



SB 864

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Link to Full Text: <https://www.senate.mo.gov/26info/pdf-bill/intro/SB864.pdf>

PART 1 – QUICK SNAPSHOT

1.1 One-Paragraph Overview

SB 864 rewrites a **cluster of unrelated tax-credit statutes** to remove or weaken sunset dates and keep a long list of targeted tax subsidies running indefinitely. It covers wood-energy producers, meat processing plants, higher-ethanol fuel, biodiesel blends, biodiesel producers, urban farms, freight-rail rolling stock, specialty crops, and the lenders who finance those specialty crops—all inside one bill. In practice, it **locks in and extends special tax breaks** for favored industries instead of simplifying the code or delivering broad-based tax relief to Missouri families. Functionally it operates as an **omnibus tax-credit “Christmas tree”** wrapped in a broad “relating to tax credits” title.

1.2 Triage Table

- **Single-subject (Art. III §23 – one subject clearly expressed in the title)**
 - **Serious concerns.**
 - The title “relating to tax credits” is extremely broad, and the bill bundles **many distinct programs** (energy, rail property tax, urban farms, specialty-crop loans) into one package. That’s arguably one “subject” under current case law, but functionally it is an omnibus that invites logrolling and hides individual programs from a clean up-or-down vote.

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- **Does it grow government (size, spending, bureaucratic power)?**
 - **Yes.**
 - SB 864 **removes sunset dates** and keeps multiple credit and loan programs alive indefinitely, which means **continuing state spending / revenue loss** and ongoing delegated power for agencies like the Missouri Agricultural and Small Business Development Authority (MASBDA) and DOR.

- **Overall impact on Missouri families**
 - **Hurts / Mixed but trending negative.**
 - A few smaller items (urban farms, family farmer loans) may help some local communities, but the overall structure is **corporate welfare** for selected industries (biofuels, rail, meat processing, etc.), with the costs shifted to the general taxpayer and future budgets.
- **Alignment with Act for Missouri core beliefs**
 - **Undermines / Mixed.**
 - It entrenches **centralized, special-interest economic policy** instead of limited, neutral, transparent taxation. It picks winners and losers and keeps complex carve-outs that ordinary citizens can't easily track or challenge.
- **Recommended stance**
 - **OPPOSE.**
 - On both **process grounds** (omnibus structure, logrolling risk) and **substance** (entrenching multiple targeted subsidies instead of broad tax relief or program sunsets).

PART 2 – PURPOSE & PROVISION MAP

2.1 Stated Purpose & Title

- **Apparent purpose in plain English:**
 - To **continue and entrench a basket of tax credit and loan programs** by removing or weakening sunset provisions and adjusting related statutes.
- **Title accuracy:**
 - The bill repeals and reenacts ten sections “relating to tax credits,” but in reality it touches:
 - Energy and fuel policy (wood energy, ethanol, biodiesel),
 - Meat-processing facilities,
 - Urban agriculture,
 - Rail property tax on freight rolling stock,
 - Specialty crop financing and lender credits,

- And the sunset for another agricultural development program (348.430–.436).
 - “Relating to tax credits” is **technically accurate but extremely vague and overbroad**, making it easy to layer many disparate programs into one bill.

2.2 Provision-by-Provision Map (Major Provisions)

Grouped by section as reenacted in SB 864.

Provision 1 – Extend Wood Energy Producer Tax Credit (135.305)

- **Location:** §135.305.1–.16 as reenacted.
- **What it does:**
 - Keeps the **\$5/ton Missouri wood energy producer tax credit** alive by **removing the prior June 30, 2028 cutoff**. The aggregate cap stays at **\$6 million per fiscal year**, subject to appropriation.
- **Tag: Concern**
- **Why:**
 - Continues a **narrow industry subsidy** instead of letting it sunset or converting it into broad-based tax relief. Another example of picking industrial winners.

Provision 2 – Meat Processing Facility Investment Tax Credit (135.686)

- **Location:** §135.686.2–.10.
- **What it does:**
 - Removes the “ending on or before December 31, 2028” limit and keeps the **25% investment tax credit** for meat processing modernization/expansion permanently open (with a \$2 million/year cap and \$75,000 per facility).
- **Tag: Red Flag**
- **Why:**
 - This is a large, ongoing **capital-subsidy program for specific plants**, administered by MASBDA, with confidentiality provisions and rulemaking authority. It’s a substantial, permanent commitment of tax dollars to a specific sector.

