

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
CONFERENCE COMMITTEE SUBSTITUTE FOR
SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 289

92ND GENERAL ASSEMBLY

0882S.11T

2003

AN ACT

To repeal sections 71.620, 99.845, 100.010, 100.050, 100.105, 100.180, 100.710, 100.840, 100.850, 135.207, 135.400, 135.431, 135.500, 135.503, 135.516, 135.520, 162.1100, 178.892, and 348.015, RSMo, and to enact in lieu thereof seventy new sections relating to tax incentives for economic development, with an expiration date for certain sections, an emergency clause for certain sections and an effective date for a certain section.

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

Section A. Sections 71.620, 99.845, 100.010, 100.050, 100.105, 100.180, 100.710,
2 100.840, 100.850, 135.207, 135.400, 135.431, 135.500, 135.503, 135.516, 135.520, 162.1100,
3 178.892, and 348.015, RSMo, are repealed and seventy new sections enacted in lieu thereof, to
4 be known as sections 71.620, 99.845, 99.915, 99.918, 99.919, 99.921, 99.924, 99.927, 99.930,
5 99.933, 99.936, 99.939, 99.942, 99.945, 99.948, 99.951, 99.954, 99.957, 99.958, 99.960, 99.963,
6 99.965, 99.968, 99.971, 99.975, 99.980, 99.1000, 99.1006, 99.1009, 99.1012, 99.1015, 99.1018,
7 99.1021, 99.1027, 99.1030, 99.1033, 99.1036, 99.1039, 99.1042, 99.1043, 99.1045, 99.1048,
8 99.1051, 99.1054, 99.1057, 99.1060, 100.010, 100.050, 100.060, 100.105, 100.180, 100.710,
9 100.840, 100.850, 135.207, 135.276, 135.277, 135.279, 135.281, 135.283, 135.400, 135.431,
10 135.500, 135.503, 135.516, 135.517, 135.520, 162.1100, 178.892, and 348.015, to read as
11 follows:

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law. Matter in boldface type in the above law is proposed language.

71.620. 1. Hereafter no person following for a livelihood the profession or calling of
2 minister of the gospel, duly accredited Christian Science practitioner, teacher, professor in a
3 college, priest, lawyer, certified public accountant, dentist, chiropractor, optometrist, chiropodist,
4 or physician or surgeon in this state, shall be taxed or made liable to pay any municipal or other
5 corporation tax or license fee of any description whatever for the privilege of following or
6 carrying on such profession or calling, **and, after December 31, 2003, no investment funds**
7 **service corporation as defined in section 143.451, RSMo, may be required to pay any such**
8 **license fee in excess of twenty-five thousand dollars annually,** any law, ordinance or charter
9 to the contrary notwithstanding.

10 2. No person following for a livelihood the profession of insurance agent or broker,
11 veterinarian, architect, professional engineer, land surveyor, auctioneer, or real estate broker or
12 salesman in this state, shall be taxed or made liable to pay any municipal or other corporation
13 tax or license fee for the privilege of following or carrying on his profession by a municipality
14 unless that person maintains a business office within that municipality.

15 **3. Notwithstanding any other provision of law to the contrary, after September 1,**
16 **2004, no village with less than one thousand three hundred inhabitants shall impose a**
17 **business license tax in excess of ten thousand dollars per license.**

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in
2 the event a municipality has undertaken acts establishing a redevelopment plan and
3 redevelopment project and has designated a redevelopment area after the passage and approval
4 of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with
5 the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by
6 passing an ordinance providing that after the total equalized assessed valuation of the taxable real
7 property in a redevelopment project exceeds the certified total initial equalized assessed
8 valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and
9 payments in lieu of taxes, if any, arising from the levies upon taxable real property in such
10 redevelopment project by taxing districts and tax rates determined in the manner provided in
11 subsection 2 of section 99.855 each year after the effective date of the ordinance until
12 redevelopment costs have been paid shall be divided as follows:

13 (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract,
14 or parcel of real property which is attributable to the initial equalized assessed value of each such
15 taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment
16 project shall be allocated to and, when collected, shall be paid by the county collector to the
17 respective affected taxing districts in the manner required by law in the absence of the adoption
18 of tax increment allocation financing;

19 (2) Payments in lieu of taxes attributable to the increase in the current equalized assessed
20 valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the
21 redevelopment project and any applicable penalty and interest over and above the initial
22 equalized assessed value of each such unit of property in the area selected for the redevelopment
23 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who
24 shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation
25 Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred
26 in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien
27 against the real estate of the redevelopment project from which they are derived and shall be
28 collected in the same manner as the real property tax, including the assessment of penalties and
29 interest where applicable. The municipality may, in the ordinance, pledge the funds in the
30 special allocation fund for the payment of such costs and obligations and provide for the
31 collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner
32 as a special assessment lien as provided in section 88.861, RSMo. No part of the current
33 equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected
34 for the redevelopment project attributable to any increase above the total initial equalized
35 assessed value of such properties shall be used in calculating the general state school aid formula
36 provided for in section 163.031, RSMo, until such time as all redevelopment costs have been
37 paid as provided for in this section and section 99.850;

38 (3) For purposes of this section, "levies upon taxable real property in such redevelopment
39 project by taxing districts" shall not include the blind pension fund tax levied under the authority
40 of article III, section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'
41 inventory replacement tax levied under the authority of subsection 2 of section 6 of article X, of
42 the Missouri Constitution, except in redevelopment project areas in which tax increment
43 financing has been adopted by ordinance pursuant to a plan approved by vote of the governing
44 body of the municipality taken after August 13, 1982, and before January 1, 1998.

45 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
46 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
47 approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total
48 additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing
49 districts, which are generated by economic activities within the area of the redevelopment project
50 over the amount of such taxes generated by economic activities within the area of the
51 redevelopment project in the calendar year prior to the adoption of the redevelopment project by
52 ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales
53 or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant
54 to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of

55 taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant
56 to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid
57 by the local political subdivision collecting officer to the treasurer or other designated financial
58 officer of the municipality, who shall deposit such funds in a separate segregated account within
59 the special allocation fund. Any provision of an agreement, contract or covenant entered into
60 prior to July 12, 1990, between a municipality and any other political subdivision which provides
61 for an appropriation of other municipal revenues to the special allocation fund shall be and
62 remain enforceable.

63 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
64 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
65 approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from
66 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and
67 which are generated by economic activities within the area of the redevelopment project over the
68 amount of such taxes generated by economic activities within the area of the redevelopment
69 project in the calendar year prior to the adoption of the redevelopment project by ordinance,
70 while tax increment financing remains in effect, but excluding personal property taxes, taxes
71 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,
72 taxes levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for the
73 purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special
74 assessments other than payments in lieu of taxes and penalties and interest thereon, shall be
75 allocated to, and paid by the local political subdivision collecting officer to the treasurer or other
76 designated financial officer of the municipality, who shall deposit such funds in a separate
77 segregated account within the special allocation fund.

78 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
79 redevelopment projects approved by ordinance and which have complied with subsections 4 to
80 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes
81 described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,
82 as defined in subsection 8 of this section, estimated for the businesses within the project area and
83 identified by the municipality in the application required by subsection 10 of this section, over
84 and above the amount of such taxes reported by businesses within the project area as identified
85 by the municipality in their application prior to the approval of the redevelopment project by
86 ordinance, while tax increment financing remains in effect, may be available for appropriation
87 by the general assembly as provided in subsection 10 of this section to the department of
88 economic development supplemental tax increment financing fund, from the general revenue
89 fund, for distribution to the treasurer or other designated financial officer of the municipality
90 with approved plans or projects.

91 5. The treasurer or other designated financial officer of the municipality with approved
92 plans or projects shall deposit such funds in a separate segregated account within the special
93 allocation fund established pursuant to section 99.805.

94 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
95 financing fund shall be made unless an appropriation is made from the general revenue fund for
96 that purpose. No municipality shall commit any state revenues prior to an appropriation being
97 made for that project. For all redevelopment plans or projects adopted or approved after
98 December 23, 1997, appropriations from the new state revenues shall not be distributed from the
99 Missouri supplemental tax increment financing fund into the special allocation fund unless the
100 municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes
101 and fifty percent of economic activity taxes generated by the project shall be used for eligible
102 redevelopment project costs while tax increment financing remains in effect. This account shall
103 be separate from the account into which payments in lieu of taxes are deposited, and separate
104 from the account into which economic activity taxes are deposited.

105 7. In order for the redevelopment plan or project to be eligible to receive the revenue
106 described in subsection 4 of this section, the municipality shall comply with the requirements of
107 subsection 10 of this section prior to the time the project or plan is adopted or approved by
108 ordinance. The director of the department of economic development and the commissioner of
109 the office of administration may waive the requirement that the municipality's application be
110 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or
111 project's approval by ordinance.

112 8. For purposes of this section, "new state revenues" means:

113 (1) The incremental increase in the general revenue portion of state sales tax revenues
114 received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally
115 dedicated, taxes deposited to the school district trust fund in accordance with section 144.701,
116 RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales
117 taxes earmarked by law. **In no event shall the incremental increase include any amounts**
118 **attributable to retail sales unless the municipality or authority has proven to the Missouri**
119 **development finance board and the department of economic development and such entities**
120 **have made a finding that the sales tax increment attributable to retail sales is from new**
121 **sources which did not exist in the state during the baseline year.** The incremental increase
122 in the general revenue portion of state sales tax revenues for an existing or relocated facility shall
123 be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base
124 year as stated in the redevelopment plan as provided in subsection 10 of this section; or

125 (2) The state income tax withheld on behalf of new employees by the employer pursuant
126 to section 143.221, RSMo, at the business located within the project as identified by the

127 municipality. The state income tax withholding allowed by this section shall be the
128 municipality's estimate of the amount of state income tax withheld by the employer within the
129 redevelopment area for new employees who fill new jobs directly created by the tax increment
130 financing project.

131 9. Subsection 4 of this section shall apply only to blighted areas located in enterprise
132 zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal
133 empowerment zones, or to blighted areas located in central business districts or urban core areas
134 of cities which districts or urban core areas at the time of approval of the project by ordinance,
135 provided that the enterprise zones, federal empowerment zones or blighted areas contained one
136 or more buildings at least fifty years old; and

137 (1) Suffered from generally declining population or property taxes over the twenty-year
138 period immediately preceding the area's designation as a project area by ordinance; or

139 (2) Was a historic hotel located in a county of the first classification without a charter
140 form of government with a population according to the most recent federal decennial census in
141 excess of one hundred fifty thousand and containing a portion of a city with a population
142 according to the most recent federal decennial census in excess of three hundred fifty thousand.

143 10. The initial appropriation of up to fifty percent of the new state revenues authorized
144 pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the
145 department of economic development to a municipality until all of the following conditions have
146 been satisfied:

147 (1) The director of the department of economic development or his or her designee and
148 the commissioner of the office of administration or his or her designee have approved a tax
149 increment financing application made by the municipality for the appropriation of the new state
150 revenues. The municipality shall include in the application the following items in addition to the
151 items in section 99.810:

152 (a) The tax increment financing district or redevelopment area, including the businesses
153 identified within the redevelopment area;

154 (b) The base year of state sales tax revenues or the base year of state income tax withheld
155 on behalf of existing employees, reported by existing businesses within the project area prior to
156 approval of the redevelopment project;

157 (c) The estimate of the incremental increase in the general revenue portion of state sales
158 tax revenue or the estimate for the state income tax withheld by the employer on behalf of new
159 employees expected to fill new jobs created within the redevelopment area after redevelopment;

160 (d) The official statement of any bond issue pursuant to this subsection after December
161 23, 1997;

162 (e) An affidavit that is signed by the developer or developers attesting that the provisions
163 of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area
164 would not be reasonably anticipated to be developed without the appropriation of the new state
165 revenues;

166 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal
167 impact on the state of Missouri; and

168 (g) The statement of election between the use of the incremental increase of the general
169 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
170 behalf of new employees who fill new jobs created in the redevelopment area;

171 **(h) The name, street and mailing address, and phone number of the mayor or chief**
172 **executive officer of the municipality;**

173 **(i) The street address of the development site;**

174 **(j) The three-digit North American Industry Classification System number or**
175 **numbers characterizing the development project;**

176 **(k) The estimated development project costs;**

177 **(l) The anticipated sources of funds to pay such development project costs;**

178 **(m) Evidence of the commitments to finance such development project costs;**

179 **(n) The anticipated type and term of the sources of funds to pay such development**
180 **project costs;**

181 **(o) The anticipated type and terms of the obligations to be issued;**

182 **(p) The most recent equalized assessed valuation of the property within the**
183 **development project area;**

184 **(q) An estimate as to the equalized assessed valuation after the development project**
185 **area is developed in accordance with a development plan;**

186 **(r) The general land uses to apply in the development area;**

187 **(s) The total number of individuals employed in the development area, broken**
188 **down by full-time, part-time, and temporary positions;**

189 **(t) The total number of full-time equivalent positions in the development area;**

190 **(u) The current gross wages, state income tax withholdings, and federal income tax**
191 **withholdings for individuals employed in the development area;**

192 **(v) The total number of individuals employed in this state by the corporate parent**
193 **of any business benefitting from public expenditures in the development area, and all**
194 **subsidiaries thereof, as of December thirty-first of the prior fiscal year, broken down by**
195 **full-time, part-time, and temporary positions;**

196 **(w) The number of new jobs to be created by any business benefitting from public**
197 **expenditures in the development area, broken down by full-time, part-time, and temporary**
198 **positions;**

199 **(x) The average hourly wage to be paid to all current and new employees at the**
200 **project site, broken down by full-time, part-time, and temporary positions;**

201 **(y) For project sites located in a metropolitan statistical area, as defined by the**
202 **federal Office of Management and Budget, the average hourly wage paid to nonmanagerial**
203 **employees in this state for the industries involved at the project, as established by the**
204 **United States Bureau of Labor Statistics;**

205 **(z) For project sites located outside of metropolitan statistical areas, the average**
206 **weekly wage paid to nonmanagerial employees in the county for industries involved at the**
207 **project, as established by the United States Department of Commerce;**

208 **(aa) A list of other community and economic benefits to result from the project;**

209 **(bb) A list of all development subsidies that any business benefitting from public**
210 **expenditures in the development area has previously received for the project, and the name**
211 **of any other granting body from which such subsidies are sought;**

212 **(cc) A list of all other public investments made or to be made by this state or units**
213 **of local government to support infrastructure or other needs generated by the project for**
214 **which the funding pursuant to this act is being sought;**

215 **(dd) A statement as to whether the development project may reduce employment**
216 **at any other site, within or without of the State, resulting from automation, merger,**
217 **acquisition, corporate restructuring, relocation, or other business activity;**

218 **(ee) A statement as to whether or not the project involves the relocation of work**
219 **from another address and if so, the number of jobs to be relocated and the address from**
220 **which they are to be relocated;**

221 **(ff) A list of competing businesses in the county containing the development area**
222 **and in each contiguous county;**

223 **(gg) A market study for the development area;**

224 **(hh) A certification by the chief officer of the applicant as to the accuracy of the**
225 **development plan.**

226 **(2) The methodologies used in the application for determining the base year and**
227 **determining the estimate of the incremental increase in the general revenue portion of the state**
228 **sales tax revenues or the state income tax withheld by employers on behalf of new employees**
229 **who fill new jobs created in the redevelopment area shall be approved by the director of the**
230 **department of economic development or his or her designee and the commissioner of the office**
231 **of administration or his or her designee. Upon approval of the application, the director of the**

232 department of economic development or his or her designee and the commissioner of the office
233 of administration or his or her designee shall issue a certificate of approval. The department of
234 economic development may request the appropriation following application approval;

235 (3) The appropriation shall be either a portion of the estimate of the incremental increase
236 in the general revenue portion of state sales tax revenues in the redevelopment area or a portion
237 of the estimate of the state income tax withheld by the employer on behalf of new employees
238 who fill new jobs created in the redevelopment area as indicated in the municipality's application,
239 approved by the director of the department of economic development or his or her designee and
240 the commissioner of the office of administration or his or her designee. At no time shall the
241 aggregate annual appropriation of the new state revenues for redevelopment areas exceed fifteen
242 million dollars;

243 (4) Redevelopment plans and projects receiving new state revenues shall have a duration
244 of up to fifteen years, unless prior approval for a longer term is given by the director of the
245 department of economic development or his or her designee and the commissioner of the office
246 of administration or his or her designee; except that, in no case shall the duration exceed
247 twenty-three years.

248 11. In addition to the areas authorized in subsection 9 of this section, the funding
249 authorized pursuant to subsection 4 of this section shall also be available in a federally approved
250 levee district, where construction of a levee begins after December 23, 1997, and which is
251 contained within a county of the first classification without a charter form of government with
252 a population between fifty thousand and one hundred thousand inhabitants which contains all
253 or part of a city with a population in excess of four hundred thousand or more inhabitants.

254 12. There is hereby established within the state treasury a special fund to be known as
255 the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the
256 department of economic development. The department shall annually distribute from the
257 Missouri supplemental tax increment financing fund the amount of the new state revenues as
258 appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the
259 conditions of subsection 10 of this section are met. The fund shall also consist of any gifts,
260 contributions, grants or bequests received from federal, private or other sources. Moneys in the
261 Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to
262 state appropriations.

263 13. All personnel and other costs incurred by the department of economic development
264 for the administration and operation of subsections 4 to 12 of this section shall be paid from the
265 state general revenue fund. On an annual basis, the general revenue fund shall be reimbursed for
266 the full amount of such costs by the developer or developers of the project or projects for which
267 municipalities have made tax increment financing applications for the appropriation of new state

268 revenues, as provided for in subdivision (1) of subsection 10 of this section. The amount of costs
269 charged to each developer shall be based upon the percentage arrived at by dividing the monetary
270 amount of the application made by each municipality for a particular project by the total
271 monetary amount of all applications received by the department of economic development.

272 **14. For redevelopment plans or projects approved by ordinance that result in net**
273 **new jobs from the relocation of a national headquarters from another state to the area of**
274 **the redevelopment project, the economic activity taxes and new state tax revenues shall not**
275 **be based on a calculation of the incremental increase in taxes as compared to the base year**
276 **or prior calendar year for such redevelopment project, rather the incremental increase**
277 **shall be the amount of total taxes generated from the net new jobs brought in by the**
278 **national headquarters from another state. In no event shall this subsection be construed**
279 **to allow a redevelopment project to receive an appropriation in excess of up to fifty percent**
280 **of the new state revenues.**

99.915. 1. Sections 99.915 to 99.1060 shall be known and may be cited as the
2 **"Missouri Downtown and Rural Economic Stimulus Act".**

3 **2. Nothing in sections 99.915 to 99.1060 shall be construed to provide any funding**
4 **for the construction, maintenance, or operation of any sports stadium, arena, or related**
5 **facility which has as its intended purpose use for spectator events which seats over ten**
6 **thousand persons.**

7 **3. Insofar as the provisions of sections 99.915 to 99.1060 are inconsistent with the**
8 **provisions of any other law, the provisions of sections 99.915 to 99.1060 shall be**
9 **controlling.**

99.918. As used in sections 99.915 to 99.980, unless the context clearly requires
2 **otherwise, the following terms shall mean:**

3 **(1) "Authority", the downtown economic stimulus authority for a municipality,**
4 **created pursuant to section 99.921;**

5 **(2) "Baseline year", the calendar year prior to the adoption of an ordinance by the**
6 **municipality approving a development project; provided, however, if economic activity**
7 **taxes or state sales tax revenues, from businesses other than any out-of-state business or**
8 **businesses locating in the development project area, decrease in the development project**
9 **area in the year following the year in which the ordinance approving a development**
10 **project is approved by a municipality, the baseline year may, at the option of the**
11 **municipality approving the development project, be the year following the year of the**
12 **adoption of the ordinance approving the development project. When a development**
13 **project area is located within a county for which public and individual assistance has been**
14 **requested by the governor pursuant to section 401 of the Robert T. Stafford Disaster Relief**

15 and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by the
16 governor pursuant to section 44.100, RSMo, due to a natural disaster of major proportions
17 that occurred after May 1, 2003, but prior to May 10, 2003, and the development project
18 area is a central business district that sustained severe damage as a result of such natural
19 disaster, as determined by the state emergency management agency, the baseline year may,
20 at the option of the municipality approving the development project, be the calendar year
21 in which the natural disaster occurred or the year following the year in which the natural
22 disaster occurred, provided that the municipality adopts an ordinance approving the
23 development project within one year after the occurrence of the natural disaster;

24 (3) "Blighted area", an area which, by reason of the predominance of defective or
25 inadequate street layout, unsanitary or unsafe conditions, deterioration of site
26 improvements, improper subdivision or obsolete platting, or the existence of conditions
27 which endanger life or property by fire and other causes, or any combination of such
28 factors, retards the provision of housing accommodations or constitutes an economic or
29 social liability or a menace to the public health, safety, morals, or welfare in its present
30 condition and use;

31 (4) "Central business district", the area at or near the historic core that is locally
32 known as the "downtown" of a municipality that has a median household income of sixty-
33 two thousand dollars or less, according to the last decennial census. In addition, at least
34 fifty percent of existing buildings in this area will have been built in excess of thirty-five
35 years prior or vacant lots that had prior structures built in excess of thirty-five years prior
36 to the adoption of the ordinance approving the redevelopment plan. The historical land
37 use emphasis of a central business district prior to redevelopment will have been a mixed
38 use of business, commercial, financial, transportation, government, and multifamily
39 residential uses;

40 (5) "Collecting officer", the officer of the municipality responsible for receiving and
41 processing payments in lieu of taxes, economic activity taxes other than economic activity
42 taxes which are local sales taxes, and other local taxes other than local sales taxes, and, for
43 local sales taxes and state taxes, the director of revenue;

44 (6) "Conservation area", any improved area within the boundaries of a
45 redevelopment area located within the territorial limits of a municipality in which fifty
46 percent or more of the structures in the area have an age of thirty-five years or more, and
47 such an area is not yet a blighted area but is detrimental to the public health, safety,
48 morals, or welfare and may become a blighted area because of any one or more of the
49 following factors: dilapidation; obsolescence; deterioration; illegal use of individual
50 structures; presence of structures below minimum code standards; abandonment; excessive

51 vacancies; overcrowding of structures and community facilities; lack of ventilation, light
52 or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or
53 layout; depreciation of physical maintenance; and lack of community planning;

54 (7) "Development area", an area designated by a municipality in respect to which
55 the municipality has made a finding that there exist conditions which cause the area to be
56 classified as a blighted area or a conservation area, which area shall have the following
57 characteristics:

58 (a) It includes only those parcels of real property directly and substantially
59 benefitted by the proposed development plan;

60 (b) It can be renovated through one or more development projects;

61 (c) It is located in the central business district;

62 (d) It has generally suffered from declining population or property taxes for the
63 twenty-year period immediately preceding the area's designation as a development area
64 or has structures in the area fifty percent or more of which have an age of thirty-five years
65 or more;

66 (e) It is contiguous, provided, however that a development area may include up to
67 three noncontiguous areas selected for development projects, provided that each
68 noncontiguous area meets the requirements of paragraphs (a) to (g) herein;

69 (f) The development area shall not exceed ten percent of the entire area of the
70 municipality; and

71 (g) The development area shall not include any property that is located within the
72 one hundred year flood plain, as designated by the Federal Emergency Management
73 Agency flood delineation maps, unless such property is protected by a structure that is
74 inspected and certified by the United States Army Corps of Engineers.

