

FIRST REGULAR SESSION

SENATE BILL NO. 636

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR BROWN (16).

2340S.01I

KRISTINA MARTIN, Secretary

AN ACT

To repeal section 135.1610, RSMo, and to enact in lieu thereof two new sections relating to agriculture.

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

Section A. Section 135.1610, RSMo, is repealed and two
2 new sections enacted in lieu thereof, to be known as sections
3 135.1610 and 261.021, to read as follows:

135.1610. 1. As used in this section, the following
2 terms mean:

3 (1) "Eligible expenses", expenses incurred in the
4 construction or development of establishing or improving an
5 urban farm in an urban area **or a small-scale specialty crop**
6 **farm in a food desert.** The term eligible expenses shall not
7 include any expense for labor or any expense incurred to
8 grow medical marijuana or industrial hemp;

9 (2) "Food desert", a census tract that has a poverty
10 rate of at least twenty percent or a median family income of
11 less than eighty percent of the statewide average and where
12 at least five hundred people or thirty-three percent of the
13 population is located at least a half mile away from a full-
14 service grocery store in an urban area or at least ten miles
15 away from a full-service grocery store in a rural area;

16 (3) "Rural area", a rural place as designated by the
17 United States Census Bureau;

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

(4) "Small-scale specialty crop farm", a farm no larger than thirty acres and growing three or more types of specialty crops at any given time on at least half of its total acreage;

(5) "Specialty crop", fruits and vegetables, tree nuts, dried fruits, and horticulture and nursery crops including, but not limited to, floriculture;

(6) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265;

[(3)] (7) "Taxpayer", any individual, partnership, or corporation as described under section 143.441 or 143.471 that is subject to the tax imposed under chapter 143, excluding withholding tax imposed under sections 143.191 to 143.265, or any charitable organization that is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143;

[(4)] (8) "Urban area", an urbanized area as defined by the United States Census Bureau;

[(5)] (9) "Urban farm", an agricultural plot or facility in an urban area that produces agricultural food products used solely for distribution to the public by sale or donation. Urban farm shall include community-run gardens **and shall not exceed five acres in size.** Urban farm shall not include personal farms or residential lots for personal use.

2. For all tax years beginning on or after January 1, 2023, a taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount equal to fifty percent of the taxpayer's eligible expenses for establishing or improving an urban farm **or small-scale**

50 **specialty crop farm in a food desert** that focuses on food
51 production.

52 3. The amount of the tax credit claimed shall not
53 exceed the amount of the taxpayer's state tax liability in
54 the tax year for which the credit is claimed, and the
55 taxpayer shall not be allowed to claim a tax credit under
56 this section in excess of five thousand dollars for each
57 urban farm **or small-scale specialty crop farm**. The total
58 amount of tax credits that may be authorized for all
59 taxpayers for eligible expenses incurred on any given urban
60 farm **or small-scale specialty crop farm** shall not exceed
61 twenty-five thousand dollars. Any issued tax credit that
62 cannot be claimed in the tax year in which the eligible
63 expenses were incurred may be carried over to the next three
64 succeeding tax years until the full credit is claimed.

65 4. The total amount of tax credits that may be
66 authorized under this section shall not exceed two hundred
67 thousand dollars in any calendar year.

68 5. Tax credits issued under the provisions of this
69 section shall not be transferred, sold, or assigned.

70 6. The Missouri agricultural and small business
71 development authority shall recapture the amount of tax
72 credits issued to any taxpayer who, after receiving such tax
73 credit, uses the urban farm for the personal benefit of the
74 taxpayer instead of for producing agricultural food products
75 used solely for distribution to the public by sale or
76 donation.

77 7. The Missouri agricultural and small business
78 development authority may promulgate rules to implement the
79 provisions of this section. Any rule or portion of a rule,
80 as that term is defined in section 536.010, that is created
81 under the authority delegated in this section shall become

effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after January 2, 2023, shall be invalid and void.

8. Under section 23.253 of the Missouri sunset act:

(1) The program authorized under this section shall automatically sunset on December 31, 2028, unless reauthorized by an act of the general assembly;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset on December thirty-first twelve years after the effective date of the reauthorization of this section;

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

(4) Nothing in this subsection shall prevent a taxpayer from claiming a tax credit properly issued before the program was sunset in a tax year after the program is sunset.

261.021. 1. As used in this section, the term

"socially disadvantaged community" means an area containing a group of individuals whose members have been subjected to racial or ethnic prejudice because of the identity of such individuals as members of a group without regard to the individual qualities of such individuals.

7 2. There is hereby created within the department of
8 agriculture the "Socially Disadvantaged Communities Outreach
9 Program" to connect historically unserved and underserved
10 communities with access to healthy fresh food and knowledge
11 and skills related to food production.

12 3. The outreach program shall:

13 (1) Provide financial assistance for people growing
14 food in socially disadvantaged communities through programs
15 such as those authorized in section 135.1610;

16 (2) Encourage activities that support and promote
17 urban agriculture or specialty crop farming in socially
18 disadvantaged communities;

19 (3) Provide educational and skills training related to
20 food production in socially disadvantaged communities; and

21 (4) Address food deserts in urban and rural socially
22 disadvantaged communities.

23 4. The department shall designate an employee to
24 administer and monitor the socially disadvantaged
25 communities outreach program and to serve as a liaison to
26 affected communities. The duties of such employee shall
27 include, but not be limited to:

28 (1) Providing leadership at the state level to
29 encourage participation in programs to meet the goals under
30 subsections 2 and 3 of this section;

31 (2) Conducting workshops and other sessions that
32 provide educational and skills training related to food
33 production to residents of socially disadvantaged
34 communities; and

35 (3) Seeking grants, private donations, or other
36 funding sources to support the socially disadvantaged
37 communities outreach program.

38 5. On or before December thirty-first of each year,
39 the department shall submit a report to the general assembly
40 detailing the number of residents who received training
41 under this section, the number of tax credits issued under
42 section 135.1610, and any recommendations for legislative
43 action to improve the program.

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