Provision 3 – Higher Ethanol Blend Retail/Distributor Credit (135.772)

- **Location:** §135.772.2–.5, with subsection 6 (sunset) removed.
- **What it does:**
 - Continues a **5¢/gallon tax credit** for sales of “higher ethanol blends” (15–85% ethanol), up to **\$5 million/year**, by repealing the Missouri Sunset Act language that would have ended the program on Dec. 31, 2028.
- **Tag: Red Flag**
- **Why:**
 - Locks Missouri into ongoing **fuel-market engineering** in alignment with federal climate/energy agendas, while shifting costs to general taxpayers. Program becomes effectively permanent.

Provision 4 – Biodiesel Blend Retail/Distributor Credit (135.775)

- **Location:** §135.775.1–.8, with prior sunset subsections removed.
- **What it does:**
 - Continues refundable credits for biodiesel blends sold at retail or to final users:
 - **2¢/gallon** for B5–B10,
 - **5¢/gallon** for >10% up to 20%,
 - Up to **\$16 million/year**, with refundability and apportioning rules. Removes sunset.
- **Tag: Red Flag**
- **Why:**
 - A very **large, refundable** credit—essentially a **direct subsidy**—for chosen fuel blends. Combined with the ethanol provision, this is a major ongoing energy-policy program built into the tax code, not a small, temporary experiment.

Provision 5 – Biodiesel Producer Credit (135.778)

- **Location:** §135.778.1–.5, sunset removed.
- **What it does:**
 - Continues a **2¢/gallon refundable credit** for **Missouri biodiesel producers**, capped at **\$5.5 million/year**, first-come/first-served, with DOR rulemaking. Removes the sunset.

- **Tag: Red Flag**
- **Why:**
 - Direct, ongoing subsidy for a specific class of producers, in addition to the retail-side subsidies. Creates **multi-layered corporate welfare** in the biofuels sector.

Provision 6 – Urban Farm Tax Credit (135.1610)

- **Location:** §135.1610.1–.7, sunset subsections removed.
- **What it does:**
 - Keeps the **50% tax credit for “eligible expenses”** to establish or improve urban farms, up to **\$5,000 per taxpayer per farm, \$25,000 per farm total, and \$200,000 statewide per year**. MASBDA can recapture credits if the farm converts to personal use; sunset language is deleted.
- **Tag: Mixed / Concern**
- **Why:**
 - Dollar amounts are small and can genuinely support local food production and community gardens, which can be good. But it is still another permanent, niche credit with added administrative overhead and enforcement discretion.

Provision 7 – Freight Line Company Rolling Stock Credit (137.1018)

- **Location:** §137.1018.1–.4; removal of subsection 5 sunset.
- **What it does:**
 - Keeps a credit against the **state-level freight-line property tax** for eligible expenses to manufacture, maintain, or improve “qualified rolling stock,” with the **state reimbursing political subdivisions** for lost revenue—by deleting the August 28, 2028 expiration and 2029 termination.
- **Tag: Red Flag**
- **Why:**
 - This is a **permanent property-tax break for freight companies** with the **state general revenue backfilling local revenue losses**. That is a classic **privatize gains / socialize costs** structure—rail gets the tax benefit; statewide taxpayers quietly cover the local shortfall.

Provision 8 – Specialty Agricultural Crops Loan Program (348.491)

- **Location:** §348.491.1–.10, sunset subsections removed.
- **What it does:**
 - Keeps MASBDA's **Specialty Agricultural Crops Act** alive: low-interest loans up to \$35,000 per family farmer to buy seeds, irrigation, fencing, season-extension, refrigeration, etc. Removes the Dec. 31, 2028 automatic sunset.
- **Tag: Mixed / Concern**
- **Why:**
 - Supports small family farmers (which is positive), but again via a permanent program housed in a quasi-development authority, instead of simple tax relief or market-based financing. Adds to the tangle of permanent ag-subsidy mechanisms.

Provision 9 – Lender Tax Credit for Specialty Crop Loans (348.493)

- **Location:** §348.493.1–.5, sunset subsection removed.
- **What it does:**
 - Keeps a **100% tax credit to lenders** for the interest they waive on these specialty crop loans in the first year, up to **\$300,000/year** in total credits, transferable in many cases and carry-forward for up to three years. Removes the Dec. 31, 2028 sunset.
- **Tag: Concern**
- **Why:**
 - Turns lenders' "interest waiver" into a **state-financed subsidy**; the lender risks very little because the tax code makes them whole. This intertwines state finances with private lending decisions.