75 Subject to the limitation set forth in this subdivision, the development area can be enlarged
76 or modified as provided in section 99.951;

77 (8) "Development plan", the comprehensive program of a municipality to reduce
78 or eliminate those conditions which qualified a development area as a blighted area or a
79 conservation area, and to thereby enhance the tax bases of the taxing districts which extend
80 into the development area through the reimbursement, payment, or other financing of
81 development project costs in accordance with sections 99.915 to 99.980 and through the
82 exercise of the powers set forth in sections 99.915 to 99.980. The development plan shall
83 conform to the requirements of section 99.942;

84 (9) "Development project", any development project within a development area
85 which constitutes a major initiative in furtherance of the objectives of the development

86 **plan, and any such development project shall include a legal description of the area**
87 **selected for such development project;**

88 **(10) "Development project area", the area located within a development area**
89 **selected for a development project;**

90 **(11) "Development project costs" include the such costs to the development plan**
91 **or a development project, as applicable, which are expended on public property, buildings,**
92 **or rights-of-ways for public purposes to provide infrastructure to support for a**
93 **development project. Such costs shall only be allowed as an initial expense which, to be**
94 **recoverable, must be included in the costs of a development plan or development project,**
95 **except in circumstances of plan amendments approved by the Missouri development**
96 **finance board and the department of economic development. Such infrastructure costs**
97 **include, but are not limited to, the following:**

98 **(a) Costs of studies, appraisals, surveys, plans, and specifications;**

99 **(b) Professional service costs, including, but not limited to, architectural,**
100 **engineering, legal, marketing, financial, planning, or special services;**

101 **(c) Property assembly costs, including, but not limited to, acquisition of land and**
102 **other property, real or personal, or rights or interests therein, demolition of buildings, and**
103 **the clearing and grading of land;**

104 **(d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public**
105 **buildings and fixtures;**

106 **(e) Costs of construction of public works or improvements;**

107 **(f) Financing costs, including, but not limited to, all necessary expenses related to**
108 **the issuance of obligations issued to finance all or any portion of the infrastructure costs**
109 **of one or more development projects, and which may include capitalized interest on any**
110 **such obligations and reasonable reserves related to any such obligations;**

111 **(g) All or a portion of a taxing district's capital costs resulting from any**
112 **development project necessarily incurred or to be incurred in furtherance of the objectives**
113 **of the development plan, to the extent the municipality by written agreement accepts and**
114 **approves such infrastructure costs;**

115 **(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes**
116 **diverted by approval of a development project;**

117 **(i) State government costs, including, but not limited to, the reasonable costs**
118 **incurred by the department of economic development, the department of revenue and the**
119 **office of administration in evaluating an application for and administering state**
120 **supplemental downtown development financing for a development project; and**

121 (j) Endowment of positions at an institution of higher education which has a
122 designation as a Carnegie Research I University including any campus of such university
123 system, subject to the provisions of section 99.958.

124 In addition, economic activity taxes and payment in lieu of taxes may be expended on or
125 used to reimburse any reasonable or necessary costs incurred or estimated to be incurred,
126 in furtherance of a development plan or a development project;

127 (12) "Economic activity taxes", the total additional revenue from taxes which are
128 imposed by the municipality and other taxing districts, and which are generated by
129 economic activities within each development project area, which are not related to the
130 relocation of any out-of-state business into the development project area, which exceed the
131 amount of such taxes generated by economic activities within such development project
132 area in the baseline year plus, in development project areas where the baseline year is the
133 year following the year in which the development project is approved by the municipality
134 pursuant to subdivision (2) of section 99.918, the total revenue from taxes which are
135 imposed by the municipality and other taxing districts which is generated by economic
136 activities within the development project area resulting from the relocation of an out-of-
137 state business or out-of-state businesses to the development project area pursuant to
138 section 99.919; but excluding personal property taxes, taxes imposed on sales or charges
139 for sleeping rooms paid by transient guests of hotels and motels, licenses, fees, or special
140 assessments. If a retail establishment relocates within one year from one facility to another
141 facility within the same county and the municipality or authority finds that the retail
142 establishment is a direct beneficiary of development financing, then for purposes of this
143 definition, the economic activity taxes generated by the retail establishment shall equal the
144 total additional revenues from taxes which are imposed by the municipality and other
145 taxing districts which are generated by the economic activities within the development
146 project area which exceed the amount of taxes which are imposed by the municipality and
147 other taxing districts which are generated by economic activities within the development
148 project area generated by the retail establishment in the baseline year;

149 (13) "Gambling establishment", an excursion gambling boat as defined in section
150 313.800, RSMo, and any related business facility including any real property
151 improvements which are directly and solely related to such business facility, whose sole
152 purpose is to provide goods or services to an excursion gambling boat and whose majority
153 ownership interest is held by a person licensed to conduct gambling games on an excursion
154 gambling boat or licensed to operate an excursion gambling boat as provided in sections
155 313.800 to 313.850, RSMo;

156 (14) "Major initiative", a development project within a central business district
157 that:

158 (a) Promotes tourism, cultural activities, arts, entertainment, education, research,
159 arenas, multipurpose facilities, libraries, ports, mass transit, museums, or conventions, the
160 estimated cost of which is in excess of the amount set forth below for the municipality, as
161 applicable; or

162 (b) Promotes business location or expansion, the estimated cost of which is in excess
163 of the amount set forth below for the municipality, and is estimated to create at least as
164 many new jobs as set forth below within three years of such location or expansion:

165 Population of	Estimated	New Jobs
166 Municipality	Project Cost	Created
167 300,000 or more	\$10,000,000	at least 100
168 100,000 to 299,999	\$5,000,000	at least 50
169 50,001 to 99,999	\$1,000,000	at least 10
170 50,000 or less	\$500,000	at least 5;

171 (15) "Municipality", any city, village, incorporated town, or any county of this state
172 established on or prior to January 1, 2001;

173 (16) "New job", any job defined as a new job pursuant to subdivision (10) of
174 section 100.710, RSMo;

175 (17) "Obligations", bonds, loans, debentures, notes, special certificates, or other
176 evidences of indebtedness issued by the municipality or authority, or other public entity
177 authorized to issue such obligations pursuant to sections 99.915 to 99.980 to carry out a
178 development project or to refund outstanding obligations;

179 (18) "Ordinance", an ordinance enacted by the governing body of any municipality
180 or an order of the governing body of such a municipal entity whose governing body is not
181 authorized to enact ordinances;

182 (19) "Other net new revenues", the amount of state sales tax increment or state
183 income tax increment or the combination of the amount of each such increment as
184 determined under section 99.960;

185 (20) "Out-of-state business", a business entity or operation that has been located
186 outside of the state of Missouri prior to the time it relocates to a development project area;

187 (21) "Payment in lieu of taxes", those revenues from real property in each
188 development project area, which taxing districts would have received had the municipality
189 not adopted a development plan and the municipality not adopted development financing,
190 and which would result from levies made after the time of the adoption of development
191 financing during the time the current equalized value of real property in such development

192 **project area exceeds the total equalized value of real property in such development project**
193 **area during the baseline year until development financing for such development project**
194 **area expires or is terminated pursuant to sections 99.915 to 99.980;**

195 **(22) "Special allocation fund", the fund of the municipality or its authority**
196 **required to be established pursuant to section 99.957 which special allocation fund shall**
197 **contain at least four separate segregated accounts into which payments in lieu of taxes are**
198 **deposited in one account, economic activity taxes are deposited in a second account, other**
199 **net new revenues are deposited in a third account, and other revenues, if any, received by**
200 **the authority or the municipality for the purpose of implementing a development plan or**
201 **a development project are deposited in a fourth account;**

202 **(23) "State income tax increment", up to fifty percent of the estimate of the income**
203 **tax due the state for salaries or wages paid to new employees in new jobs at a business**
204 **located in the development project area and created by the development project. The**
205 **estimate shall be a percentage of the gross payroll which percentage shall be based upon**
206 **an analysis by the department of revenue of the practical tax rate on gross payroll as a**
207 **factor in overall taxable income;**

208 **(24) "State sales tax increment", up to one-half of the incremental increase in the**
209 **state sales tax revenue in the development project area. In no event shall the incremental**
210 **increase include any amounts attributable to retail sales unless the Missouri development**
211 **finance board and the department of economic development are satisfied based on**
212 **information provided by the municipality or authority, and such entities have made a**
213 **finding that a substantial portion of all but a de minimus portion of the sales tax increment**
214 **attributable to retail sales is from new sources which did not exist in the state during the**
215 **baseline year. The incremental increase for an existing facility shall be the amount by**
216 **which the state sales tax revenue generated at the facility exceeds the state sales tax revenue**
217 **generated at the facility in the baseline year. The incremental increase in development**
218 **project areas where the baseline year is the year following the year in which the**
219 **development project is approved by the municipality pursuant to subdivision (2) of**
220 **section 99.918, shall be the state sales tax revenue generated by out-of-state businesses**
221 **relocating into a development project area. The incremental increase for a Missouri**
222 **facility which relocates to a development project area shall be the amount by which the**
223 **state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in**
224 **the calendar year prior to relocation;**

225 **(25) "State sales tax revenues", the general revenue portion of state sales tax**
226 **revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are**
227 **constitutionally dedicated, taxes deposited to the school district trust fund in accordance**

228 with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and
229 outboard motors and future sales taxes earmarked by law;

230 (26) "Taxing districts", any political subdivision of this state having the power to
231 levy taxes; and

232 (27) "Taxing district's capital costs", those costs of taxing districts for capital
233 improvements that are found by the municipal governing bodies to be necessary and to
234 directly result from a development project.

99.919. Notwithstanding anything contained in Sections 99.915 to 99.980 to the
2 contrary, for development projects that result in the relocation of an out-of-state business
3 or out-of-state businesses to the development project area, the portion of economic activity
4 taxes, the state income tax increment, the state sales tax increment and other net new
5 revenues generated by such out-of-state business or businesses shall be calculated based
6 upon the full amount of tax revenue generated by such out-of-state business or out-of-state
7 businesses without reduction due to revenues generated in the baseline year.

99.921. Each municipality may create an authority to be known as a "Downtown
2 Economic Stimulus Authority"; provided, however:

3 (1) No such authority shall transact any business or exercise its powers pursuant
4 to sections 99.915 to 99.980 until and unless the governing body of such municipality shall,
5 in accordance with subsection 1 of section 99.948, approve, by ordinance, the exercise of
6 the powers, functions, and duties of an authority under sections 99.915 to 99.980;

7 (2) No governing body of a municipality shall adopt an ordinance pursuant to
8 subdivision (1) of this section unless it finds:

9 (a) That it would be in the interest of the public to consider the establishment of a
10 development area in accordance with sections 99.915 to 99.980;

11 (b) That the development of such a development area would be in the interest of the
12 public health, safety, morals, or welfare of the residents of such municipality; and

13 (c) That it is anticipated that such a development area can be renovated through
14 a series of one or more development projects;

15 (3) Cities, villages, and census designated places located wholly within a county of
16 the first classification with a population of more than one million, according to the last
17 decennial census, shall undertake downtown development financing as allowed for
18 pursuant to sections 99.915 to 99.980 through a countywide downtown economic stimulus
19 authority. This countywide authority shall have the same powers, functions, and duties of
20 an authority pursuant to sections 99.915 to 99.980. In addition, the countywide downtown
21 economic stimulus authority shall be responsible for coordinating municipal downtown
22 development financing activities in such a way as to discourage fiscal competition and

23 promote mutual benefits among the affected local jurisdictions. Each countywide
24 downtown economic stimulus authority shall be governed by a board of commissioners.
25 In any county of the first classification with a population greater than one million, the
26 authority shall be comprised of fifteen members. Three members shall be appointed by the
27 county executive. Three members shall be appointed by the county council to represent
28 class A cities and three members shall be appointed to represent class B cities, as both are
29 defined in section 66.620, RSMo. The remaining six members shall be appointed by the
30 county executive with the approval of the county council, of which members at least three
31 will represent school districts within the county and the remainder shall represent other
32 political subdivisions levying ad valorem taxes in the county. The term of office for each
33 member shall be at the discretion of the appointing jurisdictions.

99.924. Each authority created pursuant to section 99.921, except a countywide
2 downtown economic stimulus authority created pursuant to subdivision (3) of section
3 99.921, shall be governed by a board of commissioners. The number of commissioners
4 serving on the board of each authority shall be no less than five and no more than fourteen,
5 which number shall be established by ordinance of the municipality of which one shall be
6 a member of any local community development corporation, if one exists in the
7 municipality, and one shall be an African American business owner in the municipality,
8 if one exists. One of the initial commissioners appointed pursuant to this subsection shall
9 be appointed by the school district or districts located within the development area for a
10 term of three years. The other initial commissioners appointed pursuant to this subsection
11 shall serve staggered terms of one, two, and three years as determined by the mayor or
12 chief executive officer of the municipality at the time of their appointment. Thereafter,
13 successor commissioners shall be appointed by the mayor or chief executive officer of the
14 municipality or the school district or districts making the initial appointments for a term
15 of three years. All vacancies shall be filled by appointment of the mayor or chief executive
16 officer of the municipality, or the school district or districts, for the unexpired term. In
17 addition to the commissioners appointed in accordance with this subsection, a nonvoting
18 advisor shall be appointed by the other taxing districts located within the development
19 area.

99.927. 1. The powers of the authority created pursuant to section 99.921 shall be
2 exercised by its board of commissioners. A majority of the commissioners shall constitute
3 a quorum of such board for the purpose of conducting business and exercising the powers
4 of the authority and for all other purposes. Action may be taken by the board upon a vote
5 of a majority of the commissioners present in person or by teleconference, unless in any

6 case the bylaws of the authority shall require a larger number. Meetings of the board of
7 the authority may be held anywhere within the municipality.

8 **2. The commissioners of the authority annually shall elect a chair and vice chair**
9 **from among the commissioners; however, the first chair shall be designated by the mayor**
10 **for a term of one year. The mayor or chief executive officer of the municipality shall serve**
11 **as the co-chair of the authority. The authority may employ an executive director, technical**
12 **experts, and such other officers, agents, and employees, permanent and temporary, as it**
13 **may require, and shall determine their qualifications, duties, and compensation. For such**
14 **legal services as it may require, an authority may call upon the chief law officer of the**
15 **municipality or may employ its own counsel and legal staff.**

16 **3. A commissioner of an authority shall receive no compensation for his or her**
17 **services, but may receive the necessary expenses, including traveling expenses, incurred**
18 **in the discharge of his or her duties. Each commissioner shall hold office until a successor**
19 **has been appointed.**

20 **4. For inefficiency or neglect of duty or misconduct in office, a commissioner of an**
21 **authority may be removed by the mayor or chief executive officer of the municipality.**

99.930. 1. In any suit, action, or proceeding involving the validity or enforcement
2 **of or relating to any contract of an authority entered into pursuant to sections 99.915 to**
3 **99.980, such authority shall be conclusively deemed to have become established and**
4 **authorized to transact business and exercise its powers under sections 99.915 to 99.980**
5 **upon proof of the adoption of the appropriate ordinance prescribed in section 99.921.**
6 **Each such ordinance shall be deemed sufficient if it authorizes the exercise of powers under**
7 **sections 99.915 to 99.980 by the authority and sets forth the findings of the municipality as**
8 **required in subdivision (2) of section 99.921.**

9 **2. A copy of such ordinance duly certified by the clerk of the municipality shall be**
10 **admissible in evidence in any suit, action, or proceeding.**

11 **3. No lawsuit to set aside the creation of an authority, the approval of a**
12 **development plan, development project, development area or development project area,**
13 **or a tax levied pursuant to sections 99.915 to 99.980, or to otherwise question the validity**
14 **of the proceedings related thereto, shall be brought after the expiration of ninety days from**
15 **the effective date of the ordinance or resolution in question.**

99.933. 1. The authority created pursuant to section 99.921 shall constitute a public
2 **body corporate and politic, exercising public and essential governmental functions.**

3 **2. A municipality or an authority created pursuant to section 99.921 shall have all**
4 **the powers necessary or convenient to carry out and effectuate the purposes and provisions**

5 of sections 99.915 to 99.980, including the following powers in addition to others granted
6 pursuant to sections 99.915 to 99.980:

7 (1) To prepare or cause to be prepared and approved development plans and
8 development projects to be considered at public hearings in accordance with sections
9 99.915 to 99.980 and to undertake and carry out development plans and development
10 projects which have been adopted by ordinance;

11 (2) To arrange or contract for the furnishing or repair, by any person or agency,
12 public or private, of services, privileges, streets, roads, public utilities, or other facilities for
13 or in connection with any development project; and notwithstanding anything to the
14 contrary contained in sections 99.915 to 99.980 or any other provision of law, to agree to
15 any conditions that it may deem reasonable and appropriate attached to federal financial
16 assistance and imposed pursuant to federal law relating to the determination of prevailing
17 salaries or wages or compliance with labor standards, in the undertaking or carrying out
18 of any development project, and to include in any contract let in connection with any such
19 development project provisions to fulfill such of the conditions as it may deem reasonable
20 and appropriate;

21 (3) Within a development area, to acquire by purchase, lease, gift, grant, bequest,
22 devise, obtain options upon, or otherwise acquire any real or personal property or any
23 interest therein, necessary or incidental to a development project, all in the manner and at
24 such price as the municipality or authority determines is reasonably necessary to achieve
25 the objectives of a development plan;

26 (4) Within a development area, subject to provisions of section 99.936 with regard
27 to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide,
28 retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose
29 of any real or personal property or any interest therein, all in the manner and at such price
30 and subject to any covenants, restrictions, and conditions as the municipality or authority
31 determines is reasonably necessary to achieve the objectives of a development plan; to
32 make any such covenants, restrictions, or conditions as covenants running with the land,
33 and to provide appropriate remedies for any breach of any such covenants, restrictions,
34 or conditions, including the right in the municipality or authority to terminate such
35 contracts and any interest in the property created pursuant thereto;

36 (5) Within a development area, to clear any area by demolition or removal of
37 existing buildings and structures;

38 (6) To install, repair, construct, reconstruct, or relocate streets, utilities, and site
39 improvements as necessary or desirable for the preparation of a development area for use
40 in accordance with a development plan;

41 **(7) Within a development area, to fix, charge, and collect fees, rents, and other**
42 **charges for the use of any real or personal property, or any portion thereof, in which the**
43 **municipality or authority has any interest;**

44 **(8) To accept grants, guarantees, and donations of property, labor, or other things**
45 **of value from any public or private source for purposes of implementing a development**
46 **plan;**

47 **(9) In accordance with section 99.936, to select one or more developers to**
48 **implement a development plan, or one or more development projects, or any portion**
49 **thereof;**

50 **(10) To charge as a development project cost the reasonable costs incurred by the**
51 **municipality or authority, the department of economic development, the Missouri**
52 **development finance board, or the department of revenue in evaluating, administering, or**
53 **implementing the development plan or any development project;**

54 **(11) To borrow money and issue obligations in accordance with sections 99.915 to**
55 **99.980 and provide security for any such loans or obligations;**

56 **(12) To insure or provide for the insurance of any real or personal property or**
57 **operations of the municipality or authority against any risks or hazards, including the**
58 **power to pay premiums on any such insurance; and to enter into any contracts necessary**
59 **to effectuate the purposes of sections 99.915 to 99.980;**

60 **(13) Within a development area, to renovate, rehabilitate, own, operate, construct,**
61 **repair, or improve any improvements, buildings, parking garages, fixtures, structures, and**
62 **other facilities;**

63 **(14) To invest any funds held in reserves or sinking funds, or any funds not**
64 **required for immediate disbursement, in property or securities in which savings banks may**
65 **legally invest funds subject to their control; to redeem obligations at the redemption price**
66 **established therein or to purchase obligations at less than redemption price, all obligations**
67 **so redeemed or purchased to be canceled;**

68 **(15) To borrow money and to apply for and accept advances, loans, grants,**
69 **contributions, and any other form of financial assistance from the federal government, the**
70 **state, county, municipality, or other public body or from any sources, public or private, for**
71 **the purposes of implementing a development plan, to give such security as may be required**
72 **and to enter into and carry out contracts in connection therewith. A municipality or**
73 **authority, notwithstanding the provisions of any other law, may include in any contract**
74 **for financial assistance with the federal government for a project such conditions imposed**
75 **pursuant to federal law as the municipality or authority may deem reasonable and**
76 **appropriate and which are not inconsistent with the purposes of sections 99.915 to 99.980;**

77 **(16) To incur development project costs and make such expenditures as may be**
78 **necessary to carry out the purposes of sections 99.915 to 99.980; and to make expenditures**
79 **from funds obtained from the federal government without regard to any other laws**
80 **pertaining to the making and approval of appropriations and expenditures;**

81 **(17) To loan the proceeds of obligations issued pursuant to sections 99.915 to 99.980**
82 **for the purpose of providing for the purchase, construction, extension, or improvement of**
83 **public infrastructure related to a development project by a developer pursuant to a**
84 **development contract approved by the municipality or authority in accordance with**
85 **subdivision (2) of section 99.936;**

86 **(18) To declare any funds, or any portion thereof, in the special allocation fund to**
87 **be excess funds, so long as such excess funds have not been pledged to the payment of**
88 **outstanding obligations or outstanding development project costs, are not necessary for the**
89 **payment of development project costs incurred or anticipated to be incurred, and are not**
90 **required to pay baseline state sales taxes and baseline state withholding taxes to the**
91 **director of revenue. Any such funds deemed to be excess shall be disbursed in the manner**
92 **of surplus funds as provided in section 99.965;**

93 **(19) To pledge or otherwise expend funds deposited to the special allocation fund,**
94 **or any portion thereof, for the payment or reimbursement of development project costs**
95 **incurred by the authority, the municipality, a developer selected by the municipality or**
96 **authority, or any other entity with the consent of the municipality or authority; to pledge**
97 **or otherwise expend funds deposited to the special allocation fund, or any portion thereof,**
98 **or to mortgage or otherwise encumber its property, or any portion thereof, for the payment**
99 **of obligations issued to finance development project costs; provided, however, any such**
100 **pledge or expenditure of economic activity taxes or other net new revenues shall be subject**
101 **to annual appropriation by the municipality; and**

102 **(20) To exercise all powers or parts or combinations of powers necessary,**
103 **convenient, or appropriate to undertake and carry out development plans and any**
104 **development projects and all the powers granted pursuant to sections 99.915 to 99.980,**
105 **excluding powers of eminent domain.**

106 **2. If any member of the governing body of the municipality, a commissioner of the**
107 **authority, or an employee or consultant of the municipality or authority, involved in the**
108 **planning and preparation of a development project, owns or controls an interest, direct or**
109 **indirect, in any property included in a development project area, the individual shall**
110 **disclose the same in writing to the clerk of the municipality, and shall also so disclose the**
111 **dates, terms, and conditions of any disposition of any such interest, which disclosures shall**
112 **be acknowledged by the governing body of the municipality and entered upon the minutes**

113 books of the governing body of the municipality. If an individual holds such an interest,
114 then that individual shall refrain from any further official involvement in regard to a
115 development project and from voting on any matter pertaining to such development
116 project or communicating with other commissioners or members of the authority or the
117 municipality concerning any matter pertaining to such development project. Furthermore,
118 subject to the succeeding sentence, no such member, commissioner, employee, or consultant
119 shall acquire any interest, direct or indirect, in any property in a development project area
120 or proposed development project area, after either such individual obtains knowledge of
121 a development project, or first public notice of such development project, or development
122 project area pursuant to subsection 2 of section 99.951, whichever first occurs. At any time
123 after one year from the adoption of an ordinance designating a development project area,
124 any commissioner may acquire an interest in real estate located in a development project
125 area so long as any such commissioner discloses such acquisition and refrains from voting
126 on any matter related to the development project area in which the property acquired by
127 such commissioner is located.

128 **3. An authority created pursuant to section 99.921 shall have the following powers**
129 **in addition to others granted pursuant to sections 99.915 to 99.980:**

130 **(1) To sue and to be sued; to have a seal and to alter the same at the authority's**
131 **pleasure; to have perpetual succession; to make and execute contracts and other**
132 **instruments necessary or convenient to the exercise of the powers of the authority; and to**
133 **make and from time to time amend and repeal bylaws, rules, and regulations, not**
134 **inconsistent with sections 99.915 to 99.980, to carry out the provisions of sections 99.915**
135 **to 99.980;**

136 **(2) To delegate to a municipality or other public body any of the powers or**
137 **functions of the authority with respect to the planning or undertaking of a development**
138 **project, and any such municipality or public body is hereby authorized to carry out or**
139 **perform such powers or functions for the authority;**

140 **(3) To receive and exercise powers delegated by any authority, agency, or agent of**
141 **a municipality created pursuant to this chapter or chapter 353, RSMo, excluding powers**
142 **of eminent domain.**

143 **4. Any home rule city with more than four hundred thousand inhabitants and**
144 **located in more than one county, any city not within a county, and any county with a**
145 **charter form of government and with more than one million inhabitants shall approve a**
146 **disadvantaged business enterprise program to be implemented by the downtown economic**
147 **stimulus authority. The program shall require all businesses, vendors, and contractors**
148 **working on projects undertaken by the authority to ensure enforcement of an equal**

149 opportunity employment plan and a minority and women-owned business program that
150 is based on population and availability that contains specific worker ethnicity goals for
151 each such business, vendor, and contractor, in accordance with applicable state and federal
152 laws, rules, regulations, and orders.

