RSMo, is repealed and one new section enacted
2 in lieu thereof, to be known as section 30.750, to read as follows:

30.750. As used in sections 30.750 to 30.767, the following terms mean:

2 (1) "Eligible agribusiness", a person engaged in the processing or adding
3 of value to agricultural products produced in Missouri;

4 (2) "Eligible beginning farmer",

5 (a) For any beginning farmer who seeks to participate in the linked
6 deposit program alone, a farmer who:

7 a. Is a Missouri resident;

8 b. Wishes to borrow for a farm operation located in Missouri;

9 c. Is at least eighteen years old; and

10 d. In the preceding five years has not owned, either directly or indirectly,
11 farm land greater than fifty percent of the average size farm in the county where
12 the proposed farm operation is located or farm land with an appraised value
13 greater than four hundred fifty thousand dollars.

14 A farmer who qualifies as an eligible farmer under this provision may utilize the
15 proceeds of a linked deposit loan to purchase agricultural land, farm buildings,
16 new and used farm equipment, livestock and working capital;

17 (b) For any beginning farmer who is participating in both the linked
18 deposit program and the beginning farmer loan program administered by the
19 Missouri agriculture and small business development authority, a farmer who:

20 a. Qualifies under the definition of a beginning farmer utilized for

21 eligibility for federal tax-exempt financing, including the limitations on the use
22 of loan proceeds; and

23 b. Meets all other requirements established by the Missouri agriculture
24 and small business development authority;

25 (3) "Eligible facility borrower", a borrower qualified under section 30.860
26 to apply for a reduced-rate loan under sections 30.750 to 30.767;

27 (4) "Eligible farming operation", any person engaged in farming in an
28 authorized farm corporation, family farm, or family farm corporation as defined
29 in section 350.010, RSMo, that has all of the following characteristics:

30 (a) Is headquartered in this state;

31 (b) Maintains offices, operating facilities, or farming operations and
32 transacts business in this state;

33 (c) Employs less than ten employees;

34 (d) Is organized for profit;

35 (e) Possesses not more than sixty percent equity, where "percent equity"
36 is defined as total assets minus total liabilities divided by total assets, except
37 that an otherwise eligible farming operation applying for a loan for the purpose
38 of installing or improving a waste management practice in order to comply with
39 environmental protection regulations shall be exempt from this eligibility
40 requirement;

41 (5) "Eligible higher education institution", any approved public or private
42 institution as defined in section 173.205, RSMo;

43 (6) "Eligible job enhancement business", a new, existing, or expanding
44 firm operating in Missouri, or as a condition of accepting the linked deposit, will
45 locate a facility or office in Missouri associated with said linked deposit, which
46 employs ten or more employees in Missouri on a yearly average and which, as
47 nearly as possible, is able to establish or retain at least one job in Missouri for
48 each fifty thousand dollars received from a linked deposit loan **except that the**
49 **business may be eligible for a linked deposit loan at an amount higher**
50 **than fifty thousand dollars per job established or retained at the**
51 **discretion of the state treasurer, if the applicant can demonstrate**
52 **significant costs for equipment, capital outlay, or construction**
53 **associated with the physical expansion, renovation, or modernization**
54 **of a facility or equipment;**

55 (7) "Eligible lending institution", a financial institution that is eligible to
56 make commercial or agricultural or student loans or discount or purchase such

57 loans, is a public depository of state funds or obtains its funds through the
58 issuance of obligations, either directly or through a related entity, eligible for the
59 placement of state funds under the provisions of section 15, article IV,
60 Constitution of Missouri, and agrees to participate in the linked deposit program;

61 (8) "Eligible livestock operation", any person engaged in production of
62 livestock or poultry in an authorized farm corporation, family farm, or family
63 farm corporation as defined in section 350.010, RSMo;