Provision 10 – Repeal of 348.436 (Sunset for §§348.430–348.436)

- **Location:** Repeals §348.436, which reads: "*The provisions of sections 348.430 to 348.436 shall expire December 31, 2028.*"
- **What it does:**
 - Removes the sunset on another MASBDA-related program (likely an older ag/industrial credit program), making that suite of sections effectively **permanent** instead of expiring in 2028.

- **Tag: Red Flag**
- **Why:**
 - Quietly extends **yet another** program by simply erasing its expiration date—folded into a tax-credit omnibus where most citizens will never notice it.

2.3 Changes to Existing Law (Summary)

Across the board, SB 864:

- **Deletes sunset clauses** and fixed end-dates in multiple tax-credit statutes.
- Keeps **annual caps** but makes them ongoing, not temporary.
- Maintains or expands the **discretion and rulemaking authority** of MASBDA and DOR.
- Maintains state reimbursements to local governments for lost freight-line tax revenue, embedding a permanent cross-subsidy.

In short: **it converts what were supposed to be time-limited “programs” into long-term, structural features of Missouri’s tax code.**

PART 3 – CONSTITUTIONAL & PROCESS CHECKS

3.1 Single-Subject & Original-Purpose (Art. III §23)

- **Main claimed subject:**
 - “Tax credits” / “relating to tax credits.”
- **Additional, distinct policy areas touched:**
 - **Energy & fuels:** Wood biomass energy, ethanol, biodiesel.
 - **Meat-processing industry investment.**
 - **Urban agriculture / urban planning.**
 - **Railroad property tax and state-local revenue structure.**
 - **Specialty-crop lending and lender tax treatment.**
 - **Extension of a separate ag-development program (348.430–436).**
- **Are all provisions truly related?**
 - Only at the **very high level** of “involves some tax credit or program,” which is exactly the kind of broad, catch-all subject that lets omnibus bills flourish.

Substantively, these provisions affect **very different sectors and legal frameworks** and would merit separate debate and votes.

- **Title clarity:**
 - “To enact... sections... relating to tax credits” **does not alert citizens or even many legislators** that they are voting on:
 - Fuel and energy policy,
 - Property-tax structure for freight rail,
 - Urban-farming incentives,
 - Specialty-crop loans and lender credits,
 - And a separate older program’s sunset.
 - That is arguably **too vague to satisfy the clear-title principle**, even if courts often defer to the legislature on broad titles.
- **Original-purpose drift:**
 - This is an **introduced first draft**, so we can’t yet track how much it changes via substitutes. But structurally, it is already drafted in an omnibus form that invites later layering-on.
- **Conclusion:**
 - **Likely technically defensible under current broad “single subject” precedents**, but from a citizen and originalist perspective, SB 864 is **functionally an omnibus bill** and contradicts the spirit of Art. III §23. For Act for Missouri, that is a **process red flag and a stand-alone reason to oppose**.

3.2 U.S. & Missouri Constitutional Rights

- No direct impacts on:
 - Speech, assembly, religious liberty, or right to bear arms.
 - Due process in the classic sense (criminal/civil rights).
- **Property & equal protection considerations:**
 - Freight-line tax credit with **state reimbursement for local revenue losses** could be criticized as **arbitrary favoritism** for a particular class of property owners (freight-line rolling stock) over others. But current law already does this; SB 864 just removes the end date.
- **Bottom line:**

- **No clear constitutional-rights violation** jumps out, but there is a **broader fairness and equal-treatment concern** consistent with a Christian and limited-government view of justice.