99.936. Real property which is acquired by a municipality or authority in a
2 development project area may be disposed of as follows:

3 (1) Within a development project area, the authority may sell, lease, exchange, or
4 otherwise transfer real property, including land, improvements, and fixtures, or any
5 interest therein, to any developer selected for a development project, or any portion
6 thereof, in accordance with the development plan, subject to such covenants, conditions,
7 and restrictions as may be deemed to be in the public interest or to carry out the purposes
8 of sections 99.915 to 99.980. Such real property shall be sold, leased, or transferred at its
9 fair market value for uses in accordance with the development plan; provided that such
10 fair market value may be less than the cost of such property to the municipality or
11 authority. In determining the fair market value of real property for uses in accordance
12 with a development plan, the municipality or authority shall take into account and give
13 consideration to the uses and purposes required by the development plan; the restrictions
14 upon, and the covenants, conditions, and obligations assumed by the developer of such
15 property; the objectives of the development plan; and such other matters as the
16 municipality or authority shall specify as being appropriate. In fixing rental and sale
17 prices, a municipality or authority shall give consideration to appraisals of the property
18 for such uses made by experts employed by the municipality or authority;

19 (2) The municipality or authority shall, by public notice published in a newspaper
20 having a general circulation in a development area, prior to selecting one or more
21 developers for any development project, or any portion thereof, invite proposals from, and
22 make available all pertinent information to, private developers or any persons interested
23 in undertaking the development of such development project, or any portion thereof. Such
24 notice shall be published at least once each week during the two weeks preceding the
25 selection of a developer, shall identify the area of the development project or development
26 projects, or any portion thereof, for which one or more developers are to be selected, and
27 shall state that such further information as it is available may be obtained at the office of
28 the municipality or authority. The municipality or authority shall consider all proposals
29 and the financial and legal ability of the prospective developers to carry out their
30 proposals. The municipality or authority may negotiate and enter into one or more
31 contracts with any developer selected for the development of any such area for the
32 development of such area by such developer in accordance with a development plan or for

33 the sale or lease of any real property to any such developer in any such area for the
34 purpose of developing such property in accordance with the development plan. The
35 municipality or authority may enter into any such contract as it deems to be in the public
36 interest and in furtherance of the purposes of sections 99.915 to 99.980; provided that the
37 municipality or authority has, not less than ten days prior thereto, notified the governing
38 body in writing of its intention to enter into such contract. Thereafter, the municipality
39 or authority may execute such contract in accordance with the provisions of subdivision
40 (1) of this section and deliver deeds, leases, and other instruments and take all steps
41 necessary to effectuate such contract. In its discretion, the municipality or authority may,
42 in accordance with the provisions of this subdivision, dispose of any real property in an
43 area selected for a development project, or any portion thereof, to private developers for
44 development under such reasonable competitive bidding procedures as it shall prescribe,
45 subject to the provisions of subdivision (1) of this section;

46 (3) In carrying out a development project, the authority may:

47 (a) Convey to the municipality such real property as, in accordance with the
48 development plan, is to be dedicated as public right-of-way for streets, sidewalks, alleys,
49 or other public ways, this power being additional to and not limiting any and all other
50 powers of conveyance of property to municipalities expressed, generally or otherwise, in
51 sections 99.915 to 99.980;

52 (b) Grant servitudes, easements, and rights-of-way for public utilities, sewers,
53 streets, and other similar facilities, in accordance with the development plan; and

54 (c) Convey to the municipality or other appropriate public body such real property
55 as, in accordance with the development plan, is to be used for parks, schools, public
56 buildings, facilities, or other public purposes;

57 (4) The municipality or authority may operate and maintain real property in the
58 development area pending the disposition or development of the property in accordance
59 with a development plan, without regard to the provisions of subdivisions (1) and (2) of this
60 section, for such uses and purposes as may be deemed desirable even though not in
61 conformity with the development plan.

99.939. 1. Any home rule city with more than four hundred thousand inhabitants
2 and located in more than one county, any county with a charter form of government and
3 with more than one million inhabitants, any city not within a county, and any county of the
4 first classification with more than one hundred thirty-five thousand four hundred but less
5 than one hundred thirty-five thousand five hundred inhabitants and any municipality
6 located therein shall by ordinance establish a fund for the purpose of providing funds to
7 community development corporations in such city for comprehensive programs within

8 such city to stimulate economic development, housing, and other public benefits leading
9 to the development of economically sustainable neighborhoods or communities, such fund
10 to be known as the "Community Development Corporation Revolving Fund".
11 Notwithstanding section 33.080, RSMo, to the contrary, any moneys remaining in the fund
12 at the end of the biennium shall not revert to the credit of the general revenue fund.

13 **2. The community development corporation revolving fund shall be administered**
14 **by a community development corporation revolving fund board, which shall consist of six**
15 **members appointed by the chief elected official of such municipality or county, of which**
16 **one shall be a member of the economic stimulus authority, three shall be members of the**
17 **local regional community development association, and two shall be members of local**
18 **business or financial organizations. The initial members shall serve staggered terms of one,**
19 **two, and three years as determined by the chief elected official at the time of appointment.**
20 **Thereafter, successor members shall be appointed by the chief elected official for a term**
21 **of three years, and shall hold office until a successor is appointed. Any member may be**
22 **removed by the chief elected official for inefficiency, neglect of duty, or misconduct. All**
23 **vacancies shall be filled by appointment of the chief elected official for the unexpired term.**
24 **No member shall receive compensation for the member's services, but shall be entitled to**
25 **necessary and reasonable expenses, including travel expenses, incurred in the discharge**
26 **of the member's duties. The chief elected official shall appoint the chair of the board, and**
27 **the members of the board shall elect officers from the membership of the board.**

28 **3. Beginning January 1, 2004, up to five percent of the state sales tax increment**
29 **portion of other net new revenues generated by development projects certified for state**
30 **supplemental downtown development financing pursuant to sections 99.915 to 99.980, but**
31 **not being used for state supplemental downtown development financing, may be available**
32 **for appropriation by the general assembly from the state supplemental downtown**
33 **development fund, to the general revenue fund, for the purpose of providing grants to cities**
34 **or counties as set forth herein. A city or county described in subsection 1 of this section**
35 **may, upon application to the department of economic development, receive a grant for**
36 **deposit into the city or county community development corporation revolving fund for the**
37 **purposes of funding a community development corporation revolving fund program**
38 **pursuant to subsection 4 of this section. Any city or county otherwise eligible shall not be**
39 **denied participation in the grant program due to a lack of projects certified for state**
40 **supplemental downtown development financing, but such grants shall be limited to**
41 **incremental revenues generated from certified projects in any city or county described in**
42 **subsection 1 of this section. At no time shall the sum of the grants exceed one million five**
43 **hundred thousand dollars annually.**

44 **4. From money granted to a city or county described in subsection 1 of this section**
45 **for deposit in the community development corporation revolving fund, the city or county,**
46 **through the community development corporation revolving fund board, shall provide**
47 **grants and forgivable loans to community development corporations in such municipality**
48 **for community economic development activities implemented by such corporations. The**
49 **board shall give special funding consideration to collaborations on community**
50 **development projects between developers organized for-profit and nonprofit developers.**
51 **All expenses for such projects shall be paid for out of the community development**
52 **corporation revolving fund. Any money appropriated, and any other money made**
53 **available by gift, grant, bequest, contribution, or otherwise to carry out the purposes of this**
54 **section, and all interest earned on, and income generated from, money in the fund shall be**
55 **paid to, and deposited in, the community development corporation revolving fund.**

99.942. 1. A development plan shall set forth in writing a general description of the
2 **program to be undertaken to accomplish the development projects and related objectives**
3 **and shall include, but need not be limited to:**

- 4 **(1) The name, street and mailing address, and phone number of the mayor or chief**
5 **executive officer of the municipality;**
- 6 **(2) The street address of the development site;**
- 7 **(3) The three-digit North American Industry Classification System number or**
8 **numbers characterizing the development project;**
- 9 **(4) The estimated development project costs;**
- 10 **(5) The anticipated sources of funds to pay such development project costs;**
- 11 **(6) Evidence of the commitments to finance such development project costs;**
- 12 **(7) The anticipated type and term of the sources of funds to pay such development**
13 **project costs;**
- 14 **(8) The anticipated type and terms of the obligations to be issued;**
- 15 **(9) The most recent equalized assessed valuation of the property within the**
16 **development project area;**
- 17 **(10) An estimate as to the equalized assessed valuation after the development**
18 **project area is developed in accordance with a development plan;**
- 19 **(11) The general land uses to apply in the development area;**
- 20 **(12) The total number of individuals employed in the development area, categorized**
21 **by full-time, part-time, and temporary positions;**
- 22 **(13) The total number of full-time equivalent positions in the development area;**
- 23 **(14) The current gross wages, state income tax withholdings, and federal income**
24 **tax withholdings for individuals employed in the development area;**

25 **(15) The total number of individuals employed in this state by the corporate parent**
26 **of any business benefitting from public expenditures in the development area, and all**
27 **subsidiaries thereof, as of December thirty-first of the prior fiscal year, categorized by full-**
28 **time, part-time, and temporary positions;**

29 **(16) The number of new jobs to be created by any business benefitting from public**
30 **expenditures in the development area, categorized by full-time, part-time, and temporary**
31 **positions;**

32 **(17) The average hourly wage to be paid to all current and new employees at the**
33 **project site, categorized by full-time, part-time, and temporary positions;**

34 **(18) For project sites located in a metropolitan statistical area, as defined by the**
35 **federal Office of Management and Budget, the average hourly wage paid to nonmanagerial**
36 **employees in this state for the industries involved at the project, as established by the**
37 **United States Bureau of Labor Statistics;**

38 **(19) For project sites located outside of metropolitan statistical areas, the average**
39 **weekly wage paid to nonmanagerial employees in the county for industries involved at the**
40 **project, as established by the United States Department of Commerce;**

41 **(20) A list of other community and economic benefits to result from the project;**

42 **(21) A list of all development subsidies that any business benefitting from public**
43 **expenditures in the development area has previously received for the project, and the name**
44 **of any other granting body from which such subsidies are sought;**

45 **(22) A list of all other public investments made or to be made by this state or units**
46 **of local government to support infrastructure or other needs generated by the project for**
47 **which the funding pursuant to this act is being sought;**

48 **(23) A statement as to whether the development project may reduce employment**
49 **at any other site, within or without of the State, resulting from automation, merger,**
50 **acquisition, corporate restructuring, relocation, or other business activity;**

51 **(24) A statement as to whether or not the project involves the relocation of work**
52 **from another address and if so, the number of jobs to be relocated and the address from**
53 **which they are to be relocated;**

54 **(25) A list of businesses that are competing with the business benefitting from the**
55 **development plan in the county containing the development area and in each contiguous**
56 **county;**

57 **(26) A market study for the development area; and**

58 **(27) A certification by the chief officer of the applicant as to the accuracy of the**
59 **development plan.**

60 **2. For any home rule city with more than four hundred thousand inhabitants and**
61 **located in more than one county, for any county with a charter form of government and**
62 **with more than one million inhabitants, any county of the first classification with more**
63 **than one hundred thirty-five thousand four hundred but less than one hundred thirty-five**
64 **thousand five hundred inhabitants and any municipality within the county, and for any**
65 **city not within a county, the authority shall be required in connection with the designation**
66 **of the development area, development projects, and development project areas, to work**
67 **with local community development corporations, as defined in subsection 3 of section**
68 **135.400, RSMo, with a goal that over the term of the development plan five percent of the**
69 **funds generated pursuant to section 99.957 will be expended in connection with such**
70 **projects through the community development revolving fund created pursuant to section**
71 **99.939.**

72 **3. The development plan may be adopted by a municipality in reliance on findings**
73 **that a reasonable person would believe:**

74 **(1) The development area on the whole is a blighted area or a conservation area.**
75 **Such a finding shall include, but not be limited to, a detailed description of the factors that**
76 **qualify the development area or project pursuant to this subsection, a written statement,**
77 **signed by members of the governing body of the municipality or authority confirming that**
78 **the information has been independently reviewed by the members of the governing body**
79 **of the municipality or authority with due diligence to confirm its accuracy, truthfulness,**
80 **and completeness. The study shall be of sufficient specificity to allow representatives of the**
81 **authority or the municipality to conduct investigations deemed necessary in order to**
82 **confirm its findings;**

83 **(2) The development area has not been subject to growth and development through**
84 **investment by private enterprise and would not reasonably be anticipated to be developed**
85 **without the implementation of one or more development projects and the adoption of local**
86 **and state development financing;**

87 **(3) The development plan conforms to the comprehensive plan for the development**
88 **of the municipality as a whole;**

89 **(4) The estimated dates, which shall not be more than twenty-five years from the**
90 **adoption of the ordinance approving any development project, of the completion of such**
91 **development project and retirement of obligations incurred to finance development project**
92 **costs have been stated, provided that no ordinance approving a development project shall**
93 **be adopted later than fifteen years from the adoption of the ordinance approving the**
94 **development plan and provided that no property for a development project shall be**

95 acquired by eminent domain later than ten years from the adoption of the ordinance
96 approving such development plan;

97 (5) In the event any business or residence is to be relocated as a direct result of the
98 implementation of the development plan, a plan has been developed for relocation
99 assistance for businesses and residences;

100 (6) A cost-benefit analysis showing the economic impact of the development plan
101 on the municipality and school districts that are at least partially within the boundaries of
102 the development area. The analysis shall show the impact on the economy if the
103 development projects are not built pursuant to the development plan under consideration.
104 The cost-benefit analysis shall include a fiscal impact study on each municipality and
105 school district which is at least partially within the boundaries of the development area,
106 and sufficient information from the authority to evaluate whether each development
107 project as proposed is financially feasible;

108 (7) The development plan does not include the initial development or
109 redevelopment of any gambling establishment; and

110 (8) An economic feasibility analysis including a pro forma financial statement
111 indicating the return on investment that may be expected without public assistance. The
112 financial statement shall detail any assumptions made, a pro forma statement analysis
113 demonstrating the amount of assistance required to bring the return into a range deemed
114 attractive to private investors, which amount shall not exceed the estimated reimbursable
115 project costs.

99.945. In the event a municipality desires to designate a development area located
2 in whole or in part outside the incorporated boundaries of the municipality and within the
3 boundaries of another municipality, such municipality shall first obtain the permission of
4 the governing body of such other municipality.

99.948. 1. A municipality which has created an authority pursuant to section
2 99.921 may:

3 (1) Approve by ordinance the exercise by the authority of the powers, functions,
4 and duties of the authority under sections 99.915 to 99.980; and

5 (2) After adopting an ordinance in accordance with subdivision (1) of this
6 subsection and after receipt of recommendations from the authority in accordance with
7 subsection 3 of this section, by ordinance, designate development areas adopt the
8 development plans and development projects, designate a development project area for
9 each development project adopted, and adopt development financing for each such
10 development project area. No development plan may be adopted until the development
11 area is designated. No development project shall be adopted until the development plan

12 is adopted and the development project area for each development project shall be
13 designated at the time of adopting the development project.

14 **2. A municipality may authorize an authority created pursuant to section 99.921**
15 **to exercise all powers and perform all functions of a transportation development district**
16 **pursuant to sections 238.200 to 238.275, RSMo, within a development area.**

17 **3. The municipality or authority shall hold public hearings and provide notice**
18 **pursuant to sections 99.957 and 99.960. Within ten days following the completion of any**
19 **such public hearing, the authority shall vote on, and shall make recommendation to the**
20 **governing body of the municipality with regard to any development plan, development**
21 **projects, designation of a development area or amendments thereto which were proposed**
22 **at such public hearing.**

99.951. 1. Prior to the adoption of the ordinance designating a development area,
2 **adopting a development plan, or approving a development project, the municipality or**
3 **authority shall fix a time and place for a public hearing and notify each taxing district**
4 **located wholly or partially within the boundaries of the proposed development area or**
5 **development project area affected. Such notice shall comply with the provisions of**
6 **subsection 2 of this section. At the public hearing any interested person or affected taxing**
7 **district may file with the municipality or authority written objections to, or comments on,**
8 **and may be heard orally in respect to, any issues regarding the plan or issues embodied in**
9 **the notice. The municipality or authority shall hear and consider all protests, objections,**
10 **comments, and other evidence presented at the hearing. The hearing may be continued to**
11 **another date without further notice other than a motion to be entered upon the minutes**
12 **fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing,**
13 **changes may be made in the development plan, development project, development area or**
14 **development project area, provided that written notice of such changes is available at the**
15 **public hearing. After the public hearing but prior to the adoption of an ordinance**
16 **designating a development area, adopting a development plan or approving a development**
17 **project, changes may be made to any such proposed development plan, development**
18 **project, development area, or development project area without a further hearing, if such**
19 **changes do not enlarge the exterior boundaries of the development area, and do not**
20 **substantially affect the general land uses established in a development plan or development**
21 **project, provided that notice of such changes shall be given by mail to each affected taxing**
22 **district and by publication in a newspaper of general circulation in the development area**
23 **or development project area, as applicable, not less than ten days prior to the adoption of**
24 **the changes by ordinance. After the adoption of an ordinance designating the development**
25 **area, adopting a development plan, approving a development project, or designating a**

26 development project area, no ordinance shall be adopted altering the exterior boundaries
27 of the development area or a development project area, affecting the general land uses
28 established pursuant to the development plan or the general nature of a development
29 project without holding a public hearing in accordance with this section. One public
30 hearing may be held for the simultaneous consideration of a development area,
31 development plan, development project, or development project area.

32 **2. Notice of the public hearing required by this section shall be given by publication**
33 **and mailing. Notice by publication shall be given by publication at least twice, the first**
34 **publication to be not more than thirty days and the second publication to be not more than**
35 **ten days prior to the hearing, in a newspaper of general circulation in the proposed**
36 **development area or development project area, as applicable, and in two minority**
37 **newspapers, if such newspapers are published in the municipality, of which one shall be**
38 **published in the Spanish language, if such a newspaper is published in the municipality.**
39 **Notice by mailing shall be given by depositing such notice in the United States mail by**
40 **certified mail addressed to the person or persons in whose name the general taxes for the**
41 **last preceding year were paid on each lot, block, tract, or parcel of land lying within the**
42 **proposed development area or development project area, as applicable, which is to be**
43 **subjected to the payment or payments in lieu of taxes and economic activity taxes pursuant**
44 **to section 99.957. Such notice shall be mailed not less than ten working days prior to the**
45 **date set for the public hearing. In the event taxes for the last preceding year were not paid,**
46 **the notice shall also be sent to the persons last listed on the tax rolls within the preceding**
47 **three years as the owners of such property.**

48 **3. The notices issued pursuant to this section shall include the following:**

49 **(1) The time and place of the public hearing;**

50 **(2) The general boundaries of the proposed development area or development**
51 **project area, as applicable, by street location, where possible;**

52 **(3) A statement that all interested persons shall be given an opportunity to be heard**
53 **at the public hearing;**

54 **(4) A description of the development plan and the proposed development projects**
55 **and a location and time where the entire development plan or development projects**
56 **proposed may be reviewed by any interested party;**

57 **(5) An estimate of other net new revenues;**

58 **(6) A statement that development financing involving tax revenues and payments**
59 **in lieu of taxes is being sought for the project and an estimate of the amount of local**
60 **development financing that will be requested, if applicable; and**

61 **(7) Such other matters as the municipality or authority may deem appropriate.**

62 **4. Not less than forty-five days prior to the date set for the public hearing, the**
63 **municipality or authority shall give notice by mail as provided in subsection 2 of this**
64 **section to all taxing districts with jurisdiction over taxable property in the development**
65 **area or development project area, as applicable, and in addition to the other requirements**
66 **pursuant to subsection 3 of this section, the notice shall include an invitation to each taxing**
67 **district to submit comments to the municipality or authority concerning the subject matter**
68 **of the hearing prior to the date of the hearing.**

69 **5. A copy of any and all hearing notices required by this section shall be submitted**
70 **by the municipality or authority to the director of the department of economic development**
71 **and the date such notices were mailed or published, as applicable.**

99.954. 1. For the purpose of financing development project costs, obligations may
2 **be issued by the municipality, or, at the request of the municipality, by the authority or any**
3 **other political subdivision authorized to issue bonds, but in no event by the state, to pay**
4 **or reimburse development project costs. Such obligations, when so issued, shall be retired**
5 **in the manner provided in the ordinance or resolution authorizing the issuance of such**
6 **obligations.**

7 **2. Obligations issued pursuant to sections 99.915 to 99.980 may be issued in one or**
8 **more series bearing interest at such rate or rates as the issuing entity shall determine by**
9 **ordinance or resolution. Such obligations shall bear such date or dates, be in such**
10 **denomination, carry such registration privileges, be executed in such manner, be payable**
11 **in such medium of payment at such place or places, contain such covenants, terms, and**
12 **conditions, and be subject to redemption as such ordinance or resolution shall provide.**
13 **Obligations issued pursuant to sections 99.915 to 99.980 may be sold at public or private**
14 **sale at such price as shall be determined by the issuing entity and shall state that**
15 **obligations issued pursuant to sections 99.915 to 99.980 are special obligations payable**
16 **solely from the funds specifically pledged. No referendum approval of the electors shall**
17 **be required as a condition to the issuance of obligations pursuant to sections 99.915 to**
18 **99.980.**

19 **3. In the event the obligations contain a recital that they are issued pursuant to**
20 **sections 99.915 to 99.980, such recital shall be conclusive evidence of their validity and of**
21 **the regularity of their issuance.**

22 **4. Neither the municipality, the authority, or any other entity issuing such**
23 **obligations, or the members, commissioners, directors, or the officers of any such entities**
24 **nor any person executing any obligation shall be personally liable for such obligation by**
25 **reason of the issuance thereof. The obligations issued pursuant to sections 99.915 to 99.980**
26 **shall not be a general obligation of the state, the municipality, or any political subdivision**

27 thereof, nor in any event shall such obligation be payable out of any funds or properties
28 other than those specifically pledged as security for such obligations. The obligations shall
29 not constitute indebtedness within the meaning of any constitutional, statutory, or charter
30 debt limitation or restriction.

31 **5. Obligations issued pursuant to sections 99.915 to 99.980 may be issued to refund,**
32 **in whole or in part, obligations theretofore issued by such entity pursuant to the authority**
33 **of sections 99.915 to 99.980, whether at or prior to maturity; provided, however, that the**
34 **last maturity of the refunding obligations shall not be expressed to mature later than the**
35 **last maturity date of the obligations to be refunded.**

36 **6. In the event a municipality or authority issues obligations under home rule**
37 **powers or other legislative authority, the proceeds of which are pledged to pay for**
38 **development project costs, the municipality may retire such obligations from funds in the**
39 **special allocation fund in amounts and in such manner as if such obligations had been**
40 **issued pursuant to the provisions of sections 99.915 to 99.980.**

41 **7. State supplemental downtown development financing shall not be used for**
42 **retiring or refinancing debt or obligations on a previously publicly financed redevelopment**
43 **project without express approval from the director of the department of economic**
44 **development and the Missouri development finance board. No approval shall be granted**
45 **unless the application for state supplemental downtown development financing contains**
46 **development projects that are new projects which were not a part of the development**
47 **projects for which there is existing public debt or obligations.**

99.957. 1. A municipality, after designating a development area, adopting a
2 **development plan, and adopting any development project in conformance with the**
3 **procedures of sections 99.915 to 99.980, may adopt development financing for the**
4 **development project area selected for any such development project by passing an**
5 **ordinance. Upon the adoption of the first of any such ordinances, the municipality shall**
6 **establish, or shall direct the authority to establish, a special allocation fund for the**
7 **development area.**

8 **2. Immediately upon the adoption of a resolution or ordinance adopting**
9 **development financing for a development project area pursuant to subsection 1 of this**
10 **section, the county assessor shall determine the total equalized assessed value of all taxable**
11 **real property within such development project area by adding together the most recently**
12 **ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real**
13 **property within such development project area as of the date of the adoption of such**
14 **resolution or ordinance and shall provide to the clerk of the municipality written**

15 certification of such amount as the total initial equalized assessed value of the taxable real
16 property within such development project area.