64 (9) "Eligible marketing enterprise", a business enterprise operating in this
65 state which is in the process of marketing its goods, products or services within
66 or outside of this state or overseas, which marketing is designed to increase
67 manufacturing, transportation, mining, communications, or other enterprises in
68 this state, which has proposed its marketing plan and strategy to the department
69 of economic development and which plan and strategy has been approved by the
70 department for purposes of eligibility pursuant to sections 30.750 to 30.767. Such
71 business enterprise shall conform to the characteristics of paragraphs (a), (b) and
72 (d) of subdivision (4) of this section and also employ less than twenty-five
73 employees;

74 (10) "Eligible multitenant development enterprise", a new enterprise that
75 develops multitenant space for targeted industries as determined by the
76 department of economic development and approved by the department for the
77 purposes of eligibility pursuant to sections 30.750 to 30.767;

78 (11) "Eligible residential property developer", an individual who purchases
79 and develops a residential structure of either two or four units, if such residential
80 property developer uses and agrees to continue to use, for at least the five years
81 immediately following the date of issuance of the linked deposit loan, one of the
82 units as his principal residence or if such person's principal residence is located
83 within one-half mile from the developed structure and such person agrees to
84 maintain the principal residence within one-half mile of the developed structure
85 for at least the five years immediately following the date of issuance of the linked
86 deposit loan;

87 (12) "Eligible residential property owner", a person, firm or corporation
88 who purchases, develops or rehabilitates a multifamily residential structure;

89 (13) "Eligible small business", a person engaged in an activity with the
90 purpose of obtaining, directly or indirectly, a gain, benefit or advantage and
91 which conforms to the characteristics of paragraphs (a), (b) and (d) of subdivision
92 (4) of this section, and also employs less than twenty-five employees;

93 (14) "Eligible student borrower", any person attending, or the parent of
94 a dependent undergraduate attending, an eligible higher education institution in
95 Missouri who may or may not qualify for need-based student financial aid
96 calculated by the federal analysis called Congressional Methodology Formula
97 pursuant to 20 U.S.C. 1078, as amended (the Higher Education Amendments of
98 1986);

99 (15) "Eligible water supply system", a water system which serves fewer
100 than fifty thousand persons and which is owned and operated by:

101 (a) A public water supply district established pursuant to chapter 247,
102 RSMo; or

103 (b) A municipality or other political subdivision; or

104 (c) A water corporation;

105 and which is certified by the department of natural resources in accordance with
106 its rules and regulations to have suffered a significant decrease in its capacity to
107 meet its service needs as a result of drought;

108 (16) "Farming", using or cultivating land for the production of agricultural
109 crops, livestock or livestock products, forest products, poultry or poultry products,
110 milk or dairy products, or fruit or other horticultural products;

111 (17) "Linked deposit", a certificate of deposit, or in the case of production
112 credit associations, the subscription or purchase outright of obligations described
113 in section 15, article IV, Constitution of Missouri, placed by the state treasurer
114 with an eligible lending institution at rates otherwise provided by law in section
115 30.758, provided the institution agrees to lend the value of such deposit,
116 according to the deposit agreement provided in sections 30.750 to 30.767, to
117 eligible small businesses, farming operations, eligible job enhancement
118 businesses, eligible marketing enterprises, eligible residential property
119 developers, eligible residential property owners, eligible agribusinesses, eligible
120 beginning farmers, eligible livestock operations, eligible student borrowers,
121 eligible facility borrowers, or eligible water supply systems at below the present
122 borrowing rate applicable to each small business, farming operation, eligible job
123 enhancement business, eligible marketing enterprise, eligible residential property
124 developer, eligible residential property owner, eligible agribusiness, eligible
125 beginning farmer, eligible livestock operation, eligible student borrower, or supply
126 system at the time of the deposit of state funds in the institution;

127 (18) "Market rate", the interest rate tied to federal government securities
128 and more specifically described in subsection 4 of section 30.260;

- 129 (19) "Water corporation", as such term is defined in section 386.020,
130 RSMo;
131 (20) "Water system", as such term is defined in section 386.020, RSMo.

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