3.3 Delegation & Unelected Power

Many of the underlying statutes already delegate power to agencies; SB 864 keeps those delegations running indefinitely:

- **MASBDA (Agricultural & Small Business Development Authority):**
 - Administers meat-processing credits, urban farm credits, and specialty-crop programs.
 - Has rulemaking power, discretion over eligibility, and in some cases **recapture authority** (e.g., when an urban farm is used for personal benefit).
- **Department of Revenue:**
 - Administers fuel credits, biodiesel producer credits, and rail credits.
 - May require “any documentation it deems necessary” and issues rules for implementation.
- **Concerns:**
 - SB 864 **extends the life of programs that rely on ongoing agency discretion** and confidential enforcement, without re-examining whether the delegation and criteria are appropriate.
 - The **longer these programs exist, the more entrenched the bureaucracy and the harder it is for citizens to reform or repeal them.**

PART 4 – IMPACT ON MISSOURI FAMILIES

4.1 Economic, Tax, and Utility Impacts

- **Short-term:**
 - Benefited industries (biofuels, meat processing, specialty crops, freight lines) enjoy **lower effective tax burdens or subsidized financing**, which may support some jobs and capital projects.
 - Some urban farms and small farmers could see **real, modest help** from the credits and loans.
- **Long-term:**
 - Every dollar of foregone revenue or reimbursed local tax has to be made up somewhere:

- **Higher taxes on everyone else,**
- Cuts to core services, or
- Government borrowing.
- The bill **normalizes permanent carve-outs** and makes the tax code even more complex and lobbyist-driven, which hurts competitiveness and transparency over time.
- **Cross-subsidy example (freight lines):**
 - Freight lines get to reduce their tax via credits for rolling-stock improvements, while the **state reimburses local political subdivisions** for the lost revenue—meaning **general taxpayers subsidize these companies' capital investments**.

Net economic impact:

- **Mixed but leaning negative** for ordinary families: a few small benefits at the margin, overshadowed by a long-term shift toward **permanent corporate welfare and tax complexity**.

4.2 Freedom, Parental Rights, and Education

- SB 864 does **not directly regulate schools, curriculum, or homeschooling**.
- Urban farms and specialty crop efforts might indirectly support local food and community life, but that's incidental.

Net effect on parental rights & family freedom:

- **Not directly implicated.** Main impacts are fiscal and structural, not educational.

4.3 Moral & Cultural Climate

- **No direct abortion or gender ideology content.**
- The moral lens here is about **just use of state power and stewardship of public resources**:
 - Repeatedly using the tax code to **favor politically-connected sectors** undermines trust in civil government and encourages rent-seeking.
 - Scripture warns against **partiality** and unjust weights/measures; a maze of carve-outs can function as economic partiality in practice.

Net impact on Missouri families:

- **Hurts / Mixed.**

- While some provisions help small and local agriculture, the bill as a whole reinforces a **culture of special deals** instead of a culture of equal treatment, transparency, and limited government.

PART 5 – ACT FOR MISSOURI CORE PRINCIPLES CHECK

- **100% Pro-Life:**
 - **Not implicated.** No abortion-related content or equal-protection issues for unborn children.
- **Christian & Biblical Values:**
 - **Mixed / Concern.**
 - Positive: some support for small farmers and local food systems can align with stewardship and caring for communities.
 - Negative: systemic **favoritism and opaque subsidies** for certain industries over others run counter to biblical warnings against partiality and unjust economic practices.
- **Property Taxes & Economic Freedom:**
 - **Concern.**
 - Freight-line property-tax credit plus state reimbursement is a **tilted playing field**—large freight companies benefit, while ordinary homeowners and small businesses get no comparable break.
- **Literal / Original-Intent Constitutionalism:**
 - **Concern.**
 - Very broad “relating to tax credits” title and bundling of diverse sectors under one bill press the outer limits of Art. III §23’s clear-subject principle, even if technically defensible under modern precedent.
- **Right to Bear Arms:**
 - **Not implicated.**
- **State Sovereignty & Tenth Amendment:**
 - **Mixed / Mild concern.**
 - Some of the energy/fuel subsidies mirror or reinforce **federal climate and biofuel agendas**, though the bill itself doesn’t explicitly cede authority or tie Missouri to federal conditions.

- **Nuclear Family & Parental Rights:**
 - **Not implicated.**
- **Homeschool Protection:**
 - **Not implicated.**
- **Currency & Financial Control (CBDC/FedNow):**
 - **Not implicated.**
- **Election Integrity:**
 - **Not implicated.**
- **Government Transparency:**
 - **Concern.**
 - Several programs include **confidentiality clauses** regarding financial and operational information submitted by participants, limiting what the public can see about who is benefiting and by how much. While some confidentiality may be justified, the more permanent and numerous these programs are, the more they **hide economic policy choices from citizens**.