17 **3. In each of the twenty-five calendar years following the adoption of an ordinance**
18 **adopting development financing for a development project area pursuant to subsection 1**
19 **of this section unless and until development financing for such development project area**
20 **is terminated by ordinance of the municipality, the ad valorem taxes, and payments in lieu**
21 **of taxes, if any, arising from the levies upon taxable real property in such development**
22 **project area by taxing districts at the tax rates determined in the manner provided in**
23 **section 99.968 shall be divided as follows:**

24 **(1) That portion of taxes, penalties, and interest levied upon each taxable lot, block,**
25 **tract, or parcel of real property in such development project area which is attributable to**
26 **the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real**
27 **property in such development project area as certified by the county assessor in**
28 **accordance with subsection 2 of this section shall be allocated to and, when collected, shall**
29 **be paid by the collecting authority to the respective affected taxing districts in the manner**
30 **required by law in the absence of the adoption of development financing;**

31 **(2) Payments in lieu of taxes attributable to the increase in the current equalized**
32 **assessed valuation of each taxable lot, block, tract, or parcel of real property in the**
33 **development project area and any applicable penalty and interest over and above the**
34 **initial equalized assessed value of each such taxable lot, block, tract, or parcel of real**
35 **property in such development project area as certified by the county assessor in**
36 **accordance with subsection 2 of this section shall be allocated to and, when collected, shall**
37 **be paid to the collecting officer of the municipality who shall deposit such payment in lieu**
38 **of taxes into a separate segregated account for payments in lieu of taxes within the special**
39 **fund. Payments in lieu of taxes which are due and owing shall constitute a lien against the**
40 **real property from which such payments in lieu of taxes are derived and shall be collected**
41 **in the same manner as real property taxes, including the assessment of penalties and**
42 **interest where applicable. The lien of payments in lieu of taxes may be foreclosed in the**
43 **same manner as the lien of real property taxes. No part of the current equalized assessed**
44 **valuation of each taxable lot, block, tract, or parcel of property in any such development**
45 **project area attributable to any increase above the initial equalized assessed value of each**
46 **such taxable lot, block, tract, or parcel of real property in such development project area**
47 **as certified by the county assessor in accordance with subsection 2 of this section shall be**
48 **used in calculating the general state school aid formula provided for in section 163.031,**
49 **RSMo, until development financing for such development project area expires or is**
50 **terminated in accordance with sections 99.915 to 99.980;**

51 **(3) For purposes of this section, "levies upon taxable real property in such**
52 **development area by taxing districts" shall not include the blind pension fund tax levied**
53 **under the authority of section 38(b), article III, of the Missouri Constitution, the**
54 **merchants' and manufacturers' inventory replacement tax levied under the authority of**
55 **subsection 2 of section 6, article X of the Missouri Constitution, the desegregation sales tax,**
56 **or the conservation taxes.**

57 **4. In each of the twenty-five calendar years following the adoption of an ordinance**
58 **or resolution adopting development financing for a development project area pursuant to**
59 **subsection 1 of this section unless and until development financing for such development**
60 **project area is terminated in accordance with sections 99.915 to 99.980, fifty percent of the**
61 **economic activity taxes from such development project area shall be allocated to, and paid**
62 **by the collecting officer of any such economic activity tax to, the treasurer or other**
63 **designated financial officer of the municipality, who shall deposit such funds in a separate**
64 **segregated account for economic activity taxes within the special allocation fund. Provided**
65 **however, in any county, the governing body of the county may, by resolution, exclude any**
66 **portion of any county-wide sales tax of such county.**

67 **5. In no event shall a municipality collect and deposit economic activity taxes in the**
68 **special allocation fund unless the developing project has been approved for state**
69 **supplemental downtown development financing pursuant to section 99.960.**

99.958. If a development plan includes an endowment of positions at an institution
2 **of higher education which has a designation as a Carnegie Research I University, including**
3 **any campus of such university system, such endowment must first be funded with a private**
4 **donation to the institution of higher education in accordance with its endowment policy in**
5 **an amount of at least one half of the total amount of the endowment. Thereafter, the**
6 **remaining portion of matching public for such endowment may be made either from the**
7 **local economic activity taxes or from a disbursement made from the state supplemental**
8 **downtown development fund. Any disbursement from the state supplemental downtown**
9 **development fund for purposes of funding an endowment pursuant to the provisions of this**
10 **section shall be transferred to general revenue for appropriation of the endowment.**

99.960. 1. A municipality shall submit an application to the department of
2 **economic development for review and submission of an analysis and recommendation to**
3 **the Missouri development finance board for a determination as to approval of the**
4 **disbursement of the project costs of one or more development projects from the state**
5 **supplemental downtown development fund. The department of economic development**
6 **shall forward the application to the Missouri development finance board with the analysis**
7 **and recommendation. In no event shall any approval authorize a disbursement of one or**

8 more development projects from the state supplemental downtown development fund
9 which exceeds the allowable amount of other net new revenues derived from the
10 development area. An application submitted to the department of economic development
11 shall contain the following, in addition to the items set forth in section 99.942:

12 (1) An estimate that one hundred percent of the payments in lieu of taxes and
13 economic activity taxes deposited to the special allocation fund must and will be used to
14 pay development project costs or obligations issued to finance development project costs
15 to achieve the objectives of the development plan. Contributions to the development
16 project from any private not-for-profit organization or local contributions from tax
17 abatement or other sources may be substituted on a dollar for dollar basis for the local
18 match of one hundred percent of payments in lieu of taxes and economic activity taxes
19 from the fund;

20 (2) Identification of the existing businesses located within the development project
21 area and the development area;

22 (3) The aggregate baseline year amount of state sales tax revenues and the
23 aggregate baseline year amount of state income tax withheld on behalf of existing
24 employees, reported by existing businesses within the development project area. Provisions
25 of section 32.057, RSMo, notwithstanding, municipalities will provide this information to
26 the department of revenue for verification. The department of revenue will verify the
27 information provided by the municipalities within forty-five days of receiving a request for
28 such verification from a municipality;

29 (4) An estimate of the state sales tax increment and state income tax increment
30 within the development project area after redevelopment;

31 (5) An affidavit that is signed by the developer or developers attesting that the
32 provision of subdivision (2) of subsection 3 of section 99.942 has been met and specifying
33 that the development area would not be reasonably anticipated to be developed without the
34 appropriation of the other net new revenues;

35 (6) The amounts and types of other net new revenues sought by the applicant to be
36 disbursed from state supplemental downtown development fund over the term of the
37 development plan;

38 (7) The methodologies and underlying assumptions used in determining the
39 estimate of the state sales tax increment and the state income tax increment; and

40 (8) Any other information reasonably requested by the department of economic
41 development and the Missouri development finance board.

42 2. The department of economic development shall make all reasonable efforts to
43 process applications within sixty days of receipt of the application.

44 **3. The Missouri development finance board shall make a determination regarding**
45 **the application for a certificate allowing disbursements from the state supplemental**
46 **downtown development fund and shall forward such determination to the director of the**
47 **department of economic development. In no event shall the amount of disbursements from**
48 **the state supplemental downtown development fund approved for a project, in addition to**
49 **any other state economic development funding or other state incentives, exceed the**
50 **projected state benefit of the development project, as determined by the department of**
51 **economic development through a cost-benefit analysis. Any political subdivision located**
52 **either wholly or partially within the development area shall be permitted to submit**
53 **information to the department of economic development for consideration in its cost-**
54 **benefit analysis. Upon approval of state supplemental downtown development financing,**
55 **a certificate of approval shall be issued by the department of economic development**
56 **containing the terms and limitations of the disbursement.**

57 **4. At no time shall the annual amount of other net new revenues approved for**
58 **disbursements from the state supplemental downtown development fund exceed one**
59 **hundred fifty million dollars.**

60 **5. Development projects receiving disbursements from the state supplemental**
61 **downtown development fund shall be limited to receiving such disbursements for fifteen**
62 **years, unless specific approval for a longer term is given by the director of the department**
63 **of economic development, as set forth in the certificate of approval; except that, in no case**
64 **shall the duration exceed twenty-five years. The approved term notwithstanding, state**
65 **supplemental downtown development financing shall terminate when development**
66 **financing for a development project is terminated by a municipality.**

67 **6. The municipality shall deposit payments received from the state supplemental**
68 **downtown development fund in a separate segregated account for other net new revenues**
69 **within the special allocation fund.**

70 **7. Development project costs may include, at the prerogative of the state, the**
71 **portion of salaries and expenses of the department of economic development, the Missouri**
72 **development finance board, and the department of revenue reasonably allocable to each**
73 **development project approved for disbursements from the state supplemental downtown**
74 **development fund for the ongoing administrative functions associated with such**
75 **development project. Such amounts shall be recovered from other net new revenues**
76 **deposited into the state supplemental downtown development fund created pursuant to**
77 **section 99.963.**

78 **8. A development project approved for state supplemental downtown development**
79 **financing may not thereafter elect to receive tax increment financing pursuant to the real**

80 property tax increment allocation redevelopment act, sections 99.800 to 99.865, and
81 continue to receive state supplemental downtown development financing pursuant to
82 sections 99.915 to 99.980.

83 9. The department of economic development, in conjunction with the Missouri
84 development finance board, may establish the procedures and standards for the
85 determination and approval of applications by the promulgation of rules and regulations
86 and publish forms to implement the provisions of this section and section 99.963.

87 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
88 that is created under the authority delegated in this section and section 99.963 shall become
89 effective only if it complies with and is subject to all of the provisions of chapter 536,
90 RSMo, and, if applicable, section 536.028, RSMo. This section, section 99.963, and chapter
91 536, RSMo, are nonseverable and if any of the powers vested with the general assembly
92 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to disapprove and
93 annul a rule are subsequently held unconstitutional, then the grant of rulemaking
94 authority and any rule proposed or adopted after August 28, 2003, shall be invalid and
95 void.

96 11. The Missouri development finance board shall consider parity based on
97 population and geography of the state among the regions of the state in making
98 determinations on applications pursuant to this section.

99.963. 1. There is hereby established within the state treasury a special fund to
2 be known as the "State Supplemental Downtown Development Fund", to be administered
3 by the department of economic development. Any unexpended balance and any interest
4 in the fund at the end of the biennium shall be exempt from the provisions of section
5 33.080, RSMo, relating to the transfer of unexpended balances to the general revenue fund.
6 The fund shall consist of:

- 7 (1) The first one hundred fifty million dollars of other net new revenues generated
8 annually by the development projects;
9 (2) Money received from costs charged pursuant to subsection 7 of section 99.960;
10 and
11 (3) Gifts, contributions, grants, or bequests received from federal, private, or other
12 sources.

13 2. Notwithstanding the provisions of section 144.700, RSMo, to the contrary, the
14 department of revenue shall annually submit the first one hundred fifty million of other
15 net new revenues generated by the development projects to the treasurer for deposit in the
16 state supplemental downtown development fund.

17 **3. The department of economic development shall annually disburse funds from**
18 **the state supplemental downtown development fund in amounts determined pursuant to**
19 **the certificates of approval for projects, providing that the amounts of other net new**
20 **revenues generated from the development area have been verified and all of the conditions**
21 **of sections 99.915 to 99.980 are met. If the revenues appropriated from the state**
22 **supplemental downtown development fund are not sufficient to equal the amounts**
23 **determined to be disbursed pursuant to such certificates of approval, the department of**
24 **economic development shall disburse the revenues on a pro rata basis to all such projects**
25 **and other costs approved pursuant to section 99.960.**

26 **4. In no event shall the amounts distributed to a project from the state**
27 **supplemental downtown development fund exceed the lesser of the amount of the**
28 **certificates of approval for projects or the actual other net new revenues generated by the**
29 **projects.**

30 **5. The department of economic development shall not disburse any moneys from**
31 **the state supplemental downtown development fund for any project which has not**
32 **complied with the annual reporting requirements of section 99.980.**

33 **6. Money in the state supplemental downtown development fund may be spent for**
34 **the reasonable and necessary costs associated with the administration of the program**
35 **authorized under sections 99.915 to 99.980.**

36 **7. No municipality shall obligate or commit the expenditure of disbursements**
37 **received from the state supplemental downtown development fund prior to receiving a**
38 **certificate of approval for the development project generating other net new revenues.**

39 **8. Taxpayers in any development area who are required to remit sales taxes**
40 **pursuant to chapter 144, RSMo, or income tax withholdings pursuant to chapter 143,**
41 **RSMo, shall provide additional information to the department of revenue in a form**
42 **prescribed by the department by rule. Such information shall include but shall not be**
43 **limited to information upon which other net new revenues can be calculated, and shall**
44 **include the number of new jobs, the gross payroll for such jobs, and sales tax generated in**
45 **the development area by such taxpayer in the baseline year and during the time period**
46 **related to the withholding or sales tax remittance.**

47 **9. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
48 **that is created under the authority delegated in this section shall become effective only if**
49 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**
50 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**
51 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**
52 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**

53 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
54 adopted after August 28, 2003, shall be invalid and void.

99.965. 1. When all development project costs and all obligations issued to finance
2 development project costs have been paid in full, the municipality shall adopt an ordinance
3 terminating development financing for all development project areas. Immediately upon
4 the adoption of such ordinance, all payments in lieu of taxes, all economic activity taxes,
5 and other net new revenues then remaining in the special allocation fund shall be deemed
6 to be surplus funds; and thereafter, the rates of the taxing districts shall be extended and
7 taxes levied, collected, and distributed in the manner applicable in the absence of the
8 adoption of development financing. Surplus payments in lieu of taxes shall be paid to the
9 county collector who shall immediately thereafter pay such funds to the taxing districts in
10 the development area selected in the same manner and proportion as the most recent
11 distribution by the collector to the affected taxing districts of real property taxes from real
12 property in the development area. Surplus economic activity taxes shall be paid to the
13 taxing districts in the development area in proportion to the then current levy rates of such
14 taxing districts that are attributable to economic activity taxes. Surplus other net new
15 revenues shall be paid to the state. Any other funds remaining in the special allocation
16 fund following the adoption of an ordinance terminating development financing in
17 accordance with this section shall be deposited to the general fund of the municipality.

18 2. Upon the payment of all development project costs, retirement of obligations, and
19 the distribution of any surplus funds pursuant to this section, the municipality shall adopt
20 an ordinance dissolving the special allocation fund and terminating the designation of the
21 development area as a development area.

22 3. Nothing in sections 99.915 to 99.980 shall be construed as relieving property in
23 such areas from paying a uniform rate of taxes, as required by section 3, article X of the
24 Missouri Constitution.

99.968. In each of the twenty-five calendar years following the adoption of an
2 ordinance adopting development financing for a development project area, unless and until
3 development financing for such development project area is terminated by ordinance of
4 the municipality, then, in respect to every taxing district containing such development
5 project area, the county clerk, or any other official required by law to ascertain the amount
6 of the equalized assessed value of all taxable property within such development project
7 area for the purpose of computing any debt service levies to be extended upon taxable
8 property within such development project area, shall in every year that development
9 financing is in effect ascertain the amount of value of taxable property in such development
10 project area by including in such amount the certified total initial equalized assessed value

11 of all taxable real property in such development project area in lieu of the equalized
12 assessed value of all taxable real property in such development project area. For the
13 purpose of measuring the size of payments in lieu of taxes under sections 99.915 to 99.980,
14 all tax levies shall then be extended to the current equalized assessed value of all property
15 in the development project area in the same manner as the tax rate percentage is extended
16 to all other taxable property in the taxing district.

99.971. Beginning in 2008, and every five years thereafter, a joint committee of the
2 general assembly, comprised of five members appointed by the speaker of the house of
3 representatives and five members appointed by the president pro tempore of the senate,
4 shall review sections 99.915 to 99.980. A report based on such review, with any
5 recommended legislative changes, shall be submitted to the speaker of the house of
6 representatives and the president pro tempore of the senate no later than February first
7 following the year in which the review is conducted.

99.975. 1. No new applications made pursuant to sections 99.915 to 99.980 shall be
2 approved after January 1, 2013.

3 2. No applications made pursuant to sections 99.915 to 99.980 shall be approved
4 prior to August 28, 2003, except for applications for projects that are located within a
5 county for which public and individual assistance has been requested by the governor
6 pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance
7 Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by the governor pursuant to
8 section 44.100, RSMo, due to a natural disaster of major proportions that occurred after
9 May 1, 2003, but prior to May 10, 2003, and the development project area is a central
10 business district that sustained severe damage as a result of such natural disaster, as
11 determined by the state emergency management agency.

12 3. Prior to December 31, 2006, the Missouri development finance board may
13 approve up to two applications made pursuant to sections 99.915 to 99.980 in a home rule
14 city with more than four hundred thousand inhabitants and located in more than one
15 county in which the state sales tax increment for such projects approved pursuant to the
16 provisions of this subsection shall be up to one-half of the incremental increase in all sales
17 taxes levied pursuant to section 144.020, RSMo. In no event shall the incremental increase
18 include any amounts attributable to retail sales unless the Missouri development finance
19 board and the department of economic development are satisfied based on information
20 provided by the municipality or authority, and such entities have made a finding that a
21 substantial portion of all but a de minimus portion of the sales tax increment attributable
22 to retail sales is from new sources which did not exist in the state during the baseline year.
23 The incremental increase for an existing facility shall be the amount of all state sales taxes

24 generated pursuant to section 144.020, RSMo, at the facility in excess of the amount of all
25 state sales taxes generated pursuant to section 144.020, RSMo, at the facility in the baseline
26 year. The incremental increase in development project areas where the baseline year is the
27 year following the year in which the development project is approved by the municipality
28 pursuant to subdivision (2) of section 99.918, shall be the state sales tax revenue generated
29 by out-of-state businesses relocating into a development project area. The incremental
30 increase for a Missouri facility which relocates to a development project area shall be the
31 amount by which the state sales tax revenue of the facility exceeds the state sales tax
32 revenue for the facility in the calendar year prior to relocation.

99.980. 1. By the last day of February each year, the municipality or authority shall
2 report to the director of the department of economic development the name, address,
3 phone number, and primary line of business of any business which relocates to the
4 development area.

2. Each year the governing body of the municipality, or its designee, shall prepare
6 a report concerning the status of the development plan, the development area, and the
7 included development projects, and shall submit a copy of such report to the director of
8 the department of economic development. The report shall include the following:

9 (1) The name, street and mailing addresses, phone number, and chief officer of the
10 granting body;

11 (2) The name, street and mailing addresses, phone number, and chief officer of any
12 business benefitting from public expenditures in such development plans and projects;

13 (3) The amount and source of revenue in the special allocation fund;

14 (4) The amount and purpose of expenditures from the special allocation fund;

15 (5) The amount of any pledge of revenues, including principal and interest on any
16 outstanding bonded indebtedness;

17 (6) The original equalized assessed value of the development area;

18 (7) The assessed valuation added to the development area;

19 (8) Payments made in lieu of taxes received and expended;

20 (9) The economic activity taxes generated within the development area in the
21 baseline year;

22 (10) The economic activity taxes generated within the development area after the
23 baseline year;

24 (11) Reports on contracts made incident to the implementation and furtherance of
25 a development area, the development plan, and the included development projects;

26 (12) A copy of the development plan;

27 **(13) The cost of any property acquired, disposed of, rehabilitated, reconstructed,**
28 **repaired, or remodeled;**

29 **(14) The number of parcels acquired by or through initiation of eminent domain**
30 **proceedings;**

31 **(15) For municipalities with more than four hundred thousand inhabitants and**
32 **located in more than one county, any county with a charter form of government and with**
33 **more than one million inhabitants, any city not within a county, and any county of the first**
34 **classification with more than one hundred thirty-five thousand four hundred but less than**
35 **one hundred thirty-five thousand five hundred inhabitants and any municipality located**
36 **therein, the number of development projects developed in connection with community**
37 **development corporations and the amount of funds generated pursuant to section 99.957**
38 **which are expended in connection with such project;**

39 **(16) A summary of the number of net new jobs created, categorized by full-time,**
40 **part-time, and temporary positions, and by wage groups;**

41 **(17) The comparison of the total employment in this state by any business,**
42 **including any corporate parent, benefitting from public expenditures in the development**
43 **area on the date of the application compared to such employment on the date of the report,**
44 **categorized by full-time, part-time, and temporary positions;**

45 **(18) A statement as to whether public expenditures on any development project**
46 **during the previous fiscal year have reduced employment at any other site controlled by**
47 **any business benefitting from public expenditures in the development area or its corporate**
48 **parent, within or without of this state as a result of automation, merger, acquisition,**
49 **corporate restructuring, or other business activity;**

50 **(19) A summary of the other community and economic benefits resulting from the**
51 **project, consistent with those identified in the application;**

52 **(20) A signed certification by the chief officer of the authority or municipality as**
53 **to the accuracy of the progress report; and**

54 **(21) Any additional reasonable information the department of economic**
55 **development deems necessary.**

56 **3. The report shall include an analysis of the distribution of state supplemental**
57 **downtown development financing by municipality and by economic development region,**
58 **as defined by the department of economic development.**

59 **4. The department shall compile and publish all data from the progress reports in**
60 **both written and electronic form, including the department's Internet web site.**

61 **5. The department shall have access at all reasonable times to the project site and**
62 **the records of any authority or municipality in order to monitor the development project**
63 **or projects and to prepare progress reports.**

64 **6. Data contained in the report required pursuant to the provisions of subsection**
65 **1 of this section and any information regarding amounts disbursed to municipalities**
66 **pursuant to the provisions of sections 99.957 and 99.963 shall be deemed a public record,**
67 **as defined in section 610.010, RSMo.**

68 **7. Any municipality failing to file an annual report as required pursuant to this**
69 **section shall be ineligible to receive any disbursements from the state supplemental**
70 **downtown development fund pursuant to section 99.963.**

71 **8. The Missouri development finance board and the department of economic**
72 **development shall annually review the reports provided pursuant to this section.**

73 **9. The director of the department of economic development shall submit a report**
74 **to the governor, the speaker of the house of representatives, and the president pro tempore**
75 **of the senate no later than April thirtieth of each year. The report shall contain a summary**
76 **of all information received by the director of economic development pursuant to subsection**
77 **2 of this section.**

78 **10. An annual statement showing the payments made in lieu of taxes received and**
79 **expended in that year, the status of the development area, the development plan, the**
80 **development projects in the development plan, the amount of outstanding obligations, and**
81 **any additional information that the municipality deems necessary shall be published in a**
82 **newspaper of general circulation in the municipality.**

83 **11. Five years after the establishment of the development area and the development**
84 **plan and every five years thereafter the governing body of the municipality or authority**
85 **shall hold a public hearing regarding the development area and the development plan and**
86 **the development projects adopted pursuant to sections 99.915 to 99.980. The purpose of**
87 **the hearing shall be to determine if the development area, development plan, and the**
88 **included development projects are making satisfactory progress under the proposed time**
89 **schedule contained within the approved development plan for completion of such**
90 **development projects. Notice of such public hearing shall be given in a newspaper of**
91 **general circulation in the area served by the municipality or authority once each week for**
92 **four weeks immediately prior to the hearing.**

99.1000. As used in sections 99.1000 to 99.1060, unless the context clearly requires
2 **otherwise, the following terms shall mean:**

3 **(1) "Authority", the rural economic stimulus authority for a municipality, created**
4 **pursuant to section 99.1006;**

5 (2) "Baseline year", the calendar year prior to the adoption of an ordinance by the
6 municipality approving a development project;

7 (3) "Collecting officer", the officer of the municipality responsible for receiving and
8 processing payments in lieu of taxes, economic activity taxes other than economic activity
9 taxes which are local sales taxes, and other local taxes other than local sales taxes, and, for
10 local sales taxes and state taxes, the director of revenue;

11 (4) "Development area", an area designated by a municipality which area shall
12 have the following characteristics:

13 (a) It includes only those parcels of real property directly and substantially
14 benefitted by the proposed development plan;

15 (b) It can be renovated through one or more development projects;

16 (c) It is contiguous, provided, however that a development area may include up to
17 three noncontiguous areas selected for development projects, provided that each
18 noncontiguous area meets the requirements of paragraphs (a) and (b) of this subdivision;
19 and

20 (d) The development area shall not exceed ten percent of the entire area of the
21 municipality.

22 Subject to the limitation set forth in this subdivision, the development area can be enlarged
23 or modified as provided in section 99.1036;

24 (5) "Development plan", the comprehensive program of a municipality and to
25 thereby enhance the tax bases of the taxing districts which extend into the development
26 area through the reimbursement, payment, or other financing of development project costs
27 in accordance with sections 99.1000 to 99.1060 and through the exercise of the powers set
28 forth in sections 99.1000 to 99.1060. The development plan shall conform to the
29 requirements of section 99.1027;

30 (6) "Development project", any development project within a development area
31 which creates a renewable fuel production facility, and any such development project shall
32 include a legal description of the area selected for such development project;

33 (7) "Development project area", the area located within a development area
34 selected for a development project;

35 (8) "Development project costs" include such costs to the development plan or a
36 development project, as applicable, which are expended on public property, buildings, or
37 rights-of-ways for public purposes to provide infrastructure to support a development
38 project. Such costs shall only be allowed as an initial expense which, to be recoverable,
39 must be included in the costs of a development plan or development project, except in
40 circumstances of plan amendments approved by the Missouri agricultural and small

41 **business development authority and the department of economic development. Such**
42 **infrastructure costs include, but are not limited to, the following:**

43 **(a) Costs of studies, appraisals, surveys, plans, and specifications;**

44 **(b) Professional service costs, including, but not limited to, architectural,**
45 **engineering, legal, marketing, financial, planning, or special services;**

46 **(c) Property assembly costs, including, but not limited to, acquisition of land and**
47 **other property, real or personal, or rights or interests therein, demolition of buildings, and**
48 **the clearing and grading of land;**

49 **(d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public**
50 **buildings and fixtures;**

51 **(e) Costs of construction of public works or improvements;**

52 **(f) Financing costs, including, but not limited to, all necessary expenses related to**
53 **the issuance of obligations issued to finance all or any portion of the infrastructure costs**
54 **of one or more development projects, and which may include capitalized interest on any**
55 **such obligations and reasonable reserves related to any such obligations;**

56 **(g) All or a portion of a taxing district's capital costs resulting from any**
57 **development project necessarily incurred or to be incurred in furtherance of the objectives**
58 **of the development plan, to the extent the municipality by written agreement accepts and**
59 **approves such infrastructure costs;**

60 **(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes**
61 **diverted by approval of a development project;**

62 **(i) State government costs, including, but not limited to, the reasonable costs**
63 **incurred by the department of economic development, the agricultural and small business**
64 **development authority, and the department of revenue in evaluating an application for and**
65 **administering state supplemental rural development financing for a development project;**
66 **and**

67 **(j) Endowment of positions at an institution of higher education which has a**
68 **designation as a Carnegie Research I University including any campus of such university**
69 **system, subject to the provisions of section 99.1043;**

70 **(9) "Economic activity taxes", the total additional revenue from taxes which are**
71 **imposed by the municipality and other taxing districts, and which are generated by**
72 **economic activities within each development project area which exceed the amount of such**
73 **taxes generated by economic activities within such development project area in the baseline**
74 **year; but excluding taxes imposed on sales or charges for sleeping rooms paid by transient**
75 **guests of hotels and motels, licenses, fees, or special assessments. If a retail establishment**
76 **relocates within one year from one facility to another facility within the same county and**

77 the municipality or authority finds that the retail establishment is a direct beneficiary of
 78 development financing, then for purposes of this definition, the economic activity taxes
 79 generated by the retail establishment shall equal the total additional revenues from taxes
 80 which are imposed by the municipality and other taxing districts which are generated by
 81 economic activities within the development project area which exceed the amount of taxes
 82 which are imposed by the municipality and other taxing districts which are generated by
 83 economic activities within the development project area generated by the retail
 84 establishment in the baseline year;

85 (10) "Major initiative", a development project that:

86 (a) Promotes the development of a facility producing either a good derived from an
 87 agricultural commodity or using a process to produce a good derived from an agricultural
 88 product, the estimated cost of which is in excess of the amount set forth below for the
 89 municipality, as applicable; or

90 (b) Promotes business location or expansion, the estimated cost of which is in excess
 91 of the amount set forth below for the municipality, and is estimated to create at least as
 92 many new jobs as set forth below within three years of such location or expansion:

93 Population of	Estimated	New Jobs
94 Municipality	Project Cost	Created
95 99,999 or less	\$3,000,000	at least 30;

96 (11) "Municipality", any city, village, incorporated town, or any county of this state
 97 established on or prior to January 1, 2001;

98 (12) "New job", any job defined as a new job pursuant to subdivision (10) of
 99 section 100.710, RSMo;

100 (13) "Obligations", bonds, loans, debentures, notes, special certificates, or other
 101 evidences of indebtedness issued by the municipality or authority, or other public entity
 102 authorized to issue such obligations pursuant to sections 99.1000 to 99.1060 to carry out
 103 a development project or to refund outstanding obligations;

104 (14) "Ordinance", an ordinance enacted by the governing body of any municipality
 105 or an order of the governing body of such a municipal entity whose governing body is not
 106 authorized to enact ordinances;

107 (15) "Other net new revenues", the amount of state sales tax increment or state
 108 income tax increment or the combination of the amount of each such increment as
 109 determined under section 99.1045;

110 (16) "Payment in lieu of taxes", those revenues from real property in each
 111 development project area, which taxing districts would have received had the municipality
 112 not adopted a development plan and the municipality not adopted development financing,

113 and which would result from levies made after the time of the adoption of development
114 financing during the time the current equalized value of real property in such development
115 project area exceeds the total equalized value of real property in such development project
116 area during the baseline year until development financing for such development project
117 area expires or is terminated pursuant to sections 99.1000 to 99.1060;

118 (17) "Renewable fuel production facility", a facility producing an energy source
119 which is derived from a renewable, domestically grown, organic compound capable of
120 powering machinery, including an engine or power plant, and any by-product derived
121 from such energy source;

122 (18) "Special allocation fund", the fund of the municipality or its authority
123 required to be established pursuant to section 99.1042 which special allocation fund shall
124 contain at least four separate segregated accounts into which payments in lieu of taxes are
125 deposited in one account, economic activity taxes are deposited in a second account, other
126 net new revenues are deposited in a third account, and other revenues, if any, received by
127 the authority or the municipality for the purpose of implementing a development plan or
128 a development project are deposited in a fourth account;

129 (19) "State income tax increment", the estimate of the income tax due the state for
130 salaries or wages paid to new employees in new jobs at a business located in the
131 development project area and created by the development project. The estimate shall be
132 a percentage of the gross payroll which percentage shall be based upon an analysis by the
133 department of revenue of the practical tax rate on gross payroll as a factor in overall
134 taxable income. In no event shall the percentage exceed two percent;

135 (20) "State sales tax increment", the incremental increase in the state sales tax
136 revenue in the development project area. In no event shall the incremental increase include
137 any amounts attributable to retail sales unless the Missouri agricultural and small business
138 development authority and the department of economic development are satisfied based
139 on the information provided by the municipality or authority, and such entities have made
140 a finding that a substantial portion of all but a de minimus portion of the sales tax
141 increment attributable to retail sales is from new sources which did not exist in the state
142 during the baseline year. In addition, the incremental increase for an existing facility shall
143 be the amount by which the state sales tax revenue generated at the facility exceeds the
144 state sales tax revenue generated at the facility in the baseline year. The incremental
145 increase for a Missouri facility which relocates to a development project area shall be the
146 amount by which the state sales tax revenue of the facility exceeds the state sales tax
147 revenue for the facility in the calendar year prior to relocation;

148 (21) "State sales tax revenues", the general revenue portion of state sales tax
149 revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are
150 constitutionally dedicated, taxes deposited to the school district trust fund in accordance
151 with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and
152 outboard motors and future sales taxes earmarked by law;

153 (22) "Taxing districts", any political subdivision of this state having the power to
154 levy taxes; and

155 (23) "Taxing district's capital costs", those costs of taxing districts for capital
156 improvements that are found by the municipal governing bodies to be necessary and to
157 directly result from a development project.

99.1006. Each municipality may create an authority to be known as a "Rural
2 Economic Stimulus Authority"; provided, however:

3 (1) No such authority shall transact any business or exercise its powers pursuant
4 to sections 99.1000 to 99.1060 until and unless the governing body of such municipality
5 shall, in accordance with subsection 1 of section 99.1033, approve, by ordinance, the
6 exercise of the powers, functions, and duties of an authority under sections 99.1000 to
7 99.1060;

8 (2) No governing body of a municipality shall adopt an ordinance pursuant to
9 subdivision (1) of this section unless it finds:

10 (a) That it would be in the interest of the public to consider the establishment of a
11 development area in accordance with sections 99.1000 to 99.1060; and

12 (b) That the development of such a development area would be in the interest of the
13 public health, safety, morals, or welfare of the residents of such municipality.

99.1009. 1. Each authority created pursuant to section 99.1006 shall be governed
2 by a board of commissioners. The number of commissioners serving on the board of each
3 authority shall be no less than five and no more than fourteen, which number shall be
4 established by ordinance of the municipality.

5 **2.** One of the initial commissioners appointed pursuant to this subsection shall be
6 appointed by the school district or districts located within the development area for a term
7 of three years. The other initial commissioners appointed pursuant to this subsection shall
8 serve staggered terms of one, two, and three years as determined by the mayor or chief
9 executive officer of the municipality at the time of their appointment. Thereafter,
10 successor commissioners shall be appointed by the mayor or chief executive officer of the
11 municipality or the school district or districts making the initial appointments for a term
12 of three years. All vacancies shall be filled by appointment of the mayor or chief executive
13 officer of the municipality, or the school district or districts, for the unexpired term. In

14 addition to the commissioners appointed in accordance with this subsection, a nonvoting
15 advisor shall be appointed by the other taxing districts located within the development
16 area.

99.1012. 1. The powers of the authority created pursuant to section 99.1006 shall
2 be exercised by its board of commissioners. A majority of the commissioners shall
3 constitute a quorum of such board for the purpose of conducting business and exercising
4 the powers of the authority and for all other purposes. Action may be taken by the board
5 upon a vote of a majority of the commissioners present in person or by teleconference,
6 unless in any case the bylaws of the authority shall require a larger number. Meetings of
7 the board of the authority may be held anywhere within the municipality.

8 2. The commissioners of the authority annually shall elect a chair and vice chair
9 from among the commissioners; however, the first chair shall be designated by the mayor
10 for a term of one year. The mayor or chief executive officer of the municipality shall serve
11 as the co-chair of the authority. The authority may employ an executive director, technical
12 experts, and such other officers, agents, and employees, permanent and temporary, as it
13 may require, and shall determine their qualifications, duties, and compensation. For such
14 legal services as it may require, an authority may call upon the chief law officer of the
15 municipality or may employ its own counsel and legal staff.

16 3. A commissioner of an authority shall receive no compensation for his or her
17 services, but may receive the necessary expenses, including traveling expenses, incurred
18 in the discharge of his or her duties. Each commissioner shall hold office until a successor
19 has been appointed.

20 4. For inefficiency or neglect of duty or misconduct in office, a commissioner of an
21 authority may be removed by the mayor or chief executive officer of the municipality.

99.1015. 1. In any suit, action, or proceeding involving the validity or enforcement
2 of or relating to any contract of an authority entered into pursuant to sections 99.1000 to
3 99.1060, such authority shall be conclusively deemed to have become established and
4 authorized to transact business and exercise its powers under sections 99.1000 to 99.1060
5 upon proof of the adoption of the appropriate ordinance prescribed in section 99.1006.
6 Each such ordinance shall be deemed sufficient if it authorizes the exercise of powers under
7 sections 99.1000 to 99.1060 by the authority and sets forth the findings of the municipality
8 as required in subdivision (2) of section 99.1006.

9 2. A copy of such ordinance duly certified by the clerk of the municipality shall be
10 admissible in evidence in any suit, action, or proceeding.

11 3. No lawsuit to set aside the creation of an authority, the approval of a
12 development plan, development project, development area or development project area,

13 or a tax levied pursuant to sections 99.1000 to 99.1060, or to otherwise question the validity
14 of the proceedings related thereto, shall be brought after the expiration of ninety days from
15 the effective date of the ordinance or resolution in question.

99.1018. 1. The authority created pursuant to section 99.1006 shall constitute a
2 public body corporate and politic, exercising public and essential governmental functions.

3 2. A municipality or an authority created pursuant to section 99.1006 shall have all
4 the powers necessary or convenient to carry out and effectuate the purposes and provisions
5 of sections 99.1000 to 99.1060, including the following powers in addition to others granted
6 pursuant to sections 99.1000 to 99.1060:

7 (1) To prepare or cause to be prepared and approve development plans and
8 development projects to be considered at public hearings in accordance with sections
9 99.1000 to 99.1060 and to undertake and carry out development plans and development
10 projects which have been adopted by ordinance;

11 (2) To arrange or contract for the furnishing or repair, by any person or agency,
12 public or private, of services, privileges, streets, roads, public utilities, or other facilities for
13 or in connection with any development project; and notwithstanding anything to the
14 contrary contained in sections 99.1000 to 99.1060 or any other provision of law, to agree
15 to any conditions that it may deem reasonable and appropriate attached to federal
16 financial assistance and imposed pursuant to federal law relating to the determination of
17 prevailing salaries or wages or compliance with labor standards, in the undertaking or
18 carrying out of any development project, and to include in any contract let in connection
19 with any such development project provisions to fulfill such of the conditions as it may
20 deem reasonable and appropriate;

21 (3) Within a development area, to acquire by purchase, lease, gift, grant, bequest,
22 devise, obtain options upon, or otherwise acquire any real or personal property or any
23 interest therein, necessary or incidental to a development project, all in the manner and at
24 such price as the municipality or authority determines is reasonably necessary to achieve
25 the objectives of a development plan;

26 (4) Within a development area, subject to provisions of section 99.1021 with regard
27 to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide,
28 retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose
29 of any real or personal property or any interest therein, all in the manner and at such price
30 and subject to any covenants, restrictions, and conditions as the municipality or authority
31 determines is reasonably necessary to achieve the objectives of a development plan; to
32 make any such covenants, restrictions, or conditions as covenants running with the land,
33 and to provide appropriate remedies for any breach of any such covenants, restrictions,

34 or conditions, including the right in the municipality or authority to terminate such
35 contracts and any interest in the property created pursuant thereto;

36 (5) Within a development area, to clear any area by demolition or removal of
37 existing buildings and structures;

38 (6) To install, repair, construct, reconstruct, or relocate streets, utilities, and site
39 improvements as necessary or desirable for the preparation of a development area for use
40 in accordance with a development plan;

41 (7) Within a development area, to fix, charge, and collect fees, rents, and other
42 charges for the use of any real or personal property, or any portion thereof, in which the
43 municipality or authority has any interest;

44 (8) To accept grants, guarantees, and donations of property, labor, or other things
45 of value from any public or private source for purposes of implementing a development
46 plan;

47 (9) In accordance with section 99.1021, to select one or more developers to
48 implement a development plan, or one or more development projects, or any portion
49 thereof;

50 (10) To charge as a development project cost the reasonable costs incurred by the
51 municipality or authority, the department of economic development, the Missouri
52 development finance board, or the department of revenue in evaluating, administering, or
53 implementing the development plan or any development project;

54 (11) To borrow money and issue obligations in accordance with sections 99.1000
55 to 99.1060 and provide security for any such loans or obligations;

56 (12) To insure or provide for the insurance of any real or personal property or
57 operations of the municipality or authority against any risks or hazards, including the
58 power to pay premiums on any such insurance; and to enter into any contracts necessary
59 to effectuate the purposes of sections 99.1000 to 99.1060;

60 (13) Within a development area, to renovate, rehabilitate, own, operate, construct,
61 repair, or improve any improvements, buildings, parking garages, fixtures, structures, and
62 other facilities;

63 (14) To invest any funds held in reserves or sinking funds, or any funds not
64 required for immediate disbursement, in property or securities in which savings banks may
65 legally invest funds subject to their control; to redeem obligations at the redemption price
66 established therein or to purchase obligations at less than redemption price, all obligations
67 so redeemed or purchased to be canceled;

68 (15) To borrow money and to apply for and accept advances, loans, grants,
69 contributions, and any other form of financial assistance from the federal government,

70 state, county, municipality, or other public body or from any sources, public or private, for
71 the purposes of implementing a development plan, to give such security as may be required
72 and to enter into and carry out contracts in connection therewith. A municipality or
73 authority, notwithstanding the provisions of any other law, may include in any contract
74 for financial assistance with the federal government for a project such conditions imposed
75 pursuant to federal law as the municipality or authority may deem reasonable and
76 appropriate and which are not inconsistent with the purposes of sections 99.1000 to
77 99.1060;

78 (16) To incur development project costs and make such expenditures as may be
79 necessary to carry out the purposes of sections 99.1000 to 99.1060; and to make
80 expenditures from funds obtained from the federal government without regard to any
81 other laws pertaining to the making and approval of appropriations and expenditures;

82 (17) To loan the proceeds of obligations issued pursuant to sections 99.1000 to
83 99.1060 for the purpose of providing for the purchase, construction, extension, or
84 improvement of public infrastructure related to a development project by a developer
85 pursuant to a development contract approved by the municipality or authority in
86 accordance with subdivision (2) of section 99.1021;

87 (18) To declare any funds, or any portion thereof, in the special allocation fund to
88 be excess funds, so long as such excess funds have not been pledged to the payment of
89 outstanding obligations or outstanding development project costs, are not necessary for the
90 payment of development project costs incurred or anticipated to be incurred, and are not
91 required to pay baseline state sales taxes and baseline state withholding taxes to the
92 director of revenue. Any such funds deemed to be excess shall be disbursed in the manner
93 of surplus funds as provided in section 99.1051;

94 (19) To pledge or otherwise expend funds deposited to the special allocation fund,
95 or any portion thereof, for the payment or reimbursement of development project costs
96 incurred by the authority, the municipality, a developer selected by the municipality or
97 authority, or any other entity with the consent of the municipality or authority; to pledge
98 or otherwise expend funds deposited to the special allocation fund, or any portion thereof,
99 or to mortgage or otherwise encumber its property, or any portion thereof, for the payment
100 of obligations issued to finance development project costs; provided, however, any such
101 pledge or expenditure of economic activity taxes or other net new revenues shall be subject
102 to annual appropriation by the municipality; and

103 (20) To exercise all powers or parts or combinations of powers necessary,
104 convenient, or appropriate to undertake and carry out development plans and any

105 development projects and all the powers granted pursuant to sections 99.1000 to 99.1060,
106 excluding powers of eminent domain.

107 **2. If any member of the governing body of the municipality, a commissioner of the**
108 **authority, or an employee or consultant of the municipality or authority, involved in the**
109 **planning and preparation of a development project, owns or controls an interest, direct or**
110 **indirect, in any property included in a development project area, the individual shall**
111 **disclose the same in writing to the clerk of the municipality, and shall also so disclose the**
112 **dates, terms, and conditions of any disposition of any such interest, which disclosures shall**
113 **be acknowledged by the governing body of the municipality and entered upon the minutes**
114 **books of the governing body of the municipality. If an individual holds such an interest,**
115 **then that individual shall refrain from any further official involvement in regard to a**
116 **development project and from voting on any matter pertaining to such development**
117 **project or communicating with other commissioners or members of the authority or the**
118 **municipality concerning any matter pertaining to such development project. Furthermore,**
119 **subject to the succeeding sentence, no such member, commissioner, employee, or consultant**
120 **shall acquire any interest, direct or indirect, in any property in a development project area**
121 **or proposed development project area, after either such individual obtains knowledge of**
122 **a development project, or first public notice of such development project, or development**
123 **project area pursuant to subsection 2 of section 99.1036, whichever first occurs. At any**
124 **time after one year from the adoption of an ordinance designating a development project**
125 **area, any commissioner may acquire an interest in real estate located in a development**
126 **project area so long as any such commissioner discloses such acquisition and refrains from**
127 **voting on any matter related to the development project area in which the property**
128 **acquired by such commissioner is located.**

129 **3. An authority created pursuant to section 99.1006 shall have the following powers**
130 **in addition to others granted pursuant to sections 99.1000 to 99.1060:**

131 **(1) To sue and to be sued; to have a seal and to alter the same at the authority's**
132 **pleasure; to have perpetual succession; to make and execute contracts and other**
133 **instruments necessary or convenient to the exercise of the powers of the authority; and to**
134 **make and from time to time amend and repeal bylaws, rules, and regulations, not**
135 **inconsistent with sections 99.1000 to 99.1060, to carry out the provisions of sections 99.1000**
136 **to 99.1060;**

137 **(2) To delegate to a municipality or other public body any of the powers or**
138 **functions of the authority with respect to the planning or undertaking of a development**
139 **project, and any such municipality or public body is hereby authorized to carry out or**
140 **perform such powers or functions for the authority;**

141 **(3) To receive and exercise powers delegated by any authority, agency, or agent of**
142 **a municipality created pursuant to this chapter or chapter 353, RSMo, excluding powers**
143 **of eminent domain.**

99.1021. Real property which is acquired by a municipality or authority in a
2 **development project area may be disposed of as follows:**

3 **(1) Within a development project area, the authority may sell, lease, exchange, or**
4 **otherwise transfer real property, including land, improvements, and fixtures, or any**
5 **interest therein, to any developer selected for a development project, or any portion**
6 **thereof, in accordance with the development plan, subject to such covenants, conditions,**
7 **and restrictions as may be deemed to be in the public interest or to carry out the purposes**
8 **of sections 99.1000 to 99.1060. Such real property shall be sold, leased, or transferred at**
9 **its fair market value for uses in accordance with the development plan; provided that such**
10 **fair market value may be less than the cost of such property to the municipality or**
11 **authority. In determining the fair market value of real property for uses in accordance**
12 **with a development plan, the municipality or authority shall take into account and give**
13 **consideration to the uses and purposes required by the development plan; the restrictions**
14 **upon, and the covenants, conditions, and obligations assumed by the developer of such**
15 **property; the objectives of the development plan; and such other matters as the**
16 **municipality or authority shall specify as being appropriate. In fixing rental and sale**
17 **prices, a municipality or authority shall give consideration to appraisals of the property**
18 **for such uses made by experts employed by the municipality or authority;**

19 **(2) The municipality or authority shall, by public notice published in a newspaper**
20 **having a general circulation in a development area, prior to selecting one or more**
21 **developers for any development project, or any portion thereof, invite proposals from, and**
22 **make available all pertinent information to, private developers or any persons interested**
23 **in undertaking the development of such development project, or any portion thereof. Such**
24 **notice shall be published at least once each week during the two weeks preceding the**
25 **selection of a developer, shall identify the area of the development project or development**
26 **projects, or any portion thereof, for which one or more developers are to be selected, and**
27 **shall state that such further information as it is available may be obtained at the office of**
28 **the municipality or authority. The municipality or authority shall consider all proposals**
29 **and the financial and legal ability of the prospective developers to carry out their**
30 **proposals. The municipality or authority may negotiate and enter into one or more**
31 **contracts with any developer selected for the development of any such area for the**
32 **development of such area by such developer in accordance with a development plan or for**
33 **the sale or lease of any real property to any such developer in any such area for the**

34 purpose of developing such property in accordance with the development plan. The
35 municipality or authority may enter into any such contract as it deems to be in the public
36 interest and in furtherance of the purposes of sections 99.1000 to 99.1060; provided that
37 the municipality or authority has, not less than ten days prior thereto, notified the
38 governing body in writing of its intention to enter into such contract. Thereafter, the
39 municipality or authority may execute such contract in accordance with the provisions of
40 subdivision (1) of this section and deliver deeds, leases, and other instruments and take all
41 steps necessary to effectuate such contract. In its discretion, the municipality or authority
42 may, in accordance with the provisions of this subdivision, dispose of any real property in
43 an area selected for a development project, or any portion thereof, to private developers
44 for development under such reasonable competitive bidding procedures as it shall
45 prescribe, subject to the provisions of subdivision (1) of this section;

46 (3) In carrying out a development project, the authority may:

47 (a) Convey to the municipality such real property as, in accordance with the
48 development plan, is to be dedicated as public right-of-way for streets, sidewalks, alleys,
49 or other public ways, this power being additional to and not limiting any and all other
50 powers of conveyance of property to municipalities expressed, generally or otherwise, in
51 sections 99.1000 to 99.1060;

52 (b) Grant servitudes, easements, and rights-of-way for public utilities, sewers,
53 streets, and other similar facilities, in accordance with the development plan; and

54 (c) Convey to the municipality or other appropriate public body such real property
55 as, in accordance with the development plan, is to be used for parks, schools, public
56 buildings, facilities, or other public purposes;

57 (4) The municipality or authority may operate and maintain real property in the
58 development area pending the disposition or development of the property in accordance
59 with a development plan, without regard to the provisions of subdivisions (1) and (2) of this
60 section, for such uses and purposes as may be deemed desirable even though not in
61 conformity with the development plan.