PART 6 – SPECIAL TOPIC TESTS (2025 PRIORITIES)

6.1 Amendment 3 / Personhood & Equal-Protection Test

- **Not implicated.** No abortion or “reproductive freedom” content.

6.2 Surveillance, Digital-ID, and Data-Hub Test

- **Not implicated.** The bill concerns tax credits and economic programs, not data systems or surveillance.

6.3 Utilities, Energy Policy, and Big-User Test

- **Partially implicated via energy policy:**
 - Wood energy, ethanol, biodiesel, and biodiesel production credits are **energy-policy tools** embedded in the tax code.
 - They encourage specific fuel choices and production patterns, but there’s no direct tie to data centers, PISA-style accounting, or regulated utility tariffs here.

Conclusion on this test:

- **Energy-policy entrenchment is a concern**, but this bill doesn’t directly involve data centers, grid tariffs, or water-intensive industrial loads.

6.4 Federal Money & Strings

- **Not expressly implicated.**
 - SB 864 doesn't explicitly hinge on federal funding or mandate compliance with new federal standards. That said, the **biofuel and energy credits clearly harmonize with federal policy directions**, which is worth watching but not spelled out.

6.5 Model-Legislation / Agenda 21 & 2030 / Globalism Indicators

- The text does **not use obvious Agenda 21/2030 buzzwords** ("sustainable development," "resilient infrastructure," etc.).
- However, **biofuel subsidies** are part of a broader regulatory and ESG-style landscape. SB 864 reinforces those policies by making state-level credits permanent, even if it doesn't name the global frameworks explicitly.

PART 7 – RED FLAGS, AMENDMENT IDEAS, & FINAL RECOMMENDATION

7.1 Top Red Flags

1. Red Flag #1 – Omnibus / Logrolling Structure

- **Location:** Overall structure; multiple sections/amended statutes across chapters 135, 137, 348.
- **Why:** Bundles unrelated programs (biofuels, meat plants, urban farms, freight rail, specialty crops, and an older MASBDA program) into one bill under the vague heading of "tax credits," blocking clean votes on each item and encouraging logrolling.

2. Red Flag #2 – Permanent Corporate Welfare via Tax Code

- **Location:** §§135.686, 135.772, 135.775, 135.778, 137.1018, 348.491, 348.493; repeal of 348.436.
- **Why:** Deletes sunsets and makes multiple subsidies for favored industries effectively permanent, locking Missouri into a complex and unbalanced tax code.

3. Red Flag #3 – Cross-Subsidies & Hidden Costs for Families

- **Location:** §137.1018 (freight line credit with state reimbursement); large caps on biofuel credits.
- **Why:** Freight lines and biofuel producers get targeted relief, while statewide taxpayers and non-favored sectors shoulder the lost revenue and future budget pressure.

4. Red Flag #4 – Entrenched Delegation to MASBDA and DOR

- **Location:** §§135.686, 135.1610, 348.491, 348.493, and fuel-credit sections.
- **Why:** Extends the life of multiple programs that depend on ongoing agency rulemaking, discretionary approvals, and confidentiality—expanding long-term unelected power in economic policy.

5. Red Flag #5 – Weak Clear-Title Protection

- **Location:** Bill title and multi-section content.
- **Why:** The generic “relating to tax credits” title is so broad that ordinary citizens would not understand the diverse and significant policy choices embedded in the bill, undermining the spirit of Art. III §23.

7.2 Possible Fixes / Amendments

From Act for Missouri’s stated perspective **combining multiple unrelated programs in one bill is unacceptable.**

7.3 Final Recommendation

- **Recommended stance: OPPOSE SB 864.**

Why:

- **Process:** SB 864 is drafted as a **mini-omnibus bill** that bundles a long list of unrelated tax-credit and loan programs under a broad “relating to tax credits” label, contrary to the spirit of Missouri’s single-subject and clear-title protections and to Act for Missouri’s stand against omnibus bills.
- **Government size and power:** It **removes sunsets and entrenches multiple special-interest subsidies**, expanding long-term government involvement in picking economic winners and losers.
- **Impact on families:** While a few small pieces may help local agriculture, the net effect is to **shift costs and risks onto ordinary Missouri families** through reduced general revenue, complex cross-subsidies, and more entrenched bureaucracy.

Given our criteria and explicit opposition to omnibus bills, SB 864 should be **firmly opposed**, with a clear call for **simple, narrowly crafted bills and broad-based tax relief** instead of permanent carve-outs.