99.1027. 1. A development plan shall set forth in writing a general description of
2 the program to be undertaken to accomplish the development projects and related
3 objectives and shall include, but need not be limited to:

4 (1) The name, street and mailing address, and phone number of the mayor or chief
5 executive officer of the municipality;

6 (2) The street address of the development site;

7 (3) The three-digit North American Industry Classification System number or
8 numbers characterizing the development project;

- 9 **(4) The estimated development project costs;**
10 **(5) The anticipated sources of funds to pay such development project costs;**
11 **(6) Evidence of the commitments to finance such development project costs;**
12 **(7) The anticipated type and term of the sources of funds to pay such development**
13 **project costs;**
14 **(8) The anticipated type and terms of the obligations to be issued;**
15 **(9) The most recent equalized assessed valuation of the property within the**
16 **development project area;**
17 **(10) An estimate as to the equalized assessed valuation after the development**
18 **project area is developed in accordance with a development plan;**
19 **(11) The general land uses to apply in the development area;**
20 **(12) The total number of individuals employed in the development area, categorized**
21 **by full-time, part-time, and temporary positions;**
22 **(13) The total number of full-time equivalent positions in the development area;**
23 **(14) The current gross wages, state income tax withholdings, and federal income**
24 **tax withholdings for individuals employed in the development area;**
25 **(15) The total number of individuals employed in this state by the corporate parent**
26 **of any business benefitting from public expenditures in the development area, and all**
27 **subsidiaries thereof, as of December thirty-first of the prior fiscal year, categorized by full-**
28 **time, part-time, and temporary positions;**
29 **(16) The number of new jobs to be created by any business benefitting from public**
30 **expenditures in the development area, categorized by full-time, part-time, and temporary**
31 **positions;**
32 **(17) The average hourly wage to be paid to all current and new employees at the**
33 **project site, categorized by full-time, part-time, and temporary positions;**
34 **(18) For project sites located in a metropolitan statistical area, as defined by the**
35 **federal Office of Management and Budget, the average hourly wage paid to nonmanagerial**
36 **employees in this state for the industries involved at the project, as established by the**
37 **United States Bureau of Labor Statistics;**
38 **(19) For project sites located outside of metropolitan statistical areas, the average**
39 **weekly wage paid to nonmanagerial employees in the county for industries involved at the**
40 **project, as established by the United States Department of Commerce;**
41 **(20) A list of other community and economic benefits to result from the project;**
42 **(21) A list of all development subsidies that any business benefitting from public**
43 **expenditures in the development area has previously received for the project, and the name**
44 **of any other granting body from which such subsidies are sought;**

45 **(22) A list of all other public investments made or to be made by this state or units**
46 **of local government to support infrastructure or other needs generated by the project for**
47 **which the funding pursuant to this act is being sought;**

48 **(23) A statement as to whether the development project may reduce employment**
49 **at any other site, within or without of the state, resulting from automation, merger,**
50 **acquisition, corporate restructuring, relocation, or other business activity;**

51 **(24) A statement as to whether or not the project involves the relocation of work**
52 **from another address and if so, the number of jobs to be relocated and the address from**
53 **which they are to be relocated;**

54 **(25) A list of businesses that are competing with the business benefiting from the**
55 **development plan in the county containing the development area and in each contiguous**
56 **county;**

57 **(26) A market study for the development area; and**

58 **(27) A certification by the chief officer of the applicant as to the accuracy of the**
59 **development plan.**

60 **2. The development plan may be adopted by a municipality in reliance on findings**
61 **that a reasonable person would believe:**

62 **(1) The development area has not been subject to growth and development through**
63 **investment by private enterprise and would not reasonably be anticipated to be developed**
64 **without the implementation of one or more development projects and the adoption of local**
65 **and state development financing;**

66 **(2) The development plan conforms to the comprehensive plan for the development**
67 **of the municipality as a whole;**

68 **(3) The estimated dates, which shall not be more than twenty-five years from the**
69 **adoption of the ordinance approving any development project, of the completion of such**
70 **development project and retirement of obligations incurred to finance development project**
71 **costs have been stated, provided that no ordinance approving a development project shall**
72 **be adopted later than fifteen years from the adoption of the ordinance approving the**
73 **development plan and provided that no property for a development project shall be**
74 **acquired by eminent domain later than ten years from the adoption of the ordinance**
75 **approving such development plan;**

76 **(4) In the event any business or residence is to be relocated as a direct result of the**
77 **implementation of the development plan, a plan has been developed for relocation**
78 **assistance for businesses and residences;**

79 **(5) A cost-benefit analysis showing the economic impact of the development plan**
80 **on the municipality and school districts that are at least partially within the boundaries of**

81 the development area. The analysis shall show the impact on the economy if the
82 development projects are not built pursuant to the development plan under consideration.
83 The cost-benefit analysis shall include a fiscal impact study on each municipality and
84 school district which is at least partially within the boundaries of the development area,
85 and sufficient information from the authority to evaluate whether each development
86 project as proposed is financially feasible; and

87 (6) An economic feasibility analysis including a pro forma financial statement
88 indicating the return on investment that may be expected without public assistance. The
89 financial statement shall detail any assumptions made, a pro forma statement analysis
90 demonstrating the amount of assistance required to bring the return into a range deemed
91 attractive to private investors, which amount shall not exceed the estimated reimbursable
92 project costs.

99.1030. In the event a municipality desires to designate a development area located
2 in whole or in part outside the incorporated boundaries of the municipality and within the
3 boundaries of another municipality, such municipality shall first obtain the permission of
4 the governing body of such other municipality.

99.1033. 1. A municipality which has created an authority pursuant to section
2 99.1006 may:

3 (1) Approve by ordinance the exercise by the authority of the powers, functions,
4 and duties of the authority under sections 99.1000 to 99.1060; and

5 (2) After adopting an ordinance in accordance with subdivision (1) of this
6 subsection and after receipt of recommendations from the authority in accordance with
7 subsection 3 of this section, by ordinance, designate development areas, adopt the
8 development plans, and development projects, designate a development project area for
9 each development project adopted, and adopt development financing for each such
10 development project area. No development plan may be adopted until the development
11 area is designated. No development project shall be adopted until the development plan
12 is adopted and the development project area for each development project shall be
13 designated at the time of adopting the development project.

14 2. A municipality may authorize an authority created pursuant to section 99.1006
15 to exercise all powers and perform all functions of a transportation development district
16 pursuant to sections 238.200 to 238.275, RSMo, within a development area.

17 3. The municipality or authority shall hold public hearings and provide notice
18 pursuant to sections 99.1042 and 99.1045. Within ten days following the completion of any
19 such public hearing, the authority shall vote on, and shall make recommendation to the
20 governing body of the municipality with regard to any development plan, development

21 projects, designation of a development area or amendments thereto which were proposed
22 at such public hearing.

99.1036. 1. Prior to the adoption of the ordinance designating a development area,
2 adopting a development plan, or approving a development project, the municipality or
3 authority shall fix a time and place for a public hearing and notify each taxing district
4 located wholly or partially within the boundaries of the proposed development area or
5 development project area affected. Such notice shall comply with the provisions of
6 subsection 2 of this section. At the public hearing any interested person or affected taxing
7 district may file with the municipality or authority written objections to, or comments on,
8 and may be heard orally in respect to, any issues regarding the plan or issues embodied in
9 the notice. The municipality or authority shall hear and consider all protests, objections,
10 comments, and other evidence presented at the hearing. The hearing may be continued to
11 another date without further notice other than a motion to be entered upon the minutes
12 fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing,
13 changes may be made in the development plan, development project, development area or
14 development project area, provided that written notice of such changes is available at the
15 public hearing. After the public hearing but prior to the adoption of an ordinance
16 designating a development area, adopting a development plan or approving a development
17 project, changes may be made to any such proposed development plan, development
18 project, development area, or development project area without a further hearing, if such
19 changes do not enlarge the exterior boundaries of the development area, and do not
20 substantially affect the general land uses established in a development plan or development
21 project, provided that notice of such changes shall be given by mail to each affected taxing
22 district and by publication in a newspaper of general circulation in the development area
23 or development project area, as applicable, not less than ten days prior to the adoption of
24 the changes by ordinance. After the adoption of an ordinance designating the development
25 area, adopting a development plan, approving a development project, or designating a
26 development project area, no ordinance shall be adopted altering the exterior boundaries
27 of the development area or a development project area, affecting the general land uses
28 established pursuant to the development plan or the general nature of a development
29 project without holding a public hearing in accordance with this section. One public
30 hearing may be held for the simultaneous consideration of a development area,
31 development plan, development project, or development project area.

32 2. Notice of the public hearing required by this section shall be given by publication
33 and mailing. Notice by publication shall be given by publication at least twice, the first
34 publication to be not more than thirty days and the second publication to be not more than

35 ten days prior to the hearing, in a newspaper of general circulation in the proposed
36 development area or development project area, as applicable. Notice by mailing shall be
37 given by depositing such notice in the United States mail by certified mail addressed to the
38 person or persons in whose name the general taxes for the last preceding year were paid
39 on each lot, block, tract, or parcel of land lying within the proposed development area or
40 development project area, as applicable, which is to be subjected to the payment or
41 payments in lieu of taxes and economic activity taxes pursuant to section 99.1042. Such
42 notice shall be mailed not less than ten working days prior to the date set for the public
43 hearing. In the event taxes for the last preceding year were not paid, the notice shall also
44 be sent to the persons last listed on the tax rolls within the preceding three years as the
45 owners of such property.

46 3. The notices issued pursuant to this section shall include the following:

47 (1) The time and place of the public hearing;

48 (2) The general boundaries of the proposed development area or development
49 project area, as applicable, by street location, where possible;

50 (3) A statement that all interested persons shall be given an opportunity to be heard
51 at the public hearing;

52 (4) A description of the development plan and the proposed development projects
53 and a location and time where the entire development plan or development projects
54 proposed may be reviewed by any interested party;

55 (5) An estimate of other net new revenues;

56 (6) A statement that development financing involving tax revenues and payments
57 in lieu of taxes is being sought for the project and an estimate of the amount of local
58 development financing that will be requested, if applicable; and

59 (7) Such other matters as the municipality or authority may deem appropriate.

60 4. Not less than forty-five days prior to the date set for the public hearing, the
61 municipality or authority shall give notice by mail as provided in subsection 2 of this
62 section to all taxing districts with jurisdiction over taxable property in the development
63 area or development project area, as applicable, and in addition to the other requirements
64 pursuant to subsection 3 of this section, the notice shall include an invitation to each taxing
65 district to submit comments to the municipality or authority concerning the subject matter
66 of the hearing prior to the date of the hearing.

67 5. A copy of any and all hearing notices required by this section shall be submitted
68 by the municipality or authority to the director of the department of economic development
69 and the date such notices were mailed or published, as applicable.

2 **99.1039. 1. For the purpose of financing development project costs, obligations may**
3 **be issued by the municipality, or, at the request of the municipality, by the authority or any**
4 **other political subdivision authorized to issue bonds, but in no event by the state, to pay**
5 **or reimburse development project costs. Such obligations, when so issued, shall be retired**
6 **in the manner provided in the ordinance or resolution authorizing the issuance of such**
7 **obligations.**

8 **2. Obligations issued pursuant to sections 99.1000 to 99.1060 may be issued in one**
9 **or more series bearing interest at such rate or rates as the issuing entity shall determine by**
10 **ordinance or resolution. Such obligations shall bear such date or dates, be in such**
11 **denomination, carry such registration privileges, be executed in such manner, be payable**
12 **in such medium of payment at such place or places, contain such covenants, terms, and**
13 **conditions, and be subject to redemption as such ordinance or resolution shall provide.**
14 **Obligations issued pursuant to sections 99.1000 to 99.1060 may be sold at public or private**
15 **sale at such price as shall be determined by the issuing entity and shall state that**
16 **obligations issued pursuant to sections 99.1000 to 99.1060 are special obligations payable**
17 **solely from the funds specifically pledged. No referendum approval of the electors shall**
18 **be required as a condition to the issuance of obligations pursuant to sections 99.1000 to**
19 **99.1060.**

20 **3. In the event the obligations contain a recital that they are issued pursuant to**
21 **sections 99.1000 to 99.1060, such recital shall be conclusive evidence of their validity and**
22 **of the regularity of their issuance.**

23 **4. Neither the municipality, the authority, or any other entity issuing such**
24 **obligations, or the members, commissioners, directors, or the officers of any such entities**
25 **nor any person executing any obligation shall be personally liable for such obligation by**
26 **reason of the issuance thereof. The obligations issued pursuant to sections 99.1000 to**
27 **99.1060 shall not be a general obligation of the state, the municipality, or any political**
28 **subdivision thereof, nor in any event shall such obligation be payable out of any funds or**
29 **properties other than those specifically pledged as security for such obligations. The**
30 **obligations shall not constitute indebtedness within the meaning of any constitutional,**
31 **statutory, or charter debt limitation or restriction.**

32 **5. Obligations issued pursuant to sections 99.1000 to 99.1060 may be issued to**
33 **refund, in whole or in part, obligations theretofore issued by such entity pursuant to the**
34 **authority of sections 99.1000 to 99.1060, whether at or prior to maturity; provided,**
35 **however, that the last maturity of the refunding obligations shall not be expressed to**
mature later than the last maturity date of the obligations to be refunded.

36 **6. In the event a municipality or authority issues obligations under home rule**
37 **powers or other legislative authority, the proceeds of which are pledged to pay for**
38 **development project costs, the municipality may retire such obligations from funds in the**
39 **special allocation fund in amounts and in such manner as if such obligations had been**
40 **issued pursuant to the provisions of sections 99.1000 to 99.1060.**

41 **7. State supplemental rural development financing shall not be used for retiring or**
42 **refinancing debt or obligations on a previously publicly financed redevelopment project**
43 **without express approval from the director of the department of economic development**
44 **and the agricultural and small business development authority created pursuant to section**
45 **348.020, RSMo. No approval shall be granted unless the application for state supplemental**
46 **rural development financing contains development projects that are new projects which**
47 **were not a part of the development projects for which there is existing public debt or**
48 **obligations.**

99.1042. 1. A municipality, after designating a development area, adopting a
2 **development plan, and adopting any development project in conformance with the**
3 **procedures of sections 99.1000 to 99.1060, may adopt development financing for the**
4 **development project area selected for any such development project by passing an**
5 **ordinance. Upon the adoption of the first of any such ordinances, the municipality shall**
6 **establish, or shall direct the authority to establish, a special allocation fund for the**
7 **development area.**

8 **2. Immediately upon the adoption of a resolution or ordinance adopting**
9 **development financing for a development project area pursuant to subsection 1 of this**
10 **section, the county assessor shall determine the total equalized assessed value of all taxable**
11 **real property within such development project area by adding together the most recently**
12 **ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real**
13 **property within such development project area as of the date of the adoption of such**
14 **resolution or ordinance and shall provide to the clerk of the municipality written**
15 **certification of such amount as the total initial equalized assessed value of the taxable real**
16 **property within such development project area.**

17 **3. In each of the twenty-five calendar years following the adoption of an ordinance**
18 **adopting development financing for a development project area pursuant to subsection 1**
19 **of this section unless and until development financing for such development project area**
20 **is terminated by ordinance of the municipality, the ad valorem taxes, and payments in lieu**
21 **of taxes, if any, arising from the levies upon taxable real property in such development**
22 **project area by taxing districts at the tax rates determined in the manner provided in**
23 **section 99.1054 shall be divided as follows:**

24 **(1) That portion of taxes, penalties, and interest levied upon each taxable lot, block,**
25 **tract, or parcel of real property in such development project area which is attributable to**
26 **the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real**
27 **property in such development project area as certified by the county assessor in**
28 **accordance with subsection 2 of this section shall be allocated to and, when collected, shall**
29 **be paid by the collecting authority to the respective affected taxing districts in the manner**
30 **required by law in the absence of the adoption of development financing;**

31 **(2) Payments in lieu of taxes attributable to the increase in the current equalized**
32 **assessed valuation of each taxable lot, block, tract, or parcel of real property in the**
33 **development project area and any applicable penalty and interest over and above the**
34 **initial equalized assessed value of each such taxable lot, block, tract, or parcel of real**
35 **property in such development project area as certified by the county assessor in**
36 **accordance with subsection 2 of this section shall be allocated to and, when collected, shall**
37 **be paid to the collecting officer of the municipality who shall deposit such payment in lieu**
38 **of taxes into a separate segregated account for payments in lieu of taxes within the special**
39 **fund. Payments in lieu of taxes which are due and owing shall constitute a lien against the**
40 **real property from which such payments in lieu of taxes are derived and shall be collected**
41 **in the same manner as real property taxes, including the assessment of penalties and**
42 **interest where applicable. The lien of payments in lieu of taxes may be foreclosed in the**
43 **same manner as the lien of real property taxes. No part of the current equalized assessed**
44 **valuation of each taxable lot, block, tract, or parcel of property in any such development**
45 **project area attributable to any increase above the initial equalized assessed value of each**
46 **such taxable lot, block, tract, or parcel of real property in such development project area**
47 **as certified by the county assessor in accordance with subsection 2 of this section shall be**
48 **used in calculating the general state school aid formula provided for in section 163.031,**
49 **RSMo, until development financing for such development project area expires or is**
50 **terminated in accordance with sections 99.1000 to 99.1060;**

51 **(3) For purposes of this section, "levies upon taxable real property in such**
52 **development area by taxing districts" shall not include the blind pension fund tax levied**
53 **under the authority of section 38(b), article III, of the Missouri Constitution, the**
54 **merchants' and manufacturers' inventory replacement tax levied under the authority of**
55 **subsection 2 of section 6, article X of the Missouri Constitution, the desegregation sales tax,**
56 **or the conservation taxes.**

57 **4. In each of the twenty-five calendar years following the adoption of an ordinance**
58 **or resolution adopting development financing for a development project area pursuant to**
59 **subsection 1 of this section unless and until development financing for such development**

60 project area is terminated in accordance with sections 99.1000 to 99.1060, fifty percent of
61 the economic activity taxes from such development project area shall be allocated to, and
62 paid by the collecting officer of any such economic activity tax to, the treasurer or other
63 designated financial officer of the municipality, who shall deposit such funds in a separate
64 segregated account for economic activity taxes within the special allocation fund.

65 **5. In no event shall a municipality collect and deposit economic activity taxes in the**
66 **special allocation fund unless the developing project has been approved for state**
67 **supplemental rural development financing pursuant to section 99.1045.**

99.1043. If a development plan includes an endowment of positions at an institution
2 **of higher education which has a designation as a Carnegie Research I University, including**
3 **any campus of such university system, such endowment must first be funded with a private**
4 **donation to the institution of higher education in accordance with its endowment policy in**
5 **an amount of at least one half of the total amount of the endowment. Thereafter, the**
6 **remaining portion of matching funds for such endowment may be made either from the**
7 **local economic activity taxes or from a disbursement made from the state supplemental**
8 **downtown development fund. Any disbursement from the state supplemental downtown**
9 **development fund for purposes of funding an endowment pursuant to the provisions of this**
10 **section shall be transferred to general revenue for appropriation of the endowment.**

99.1045. 1. A municipality shall submit an application to the Missouri agricultural
2 **and small business development authority created pursuant to section 348.020, RSMo, for**
3 **approval of the disbursement of the project costs of one or more development projects**
4 **from the state supplemental rural development fund. In no event shall any approval**
5 **authorize a disbursement of one or more development projects from the state supplemental**
6 **rural development fund which exceeds the allowable amount of other net new revenues**
7 **derived from the development area. An application submitted to the Missouri agricultural**
8 **and small business development authority shall contain the following, in addition to the**
9 **items set forth in section 99.1027:**

10 **(1) An estimate that one hundred percent of the payments in lieu of taxes and**
11 **economic activity taxes deposited to the special allocation fund must and will be used to**
12 **pay development project costs or obligations issued to finance development project costs**
13 **to achieve the objectives of the development plan. Contributions to the development**
14 **project from any private not-for-profit organization or local contributions from tax**
15 **abatement or other sources may be substituted on a dollar for dollar basis for the local**
16 **match of one hundred percent of payments in lieu of taxes and economic activity taxes**
17 **from the fund;**

18 **(2) Identification of the existing businesses located within the development project**
19 **area and the development area;**

20 **(3) The aggregate baseline year amount of state sales tax revenues and the**
21 **aggregate baseline year amount of state income tax withheld on behalf of existing**
22 **employees, reported by existing businesses within the development project area. Provisions**
23 **of section 32.057, RSMo, notwithstanding, municipalities will provide this information to**
24 **the department of revenue for verification. The department of revenue will verify the**
25 **information provided by the municipalities within forty-five days of receiving a request for**
26 **such verification from a municipality;**

27 **(4) An estimate of the state sales tax increment and state income tax increment**
28 **within the development project area after redevelopment;**

29 **(5) An affidavit that is signed by the developer or developers attesting that the**
30 **provision of subdivision (2) of subsection 3 of section 99.1027 has been met and specifying**
31 **that the development area would not be reasonably anticipated to be developed without the**
32 **appropriation of the other net new revenues;**

33 **(6) The amounts and types of other net new revenues sought by the applicant to be**
34 **disbursed from state supplemental rural development fund over the term of the**
35 **development plan;**

36 **(7) The methodologies and underlying assumptions used in determining the**
37 **estimate of the state sales tax increment and the state income tax increment;**

38 **(8) Any other information reasonably requested by the Missouri agricultural and**
39 **small business development authority.**

40 **2. The Missouri agricultural and small business development authority shall make**
41 **all reasonable efforts to process applications within sixty days of receipt of the application.**

42 **3. The Missouri agricultural and small business development authority shall make**
43 **a determination regarding the application for a disbursement from the state supplemental**
44 **rural development fund and shall forward such determination to the director of the**
45 **department of economic development. In no event shall the amount of disbursements from**
46 **the state supplemental rural development fund approved for a project, in addition to any**
47 **other state economic development funding or other state incentives, exceed the projected**
48 **state benefit of the development project, as determined by the department of economic**
49 **development through a cost-benefit analysis. Any political subdivision located either**
50 **wholly or partially within the development area shall be permitted to submit information**
51 **to the department of economic development for consideration in its cost-benefit analysis.**
52 **Upon approval of state supplemental rural development financing, a certificate of approval**

53 shall be issued by the department of economic development containing the terms and
54 limitations of the disbursement.

55 4. At no time shall the annual amount of other net new revenues approved for
56 disbursements from the state supplemental rural development fund exceed twelve million
57 dollars.

58 5. Development projects receiving disbursements from the state supplemental rural
59 development fund shall be limited to receiving such disbursements for fifteen years, unless
60 specific approval for a longer term is given by the director of the department of economic
61 development, as set forth in the certificate of approval; except that, in no case shall the
62 duration exceed twenty-five years. The approved term notwithstanding, state
63 supplemental rural development financing shall terminate when development financing
64 for a development project is terminated by a municipality.

65 6. The municipality shall deposit payments received from the state supplemental
66 rural development fund in a separate segregated account for other net new revenues within
67 the special allocation fund.

68 7. Development project costs may include, at the prerogative of the state, the
69 portion of salaries and expenses of the department of economic development, the Missouri
70 agricultural and small business development authority, and the department of revenue
71 reasonably allocable to each development project approved for disbursements from the
72 state supplemental rural development fund for the ongoing administrative functions
73 associated with such development project. Such amounts shall be recovered from other
74 net new revenues into the state supplemental rural development fund created pursuant to
75 section 99.1048.

76 8. A development project approved for state supplemental rural development
77 financing may not thereafter elect to receive tax increment financing pursuant to the real
78 property tax increment allocation redevelopment act, sections 99.800 to 99.865, and
79 continue to receive state supplemental rural development financing pursuant to sections
80 99.1000 to 99.1060.

81 9. The Missouri agricultural and small business development authority shall
82 promulgate rules and regulations and publish forms to implement the provisions of this
83 section and section 99.1048.

84 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,
85 that is created under the authority delegated in this section and section 99.1048 shall
86 become effective only if it complies with and is subject to all of the provisions of chapter
87 536, RSMo, and, if applicable, section 536.028, RSMo. This section, section 99.1048, and
88 chapter 536, RSMo, are nonseverable and if any of the powers vested with the general

89 assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or to
90 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
91 rulemaking authority and any rule proposed or adopted after August 28, 2003, shall be
92 invalid and void.

99.1048. 1. There is hereby established within the state treasury a special fund to
2 be known as the "State Supplemental Rural Development Fund", to be administered by
3 the department of economic development. Any unexpended balance and any interest in
4 the fund at the end of the biennium shall be exempt from the provisions of section 33.080,
5 RSMo, relating to the transfer of unexpended balances to the general revenue fund. The
6 fund shall consist of:

7 (1) The first twelve million dollars of other net new revenues generated annually
8 by the development projects;

9 (2) Money received from fees charged pursuant to subsection 7 of section 99.1045;
10 and

11 (3) Gifts, contributions, grants, or bequests received from federal, private, or other
12 sources.

13 2. Notwithstanding the provisions of section 144.700, RSMo, to the contrary, the
14 department of revenue shall annually submit the first twelve million of other net new
15 revenues generated by the development projects to the treasurer for deposit in the state
16 supplemental rural development fund.

17 3. The department of economic development shall annually disburse funds from
18 the state supplemental rural development fund in amounts determined pursuant to the
19 certificates of approval for projects, providing that the amounts of other net new revenues
20 generated from the development area have been verified and all of the conditions of
21 sections 99.1000 to 99.1060 are met. If the revenues appropriated from the state
22 supplemental rural development fund are not sufficient to equal the amounts determined
23 to be disbursed pursuant to such certificates of approval, the department of economic
24 development shall disburse the revenues on a pro rata basis to all such projects and other
25 costs approved pursuant to section 5 of this section.

26 4. In no event shall the amounts distributed to a project from the state
27 supplemental rural development fund exceed the lesser of the amount of the certificates of
28 approval for projects or the actual other net new revenues generated by the projects.

29 5. The department of economic development shall not disburse any moneys from
30 the state supplemental rural development fund for any project which has not complied
31 with the annual reporting requirements of section 99.1060.

32 **6. Money in the state supplemental rural development fund may be spent for the**
33 **reasonable and necessary costs associated with the administration of the program**
34 **authorized under sections 99.1000 to 99.1060.**

35 **7. No municipality shall obligate or commit the expenditure of disbursements**
36 **received from the state supplemental rural development fund prior to receiving a**
37 **certificate of approval for the development project generating other net new revenues.**

38 **8. Taxpayers in any development area who are required to remit sales taxes**
39 **pursuant to chapter 144, RSMo, or income tax withholdings pursuant to chapter 143,**
40 **RSMo, shall provide additional information to the department of revenue in a form**
41 **prescribed by the department by rule. Such information shall include but shall not be**
42 **limited to information upon which other net new revenues can be calculated, and shall**
43 **include the number of new jobs, the gross payroll for such jobs, and sales tax generated in**
44 **the development area by such taxpayer in the baseline year and during the time period**
45 **related to the withholding or sales tax remittance.**

46 **9. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,**
47 **that is created under the authority delegated in this section shall become effective only if**
48 **it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if**
49 **applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable**
50 **and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo,**
51 **to review, to delay the effective date, or to disapprove and annul a rule are subsequently**
52 **held unconstitutional, then the grant of rulemaking authority and any rule proposed or**
53 **adopted after August 28, 2003, shall be invalid and void.**

99.1051. 1. When all development project costs and all obligations issued to finance
2 **development project costs have been paid in full, the municipality shall adopt an ordinance**
3 **terminating development financing for all development project areas. Immediately upon**
4 **the adoption of such ordinance, all payments in lieu of taxes, all economic activity taxes,**
5 **and other net new revenues then remaining in the special allocation fund shall be deemed**
6 **to be surplus funds; and thereafter, the rates of the taxing districts shall be extended and**
7 **taxes levied, collected, and distributed in the manner applicable in the absence of the**
8 **adoption of development financing. Surplus payments in lieu of taxes shall be paid to the**
9 **county collector who shall immediately thereafter pay such funds to the taxing districts in**
10 **the development area selected in the same manner and proportion as the most recent**
11 **distribution by the collector to the affected taxing districts of real property taxes from real**
12 **property in the development area. Surplus economic activity taxes shall be paid to the**
13 **taxing districts in the development area in proportion to the then current levy rates of such**
14 **taxing districts that are attributable to economic activity taxes. Surplus other net new**

15 revenues shall be paid to the state. Any other funds remaining in the special allocation
16 fund following the adoption of an ordinance terminating development financing in
17 accordance with this section shall be deposited to the general fund of the municipality.

18 **2. Upon the payment of all development project costs, retirement of obligations, and**
19 **the distribution of any surplus funds pursuant to this section, the municipality shall adopt**
20 **an ordinance dissolving the special allocation fund and terminating the designation of the**
21 **development area as a development area.**

22 **3. Nothing in sections 99.1000 to 99.1060 shall be construed as relieving property**
23 **in such areas from paying a uniform rate of taxes, as required by section 3, article X of the**
24 **Missouri Constitution.**

99.1054. In each of the twenty-five calendar years following the adoption of an
2 **ordinance adopting development financing for a development project area, unless and until**
3 **development financing for such development project area is terminated by ordinance of**
4 **the municipality, then, in respect to every taxing district containing such development**
5 **project area, the county clerk, or any other official required by law to ascertain the amount**
6 **of the equalized assessed value of all taxable property within such development project**
7 **area for the purpose of computing any debt service levies to be extended upon taxable**
8 **property within such development project area, shall in every year that development**
9 **financing is in effect ascertain the amount of value of taxable property in such development**
10 **project area by including in such amount the certified total initial equalized assessed value**
11 **of all taxable real property in such development project area in lieu of the equalized**
12 **assessed value of all taxable real property in such development project area. For the**
13 **purpose of measuring the size of payments in lieu of taxes under sections 99.1000 to**
14 **99.1060, all tax levies shall then be extended to the current equalized assessed value of all**
15 **property in the development project area in the same manner as the tax rate percentage**
16 **is extended to all other taxable property in the taxing district.**

99.1057. Beginning in 2008, and every five years thereafter, a joint committee of the
2 **general assembly, comprised of five members appointed by the speaker of the house of**
3 **representatives and five members appointed by the president pro tempore of the senate,**
4 **shall review sections 99.1000 to 99.1060. A report based on such review, with any**
5 **recommended legislative changes, shall be submitted to the speaker of the house of**
6 **representatives and the president pro tempore of the senate no later than February first**
7 **following the year in which the review is conducted.**

99.1060. 1. By the last day of February each year, the municipality or authority
2 **shall report to the director of the department of economic development the name, address,**

3 phone number, and primary line of business of any business which relocates to the
4 development area.

5 2. Each year the governing body of the municipality, or its designee, shall prepare
6 a report concerning the status of the development plan, the development area, and the
7 included development projects, and shall submit a copy of such report to the director of
8 the department of economic development. The report shall include the following:

9 (1) The name, street and mailing addresses, phone number, and chief officer of the
10 granting body;

11 (2) The name, street and mailing addresses, phone number, and chief officer of any
12 business benefitting from public expenditures in such development plans and projects;

13 (3) The amount and source of revenue in the special allocation fund;

14 (4) The amount and purpose of expenditures from the special allocation fund;

15 (5) The amount of any pledge of revenues, including principal and interest on any
16 outstanding bonded indebtedness;

17 (6) The original equalized assessed value of the development area;

18 (7) The assessed valuation added to the development area;

19 (8) Payments made in lieu of taxes received and expended;

20 (9) The economic activity taxes generated within the development area in the
21 baseline year;

22 (10) The economic activity taxes generated within the development area after the
23 baseline year;

24 (11) Reports on contracts made incident to the implementation and furtherance of
25 a development area, the development plan, and the included development projects;

26 (12) A copy of the development plan;

27 (13) The cost of any property acquired, disposed of, rehabilitated, reconstructed,
28 repaired, or remodeled;

29 (14) The number of parcels acquired by or through initiation of eminent domain
30 proceedings;

31 (15) A summary of the number of net new jobs created, categorized by full-time,
32 part-time, and temporary positions, and by wage groups;

33 (16) The comparison of the total employment in this state by the any business,
34 including any corporate parent, benefitting from public expenditures in the development
35 area on the date of the application compared to such employment on the date of the report,
36 categorized by full-time, part-time, and temporary positions;

37 (17) A statement as to whether public expenditures on any development project
38 during the previous fiscal year have reduced employment at any other site controlled by

39 any business benefitting from public expenditures in the development area or its corporate
40 parent, within or without of this state as a result of automation, merger, acquisition,
41 corporate restructuring, or other business activity;

42 (18) A summary of the other community and economic benefits resulting from the
43 project, consistent with those identified in the application;

44 (19) A signed certification by the chief officer of the authority or municipality as
45 to the accuracy of the progress report; and

46 (20) Any additional reasonable information the department of economic
47 development deems necessary.

48 3. The department shall compile and publish all data from the progress reports in
49 both written and electronic form, including the department's Internet web site.

50 4. The department shall have access at all reasonable times to the project site and
51 the records of any authority or municipality in order to monitor the development project
52 or projects and to prepare progress reports.

53 5. Data contained in the report required pursuant to the provisions of subsection
54 1 of this section and any information regarding amounts disbursed to municipalities
55 pursuant to the provisions of sections 99.1042 and 99.1048 shall be deemed a public record,
56 as defined in section 610.010, RSMo.

57 6. Any municipality failing to file an annual report as required pursuant to this
58 section shall be ineligible to receive any disbursements from the state supplemental rural
59 development fund pursuant to section 99.1048.

60 7. The Missouri agricultural and small business development authority and the
61 department of economic development shall annually review the reports provided pursuant
62 to this section.

63 8. The director of the department of economic development shall submit a report
64 to the governor, the speaker of the house of representatives, and the president pro tempore
65 of the senate no later than April thirtieth of each year. The report shall contain a summary
66 of all information received by the director of economic development pursuant to subsection
67 2 of this section.

68 9. An annual statement showing the payments made in lieu of taxes received and
69 expended in that year, the status of the development area, the development plan, the
70 development projects in the development plan, the amount of outstanding obligations, and
71 any additional information that the municipality deems necessary shall be published in a
72 newspaper of general circulation in the municipality.

73 10. Five years after the establishment of the development area and the development
74 plan and every five years thereafter the governing body of the municipality or authority

75 shall hold a public hearing regarding the development area and the development plan and
76 the development projects adopted pursuant to sections 99.1000 to 99.1060. The purpose
77 of the hearing shall be to determine if the development area, development plan, and the
78 included development projects are making satisfactory progress under the proposed time
79 schedule contained within the approved development plan for completion of such
80 development projects. Notice of such public hearing shall be given in a newspaper of
81 general circulation in the area served by the municipality or authority once each week for
82 four weeks immediately prior to the hearing.

100.010. As used in sections 100.010 to 100.200, unless the context clearly indicates
2 otherwise, the following words and terms have the following meanings:

3 (1) "Division", an appropriate division of the department of economic development of
4 the state of Missouri, or any agency which succeeded to the functions of the division of
5 commerce and industrial development;

6 (2) "Facility", an industrial plant purchased, constructed, extended or improved pursuant
7 to sections 100.010 to 100.200, including the real estate, buildings, fixtures and machinery;

8 (3) "Governing body", bodies and boards, by whatever names they may be known,
9 charged with the governing of a municipality as herein defined;

10 (4) "Municipality", any county, city, incorporated town or village of the state;

11 (5) "Office industry", a regional, national or international headquarters, a
12 telecommunications operation, a computer operation, an insurance company or a credit card
13 billing and processing center;

14 (6) "Project for industrial development" or "project", the purchase, construction,
15 extension and improvement of warehouses, distribution facilities, research and development
16 facilities, office industries, agricultural processing industries, service facilities which provide
17 interstate commerce, and industrial plants, including the real estate either within or without the
18 limits of such municipalities, buildings, fixtures, and machinery; except that any project of a
19 municipality having fewer than eight hundred inhabitants shall be located wholly within the
20 limits of the municipality;

21 (7) "**Revenue bonds**", **bonds, loans, debentures, notes, special certificates, or other**
22 **evidences of indebtedness issued by a municipality and secured by revenues of a project**
23 **for industrial development.**

100.050. 1. Any municipality proposing to carry out a project for industrial development
2 shall first, by majority vote of the governing body of the municipality, approve the plan for the
3 project. The plan shall include the following information pertaining to the proposed project:

4 (1) A description of the project;

5 (2) An estimate of the cost of the project;

- 6 (3) A statement of the source of funds to be expended for the project;
- 7 (4) A statement of the terms upon which the facilities to be provided by the project are
- 8 to be leased or otherwise disposed of by the municipality; and
- 9 (5) Such other information necessary to meet the requirements of sections 100.010 to
- 10 100.200.

11 **2. If the plan for the project is approved after August 28, 2003, and the project plan**
12 **involves issuance of revenue bonds or involves conveyance of a fee interest in property to**
13 **a municipality, the project plan shall additionally include the following information:**

14 (1) A statement identifying each school district, county, or city affected by such
15 project except property assessed by the state tax commission pursuant to chapters 151 and
16 153, RSMo;

17 (2) The most recent equalized assessed valuation of the real property and personal
18 property included in the project, and an estimate as to the equalized assessed valuation of
19 real property and personal property included in the project after development;

20 (3) An analysis of the costs and benefits of the project on each school district,
21 county, or city; and

22 (4) Identification of any payments in lieu of taxes expected to be made by any lessee
23 of the project, and the disposition of any such payments by the municipality.

24 **3. If the plan for the project is approved after August 28, 2003, any payments in**
25 **lieu of taxes expected to be made by any lessee of the project shall be applied in accordance**
26 **with this section. The lessee may reimburse the municipality for its actual costs of issuing**
27 **the bonds and administering the plan. All amounts paid in excess of such actual costs shall,**
28 **immediately upon receipt thereof, be disbursed by the municipality's treasurer or other**
29 **financial officer to each school district, county, or city in proportion to the current ad**
30 **valorem tax levy of each school district, county, or city.**

100.060. 1. The governing body of any municipality proposing a project for
2 **industrial development which involves issuance of revenue bonds or involves conveyance**
3 **of a fee interest in property to a municipality shall, not less than twenty days before**
4 **approving the plan for a project as required by section 100.050, provide notice of the**
5 **proposed project to the county in which the municipality is located and any school district**
6 **that is a school district, county, or city. Such notice shall include the information required**
7 **in section 100.050, shall state the date on which the governing body of the municipality will**
8 **first consider approval of the plan, and shall invite such school districts, counties, or cities**
9 **to submit comments to the governing body and the comments shall be fairly and duly**
10 **considered.**

11 **2. Notwithstanding any other provisions of this section to the contrary, for purposes**
12 **of determining the limitation on indebtedness of local government pursuant to section**
13 **26(b), article VI, Constitution of Missouri, the current equalized assessed value of the**
14 **property in an area selected for redevelopment attributable to the increase above the total**
15 **initial equalized assessed valuation shall be included in the value of taxable tangible**
16 **property as shown on the last completed assessment for state or county purposes.**

17 **3. The county assessor shall include the current assessed value of all property**
18 **within the school district, county, or city in the aggregate valuation of assessed property**
19 **entered upon the assessor's book and verified pursuant to section 137.245, RSMo, and such**
20 **value shall be utilized for the purpose of the debt limitation on local government pursuant**
21 **to section 26(b), article VI, Constitution of Missouri.**

22 **4. This section is applicable only if the plan for the project is approved after August**
23 **28, 2003.**

24 100.105. No later than January thirty-first of each year, the municipality shall file a
25 report with the department of economic development on the previous year's revenue bond
26 issuances and general obligation bond issuances, which report shall contain only the following
27 information:

- 28 (1) The name, address, spokesperson, and telephone number of the issuing entity;
- 29 (2) The name, address, age, and type of business of the beneficiary firm;
- 30 (3) The amount, term, interest rate or rates, and date of issuance of the bonds issued;
- 31 (4) The name and address of the underwriter, if any, of such bonds;
- 32 (5) The name and address of the guarantor, if any;
- 33 (6) The size, by assets and previous year's sales, and the current number of employees,
34 of the beneficiary firm;
- 35 (7) A copy of the preliminary official statement used when offering the bonds for sale;
- 36 (8) The estimated number of new jobs to be generated by the proposed project;
- 37 (9) A list of the use of bond proceeds, including whether the purpose of the project and
38 the funds generated by the issuance of such bonds is to open a new business, build a branch
39 plant, expand an existing facility, or acquire an existing business[;] **together with a general**
40 **description of the real property or personal property purchased by or on behalf of the**
41 **municipality with such proceeds; and**
- 42 (10) The estimated total cost of the project.

 100.180. The municipality shall have the authority to enter into loan agreements, sell,
2 lease, or mortgage to private persons, partnerships or corporations the facilities purchased,
3 constructed or extended by the municipality for manufacturing and industrial development
4 purposes. In the event that the facility has been financed by revenue bonds, the installments of

5 charges or rents shall be sufficient to meet the interest and sinking fund requirements on the
6 bonds. The loan agreement, installment sale agreement, [or] lease, **or other such document**
7 shall contain such other terms as are agreed upon between the municipality and the obligor,
8 provided that such terms shall be consistent with the other provisions of sections 100.010 to
9 100.200.

100.710. As used in sections 100.700 to 100.850, the following terms mean:

- 2 (1) "Assessment", an amount of up to five percent of the gross wages paid in one year
3 by an eligible industry to all eligible employees in new jobs, or up to ten percent if the economic
4 development project is located within a distressed community as defined in section 135.530,
5 RSMo;
- 6 (2) "Board", the Missouri development finance board as created by section 100.265;
- 7 (3) "Certificates", the revenue bonds or notes authorized to be issued by the board
8 pursuant to section 100.840;
- 9 (4) "Credit", the amount agreed to between the board and an eligible industry, but not
10 to exceed the assessment attributable to the eligible industry's project;
- 11 (5) "Department", the Missouri department of economic development;
- 12 (6) "Director", the director of the department of economic development;
- 13 (7) "Economic development project":
- 14 (a) The acquisition of any real property by the board, the eligible industry, or its affiliate;
15 or
- 16 (b) The fee ownership of real property by the eligible industry or its affiliate; and
- 17 (c) For both paragraphs (a) and (b) of subdivision (7) of this section, "economic
18 development project" shall also include the development of the real property including
19 construction, installation, or equipping of a project, including fixtures and equipment, and
20 facilities necessary or desirable for improvement of the real property, including surveys; site tests
21 and inspections; subsurface site work; excavation; removal of structures, roadways, cemeteries
22 and other surface obstructions; filling, grading and provision of drainage, storm water retention,
23 installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications
24 and similar facilities; off-site construction of utility extensions to the boundaries of the real
25 property; and the acquisition, installation, or equipping of facilities on the real property, for use
26 and occupancy by the eligible industry or its affiliates;
- 27 (8) "Eligible employee", a person employed on a full-time basis in a new job at the
28 economic development project averaging at least thirty-five hours per week who was not
29 employed by the eligible industry or a related taxpayer in this state at any time during the
30 twelve-month period immediately prior to being employed at the economic development project.
31 **For an essential industry, a person employed on a full-time basis in an existing job at the**

32 **economic development project averaging at least thirty-five hours per week may be**
33 **considered an eligible employee for the purposes of the program authorized by sections**
34 **100.700 to 100.850;**

35 (9) "Eligible industry", a business located within the state of Missouri which is engaged
36 in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling
37 products, conducting research and development, or providing services in interstate commerce,
38 office industries, or agricultural processing, but excluding retail, health or professional services.
39 "Eligible industry" does not include a business which closes or substantially reduces its operation
40 at one location in the state and relocates substantially the same operation to another location in
41 the state. This does not prohibit a business from expanding its operations at another location in
42 the state provided that existing operations of a similar nature located within the state are not
43 closed or substantially reduced. This also does not prohibit a business from moving its
44 operations from one location in the state to another location in the state for the purpose of
45 expanding such operation provided that the board determines that such expansion cannot
46 reasonably be accommodated within the municipality in which such business is located, or in the
47 case of a business located in an incorporated area of the county, within the county in which such
48 business is located, after conferring with the chief elected official of such municipality or county
49 and taking into consideration any evidence offered by such municipality or county regarding the
50 ability to accommodate such expansion within such municipality or county. An eligible industry
51 must:

52 (a) Invest a minimum of fifteen million dollars, or ten million dollars for an office
53 industry, in an economic development project; and

54 (b) Create a minimum of one hundred new jobs for eligible employees at the economic
55 development project or a minimum of five hundred jobs if the economic development project
56 is an office industry or a minimum of two hundred new jobs if the economic development project
57 is an office industry located within a distressed community as defined in section 135.530, RSMo.
58 **An industry that meets the definition of "essential industry" may be considered an eligible**
59 **industry for the purposes of the program authorized by sections 100.700 to 100.850;**

60 (10) "Essential industry", a business that otherwise meets the definition of eligible
61 industry except an essential industry shall:

62 (a) Be a targeted industry;

63 (b) Be located in a home rule city with more than twenty-six thousand but less than
64 twenty-seven thousand inhabitants located in any county with a charter form of
65 government and with more than one million inhabitants;

66 (c) Have maintained at least two thousand jobs at the proposed economic
67 development project site each year for a period of four years preceding the year in which

68 **application for the program authorized by sections 100.700 to 100.850 is made and during**
69 **the year in which said application is made;**

70 **(d) For the duration of the certificates, retain at the proposed economic**
71 **development project site the level of employment that existed at the site in the taxable year**
72 **immediately preceding the year in which application for the program authorized by**
73 **sections 100.700 to 100.850 is made; and**

74 **(e) Invest a minimum of five hundred million dollars in the economic development**
75 **project by the end of the third year after the issuance of the certificates under this**
76 **program;**

77 [(10)] **(11) "New job", a job in a new or expanding eligible industry not including jobs**
78 **of recalled workers, replacement jobs or jobs that formerly existed in the eligible industry in the**
79 **state. For an essential industry, an existing job may be considered a new job for the**
80 **purposes of the program authorized by sections 100.700 to 100.850;**

81 [(11)] **(12) "Office industry", a regional, national or international headquarters, a**
82 **telecommunications operation, a computer operation, an insurance company, or a credit card**
83 **billing and processing center;**

84 [(12)] **(13) "Program costs", all necessary and incidental costs of providing program**
85 **services including payment of the principal of premium, if any, and interest on certificates,**
86 **including capitalized interest, issued to finance a project, and funding and maintenance of a debt**
87 **service reserve fund to secure such certificates. Program costs shall include:**

88 **(a) Obligations incurred for labor and obligations incurred to contractors, subcontractors,**
89 **builders and materialmen in connection with the acquisition, construction, installation or**
90 **equipping of an economic development project;**

91 **(b) The cost of acquiring land or rights in land and any cost incidental thereto, including**
92 **recording fees;**

93 **(c) The cost of contract bonds and of insurance of all kinds that may be required or**
94 **necessary during the course of acquisition, construction, installation or equipping of an economic**
95 **development project which is not paid by the contractor or contractors or otherwise provided for;**

96 **(d) All costs of architectural and engineering services, including test borings, surveys,**
97 **estimates, plans and specifications, preliminary investigations and supervision of construction,**
98 **as well as the costs for the performance of all the duties required by or consequent upon the**
99 **acquisition, construction, installation or equipping of an economic development project;**

100 **(e) All costs which are required to be paid under the terms of any contract or contracts**
101 **for the acquisition, construction, installation or equipping of an economic development project;**
102 **and**

103 **(f) All other costs of a nature comparable to those described in this subdivision;**

104 [(13)] (14) "Program services", administrative expenses of the board, including
105 contracted professional services, and the cost of issuance of certificates;

106 (15) "Targeted industry", an industry or one of a cluster of industries that is
107 identified by the department as critical to the state's economic security and growth and
108 affirmed as such by the joint committee on economic development policy and planning
109 established in section 620.602, RSMo.

100.840. 1. To provide funds for the present payment of the costs of economic
2 development projects, the board may borrow money and issue and sell certificates payable from
3 a sufficient portion of the future receipts of payments authorized by the agreement. [The total
4 amount of outstanding certificates sold by the board shall not exceed seventy-five million
5 dollars.] The receipts shall be pledged to the payment of principal of and interest on the
6 certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount
7 of not less than ninety-five percent of the par value thereof, at the discretion of the board, and
8 may bear interest at such rate or rates as the board shall determine, notwithstanding the
9 provisions of section 108.170, RSMo, to the contrary. Certificates may be issued with respect
10 to a single project or multiple projects and may contain terms or conditions as the board may
11 provide by resolution authorizing the issuance of the certificates.

12 2. Certificates issued to refund other certificates may be sold at public sale or at private
13 sale as provided in this section with the proceeds from the sale to be used for the payment of the
14 certificates being refunded. The refunding certificates may be exchanged in payment and
15 discharge of the certificates being refunded, in installments at different times or an entire issue
16 or series at one time. Refunding certificates may be sold or exchanged at any time on, before,
17 or after the maturity of the outstanding certificates to be refunded. Certificates may be issued
18 for the purpose of refunding a like, greater or lesser principal amount of certificates and may bear
19 a higher, lower or equivalent rate of interest than the certificates being renewed or refunded.

20 3. The board shall determine if revenues provided in the agreement are sufficient to
21 secure the faithful performance of obligations in the agreement.

22 4. Certificates issued pursuant to this section shall not be deemed to be an indebtedness
23 of the state or the board or of any political subdivision of the state.

100.850. 1. The approved company shall remit to the board a job development
2 assessment fee, not to exceed five percent of the gross wages of each eligible employee whose
3 job was created as a result of the economic development project, or not to exceed ten percent if
4 the economic development project is located within a distressed community as defined in
5 section 135.530, RSMo, for the purpose of retiring bonds which fund the economic development
6 project.

7 2. Any approved company remitting an assessment as provided in subsection 1 of this
8 section shall make its payroll books and records available to the board at such reasonable times
9 as the board shall request and shall file with the board documentation respecting the assessment
10 as the board may require.

11 3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the
12 date the bonds are retired.

13 4. Any approved company which has paid an assessment for debt reduction shall be
14 allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed
15 against taxes otherwise imposed by chapters 143 and 148, RSMo, except withholding taxes
16 imposed under the provisions of sections 143.191 to 143.265, RSMo, which were incurred
17 during the tax period in which the assessment was made.

18 5. **In no event shall the aggregate amount of tax credits authorized by subsection**
19 **4 of this section exceed eleven million dollars annually.**

20 6. The director of revenue shall issue a refund to the approved company to the extent that
21 the amount of credits allowed in subsection 4 of this section exceed the amount of the approved
22 company's income tax.

135.207. 1. (1) Any city with a population of at least three hundred fifty thousand
2 inhabitants which is located in more than one county and any city not within a county, which
3 includes an existing state designated enterprise zone within the corporate limits of the city may
4 each, upon approval of the local governing authority of the city and the director of the
5 department of economic development, designate up to three satellite zones within its corporate
6 limits. A prerequisite for the designation of a satellite zone shall be the approval by the director
7 of a plan submitted by the local governing authority of the city describing how the satellite zone
8 corresponds to the city's overall enterprise zone strategy.

9 (2) Any Missouri community classified as a village whose borders lie adjacent to a city
10 with a population in excess of three hundred fifty thousand inhabitants as described in
11 subdivision (1) of this subsection, and which has within the corporate limits of the village a
12 factory, mining operation, office, mill, plant or warehouse which has at least three thousand
13 employees and has an investment in plant, machinery and equipment of at least two hundred
14 million dollars may, upon securing approval of the director and the local governing authorities
15 of the village and the adjacent city which contains an existing state designated enterprise zone,
16 designate one satellite zone to be located within the corporate limits of the village, such zone to
17 be in addition to the six authorized in subdivision (1) of this subsection.

18 (3) Any geographical area partially contained within any city not within a county and
19 partially contained within any county of the first classification with a charter form of government
20 with a population of nine hundred thousand or more inhabitants, which area is comprised of a

21 total population of at least four thousand inhabitants but not more than seventy-two thousand
22 inhabitants, and which area consists of at least one fourth class city, and has within its boundaries
23 a military reserve facility and a utility pumping station having a capacity of ten million cubic
24 feet, may, upon securing approval of the director and the appropriate local governing authorities
25 as provided for in section 135.210, be designated as a satellite zone, such zone to be in addition
26 to the six authorized in subdivision (1) of this subsection.

27 **(4) In addition to all other satellite zones authorized in this section, any home rule**
28 **city with more than seventy-three thousand but less than seventy-five thousand**
29 **inhabitants, which includes an existing state designated enterprise zone within the**
30 **corporate limits of the city, may, upon approval of the local governing authority of the city**
31 **and director of the department of economic development, designate a satellite zone within**
32 **its corporate limits. A prerequisite for the designation of a satellite zone pursuant to this**
33 **subdivision shall be the approval by the director of the department of economic**
34 **development of a plan submitted by the local governing authority of such city describing**
35 **how the satellite zone corresponds to the city's overall enterprise zone strategy.**

36 **(5) In addition to all other satellite zones authorized in this section, any home rule**
37 **city with more than one hundred thirteen thousand two hundred but less than one hundred**
38 **thirteen thousand three hundred inhabitants, which includes an existing state designated**
39 **enterprise zone within the corporate limits of the city, may, upon approval of the local**
40 **governing authority of the city and director of the department of economic development,**
41 **designate a satellite zone within its corporate limits along the south-west corner of any**
42 **intersection of two United States interstate highways. A prerequisite for the designation**
43 **of a satellite zone pursuant to this subdivision shall be the approval by the director of the**
44 **department of economic development of a plan submitted by the local governing authority**
45 **of such city describing how the satellite zone corresponds to the city's overall enterprise**
46 **zone strategy.**

47 **(6) In addition to all other satellite zones authorized in this section, any home rule**
48 **city with more than one hundred fifty-one thousand five hundred but less than one**
49 **hundred fifty-one thousand six hundred inhabitants which includes an existing state**
50 **designated enterprise zone within the corporate limits of the city may, upon approval of**
51 **the governing authority of the city and the director of the department of economic**
52 **development, designate one satellite zone within its corporate limits. No satellite zone shall**
53 **be designated pursuant to this subdivision until the governing authority of the city submits**
54 **a plan describing how the satellite zone corresponds to the city's overall enterprise zone**
55 **strategy and the director approves the plan.**

56 2. For satellite zones designated pursuant to the provisions of subdivisions (1) and (3)
57 of subsection 1 of this section, the satellite zones, in conjunction with the existing
58 state-designated enterprise zone shall meet the following criteria:

59 (1) The area is one of pervasive poverty, unemployment, and general distress, or one in
60 which a large number of jobs have been lost, a large number of employers have closed, or in
61 which a large percentage of available production capacity is idle. For the purpose of this
62 subdivision, "large number of jobs" means one percent or more of the area's population according
63 to the most recent decennial census, and "large number of employers" means over five;

64 (2) At least fifty percent of the residents living in the area have incomes below eighty
65 percent of the median income of all residents within the state of Missouri according to the last
66 decennial census or other appropriate source as approved by the director;

67 (3) The resident population of the existing state designated enterprise zone and its
68 satellite zones must be at least four thousand but not more than seventy-two thousand at the time
69 of designation;

70 (4) The level of unemployment of persons, according to the most recent data available
71 from the division of employment security or from the United States Bureau of Census and
72 approved by the director, within the area exceeds one and one-half times the average rate of
73 unemployment for the state of Missouri over the previous twelve months, or the percentage of
74 area residents employed on a full-time basis is less than sixty percent of the statewide percentage
75 of residents employed on a full-time basis.

76 3. A qualified business located within a satellite zone shall be subject to the same
77 eligibility criteria and can be eligible to receive the same benefits as a qualified facility in
78 sections 135.200 to 135.255.

135.276. As used in sections 135.276 to 135.283, the following terms mean:

2 (1) "Continuation of commercial operations", shall be deemed to occur during the
3 first taxable year following the taxable year during which the business entered into an
4 agreement with the department pursuant to section 135.283 in order to receive the tax
5 exemption, tax credits and refundable credits authorized by sections 135.276 to 135.283;

6 (2) "Department", the department of economic development;

7 (3) "Director", the director of the department of economic development;

8 (4) "Enterprise zone", an enterprise zone created under section 135.210 that
9 includes all or part of a home rule city with more than twenty-six thousand but less than
10 twenty-seven thousand inhabitants located in any county with a charter form of
11 government and with more than one million inhabitants;

12 (5) "Facility", any building used as a revenue-producing enterprise located within
13 an enterprise zone, including the land on which the facility is located and all machinery,

14 **equipment, and other real and depreciable tangible personal property acquired for use at**
15 **and located at or within such facility and used in connection with the operation of such**
16 **facility;**

17 **(6) "NAICS", the industrial classification as such classifications are defined in the**
18 **1997 edition of the North American Industrial Classification System Manual as prepared**
19 **by the Executive Office of the President, Office of Management and Budget;**

20 **(7) "Retained business facility", a facility in an enterprise zone operated by the**
21 **taxpayer which satisfies the following requirements as determined by the department and**
22 **included in an agreement with the department:**

23 **(a) The taxpayer agrees to a capital investment project at the facility of at least five**
24 **hundred million dollars to take place over a period of two consecutive taxable years ending**
25 **no later than the fifth taxable year after continuation of commercial operations;**

26 **(b) The taxpayer has maintained at least two thousand employees per year at the**
27 **facility for each of the five taxable years preceding the year of continuation of commercial**
28 **operations;**

29 **(c) The taxpayer agrees to maintain at least the level of employment that it had at**
30 **the facility in the taxable year immediately preceding the year of continuation of**
31 **commercial operations for ten consecutive taxable years beginning with the year of the**
32 **continuation of commercial operations. Temporary layoffs necessary to implement the**
33 **capital investment project will not be considered a violation of this requirement;**

34 **(d) The taxpayer agrees that the amount of the average wage paid by the taxpayer**
35 **at the facility will exceed the average wage paid within the county in which the facility is**
36 **located for ten consecutive taxable years beginning with the year of the continuation of**
37 **commercial operations;**

38 **(e) Significant local incentives with respect to the project or retained facility have**
39 **been committed, which incentives may consist of:**

40 **a. Cash or in-kind incentives derived from any nonstate source, including incentives**
41 **provided by the affected political subdivisions, private industry and/or local chambers of**
42 **commerce or similar such organizations; or**

43 **b. Relief from local taxes;**

44 **(f) Receipt of the tax exemption, tax credits, and refunds are major factors in the**
45 **taxpayer's decision to retain its operations at the facility in Missouri and go forward with**
46 **the capital investment project and not receiving the exemption, credits, and refunds will**
47 **result in the taxpayer moving its operations out of Missouri; and**

48 **(g) There is at least one other state that the taxpayer verifies is being considered as**
49 **the site to which the facility's operations will be relocated;**

50 **(8) "Retained business facility employee", a person employed by the taxpayer in**
51 **the operation of a retained business facility during the taxable year for which the credit**
52 **allowed by section 135.279 is claimed, except that truck drivers and rail and barge vehicle**
53 **operators shall not constitute retained business facility employees. A person shall be**
54 **deemed to be so employed if such person performs duties in connection with the operation**
55 **of the retained business facility on a regular, full-time basis. The number of retained**
56 **business facility employees during any taxable year shall be determined by dividing by**
57 **twelve the sum of the number of individuals employed on the last business day of each**
58 **month of such taxable year. If the retained business facility is in operation for less than**
59 **the entire taxable year, the number of retained business facility employees shall be**
60 **determined by dividing the sum of the number of individuals employed on the last business**
61 **day of each full calendar month during the portion of such taxable year during which the**
62 **retained business facility was in operation by the number of full calendar months during**
63 **such period;**

64 **(9) "Retained business facility income", the Missouri taxable income, as defined in**
65 **chapter 143, RSMo, derived by the taxpayer from the operation of the retained business**
66 **facility. If a taxpayer has income derived from the operation of a retained business facility**
67 **as well as from other activities conducted within this state, the Missouri taxable income**
68 **derived by the taxpayer from the operation of the retained business facility shall be**
69 **determined by multiplying the taxpayer's Missouri taxable income, computed in**
70 **accordance with chapter 143, RSMo, by a fraction, the numerator of which is the property**
71 **factor, as defined in paragraph (a) of this subdivision, plus the payroll factor, as defined**
72 **in paragraph (b) of this subdivision, and the denominator of which is two:**

73 **(a) The "property factor" is a fraction, the numerator of which is the retained**
74 **business facility investment certified for the tax period, and the denominator of which is**
75 **the average value of all the taxpayer's real and depreciable tangible personal property**
76 **owned or rented and used in this state during the tax period. The average value of all such**
77 **property shall be determined as provided in chapter 32, RSMo;**

78 **(b) The "payroll factor" is a fraction, the numerator of which is the total amount**
79 **paid during the tax period by the taxpayer for compensation to persons qualifying as**
80 **retained business facility employees at the retained business facility, and the denominator**
81 **of which is the total amount paid in this state during the tax period by the taxpayer for**
82 **compensation. The compensation paid in this state shall be determined as provided in**
83 **chapter 32, RSMo.**

84 **(10) "Retained business facility investment", the value of real and depreciable**
85 **tangible personal property, acquired by the taxpayer as part of the retained business**

86 facility after the date of continuation of commercial operations, which is used by the
87 taxpayer in the operation of the retained business facility, during the taxable year for
88 which the credit allowed by section 135.279 is claimed, except that trucks, truck-trailers,
89 truck semitrailers, rail vehicles, barge vehicles, aircraft and other rolling stock for hire,
90 track, switches, barges, bridges, tunnels, rail yards, and spurs shall not constitute retained
91 business facility investments. The total value of such property during such taxable year
92 shall be:

93 (a) Its original cost if owned by the taxpayer; or

94 (b) Eight times the net annual rental rate, if leased by the taxpayer. The net annual
95 rental rate shall be the annual rental rate paid by the taxpayer less any annual rental rate
96 received by the taxpayer from subrentals. The retained business facility investment shall
97 be determined by dividing by twelve the sum of the total value of such property on the last
98 business day of each calendar month of the taxable year. If the retained business facility
99 is in operation for less than an entire taxable year, the retained business facility investment
100 shall be determined by dividing the sum of the total value of such property on the last
101 business day of each full calendar month during the portion of such taxable year during
102 which the retained business facility was in operation by the number of full calendar
103 months during such period;

104 (11) "Revenue-producing enterprise", manufacturing activities classified as NAICS
105 336211.

135.277. The provisions of chapter 143, RSMo, notwithstanding, one-half of the
2 Missouri taxable income attributed to an approved retained business facility that is earned
3 by a taxpayer operating the approved retained business facility may be exempt from
4 taxation under chapter 143, RSMo. That portion of income attributed to the retained
5 business facility shall be determined in a manner prescribed in paragraph (b) of
6 subdivision (9) of section 135.276, except that compensation paid to truck drivers, rail, or
7 barge vehicle operators shall be excluded from the fraction.

135.279. 1. Any taxpayer that operates an approved retained business facility in
2 an enterprise zone may be allowed a credit, each year for ten years, in an amount
3 determined pursuant to subsection 2 or 3 of this section, whichever is applicable, against
4 the tax imposed by chapter 143, RSMo, excluding withholding tax imposed by sections
5 143.191 to 143.265, RSMo, as follows:

6 (1) The credit allowed for each retained business facility employee shall be four
7 hundred dollars, except that for each retained business facility employee that exceeds the
8 level of employment set forth in paragraph (b) of subdivision (7) of section 135.276, the

9 credit shall be five hundred dollars. Transfers from another facility operated by the
10 taxpayer in the state will not count as retained business facility employees;

11 (2) An additional credit of four hundred dollars shall be granted for each twelve-
12 month period that a retained business facility employee is a resident of an enterprise zone;

13 (3) An additional credit of four hundred dollars shall be granted for each twelve-
14 month period that the person employed as a retained business facility employee is a person
15 who, at the time of such employment by the new business facility, met the criteria as set
16 forth in section 135.240;

17 (4) To the extent that expenses incurred by a retained business facility in an
18 enterprise zone for the training of persons employed in the operation of the retained
19 business facility is not covered by an existing federal, state, or local program, such retained
20 business facility shall be eligible for a full tax credit equal to eighty percent of that portion
21 of such training expenses which are in excess of four hundred dollars for each trainee who
22 is a resident of an enterprise zone or who was at the time of such employment at the
23 retained business facility unemployable or difficult to employ as defined in section 135.240,
24 provided such credit shall not exceed four hundred dollars for each employee trained;

25 (5) The credit allowed for retained business facility investment shall be equal to the
26 sum of ten percent of the first ten thousand dollars of such qualifying investment, plus five
27 percent of the next ninety thousand dollars of such qualifying investment, plus two percent
28 of all remaining qualifying investments within an enterprise zone. The taxpayer's retained
29 business facility investment shall be reduced by the amount of investment made by the
30 taxpayer or related taxpayer which was subsequently transferred to the retained business
31 facility from another Missouri facility and for which credits authorized in this section are
32 not being earned.

33 2. The credits allowed by subsection 1 of this section shall offset the greater of:

34 (1) Some portion of the income tax otherwise imposed by chapter 143, RSMo,
35 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, with respect to
36 such taxpayer's retained business facility income for the taxable year for which such credit
37 is allowed; or

38 (2) If the taxpayer operates no other facility in Missouri, the credits allowed in
39 subsection 1 of this section shall offset up to fifty percent or, in the case of an economic
40 development project located within a distressed community as defined in section 135.530,
41 seventy-five percent of the business income tax otherwise imposed by chapter 143, RSMo,
42 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, if the business
43 operates no other facilities in Missouri.

44 **(3) If the taxpayer operates more than one facility in Missouri, the credits allowed**
45 **in subsection 1 of this section shall offset up to the greater of the portion prescribed in**
46 **subdivision (1) of this subsection or twenty-five percent or, in the case of an economic**
47 **development project located within a distressed community as defined in section 135.530,**
48 **thirty-five percent of the business' tax, except that no taxpayer operating more than one**
49 **facility in Missouri shall be allowed to offset more than twenty-five percent or, in the case**
50 **of an economic development project located within a distressed community as defined in**
51 **section 135.530, thirty-five percent of the taxpayer's business income tax in any tax period**
52 **under the method prescribed in this subdivision.**

53 **3. In the case where a person employed by the retained business facility is a**
54 **resident of the enterprise zone for less than a twelve-month period, or in the case where a**
55 **person employed as a retained business facility employee is a person who, at the time of**
56 **such employment by the retained business facility, met the criteria as set forth in section**
57 **135.240, is employed for less than a twelve-month period, the credits allowed by**
58 **subdivisions (2) and (3) of subsection 1 of this section shall be determined by multiplying**
59 **the dollar amount of the credit by a fraction, the numerator of which is the number of**
60 **calendar days during the taxpayer's tax year for which such credits are claimed, in which**
61 **the person met the requirements prescribed in subdivision (2) or (3) of this subsection, and**
62 **the denominator of which is three hundred and sixty-five.**

63 **4. Notwithstanding any provision of law to the contrary, any taxpayer who claims**
64 **the exemption and credits allowed in sections 135.276 to 135.283 shall not be eligible to**
65 **receive the exemption allowed in section 135.220, the credits allowed in sections 135.225**
66 **and 135.235, the refund authorized by section 135.245 or the tax credits allowed in section**
67 **135.110. The taxpayer must elect among the options. To perfect the election, the taxpayer**
68 **shall attach written notification of such election to the taxpayer's initial application for**
69 **claiming tax credits. The election shall be irreversible once perfected.**

70 **5. A taxpayer shall not receive the income exemption described in section 135.276**
71 **and the tax credits described in subsection 1 of this section for any year in which the terms**
72 **and conditions of sections 135.276 to 135.283 are not met. Such incentives shall not exceed**
73 **the fifteen-year limitation pursuant to subsection 1 of section 135.230 or the seven-year**
74 **limitation pursuant to subsection 5 of section 135.230.**

75 **6. The initial application for claiming tax credits must be made in the taxpayer's**
76 **tax period immediately following the tax period in which commencement of commercial**
77 **operations began at the new business facility.**

78 **7. Credits may not be carried forward but shall be claimed for the taxable year**
79 **during which continuation of commercial operations occurs at such retained business**
80 **facility, and for each of the nine succeeding taxable years.**

135.281. 1. Any taxpayer operating an approved retained business facility that is
2 **located within a state enterprise zone established pursuant to sections 135.200 to 135.256**
3 **may make an application to the department of economic development for an income tax**
4 **refund.**

5 **2. Such refunds shall be approved only if the amount of tax credits certified for the**
6 **taxpayer in the taxable year exceeded the company's total Missouri tax on taxable income**
7 **in that year by an amount equal to at least one million dollars. In such cases, a portion of**
8 **tax credits earned shall constitute an overpayment of taxes and may be refunded to the**
9 **taxpayer in the manner authorized by this section.**

10 **3. The department shall evaluate and may approve such applications based upon**
11 **the importance of the approved retained business facility to the economy of Missouri, the**
12 **company's investment of at least five hundred million dollars in facilities or equipment,**
13 **and the number of jobs to be created or retained. Such applications may be approved**
14 **annually for no longer than five successive years. The maximum amount of refund that**
15 **may be awarded to the manufacturer or assembler shall not exceed two million dollars per**
16 **year. Notwithstanding other provisions of law to the contrary, if the taxpayer's tax credits**
17 **issued under sections 135.276 to 135.283 for a taxable year exceed the taxpayer's taxable**
18 **income by more than two million dollars, the credits may be carried forward for five years**
19 **or until used, whichever is earlier, and may be included in refund amounts otherwise**
20 **authorized by this section.**

135.283. 1. A taxpayer shall apply to the department for approval to participate
2 **in the program authorized by sections 135.276 to 135.283. The application shall be in a**
3 **form prescribed by and contain all information requested by the department to determine**
4 **eligibility for the program and for the department to make its decision whether to approve**
5 **the taxpayer for participation in the program.**

6 **2. The department may issue an approval contingent upon the successful execution**
7 **of an agreement between the department and the taxpayer seeking approval of a facility**
8 **as a retained business facility which shall include, but not be limited to, the following:**

9 **(1) A detailed description of the project that is the subject of the agreement;**

10 **(2) A requirement that the taxpayer shall annually report to the department the**
11 **total amount of salaries and wages paid to eligible employees in retained business facility**
12 **jobs, and any other information the department requires to confirm compliance with the**
13 **requirements of sections 135.276 to 135.283;**

14 **(3) A requirement that the taxpayer shall provide written notification to the**
15 **director not more than thirty days after the taxpayer makes or receives a proposal that**
16 **would transfer the taxpayer's state tax liability obligations to a successor taxpayer;**

17 **(4) A requirement that the taxpayer shall maintain operations at the facility**
18 **location for at least ten years at a certain employment level;**

19 **(5) The requirements otherwise required by sections 135.276 to 135.283; and**

20 **(6) A provision for repayment of incentives upon breach of the agreement.**

135.400. As used in sections 135.400 to 135.430, the following terms mean:

2 (1) "Certificate", a tax credit certificate issued by the department of economic
3 development in accordance with sections 135.400 to 135.430;

4 (2) "Community bank", either a bank community development corporation or
5 development bank, which are financial organizations which receive investments from
6 commercial financial institutions regulated by the federal reserve, the office of the comptroller
7 of the currency, the office of thrift supervision, or the Missouri division of finance. Community
8 banks, in addition to their other privileges, shall be allowed to make loans to businesses or equity
9 investments in businesses or in real estate provided that such transactions have associated public
10 benefits;

11 (3) "Community development corporation", a not-for-profit corporation [and a recipient
12 of Community Development Block Grant (CDBG) funds pursuant to the Housing Community
13 Development Act of 1974. Such corporations design specific, comprehensive programs to
14 stimulate economic development, housing or other public benefits leading to the development
15 of economically sustainable neighborhoods or communities] **whose board of directors is**
16 **composed of businesses, civic, and community leaders, and whose primary purpose is to**
17 **encourage and promote the industrial, economic, entrepreneurial, commercial, and civic**
18 **development or redevelopment of a community or area, including the provision of housing**
19 **and community development projects that benefit low-income individuals and**
20 **communities;**

21 (4) "Department", the Missouri department of economic development;

22 (5) "Director", the director of the department of economic development, or a person
23 acting under the supervision of the director;

24 (6) "Investment", a transaction in which a Missouri small business or a community bank
25 receives a monetary benefit from an investor pursuant to the provisions of sections 135.403 to
26 135.414;

27 (7) "Investor", an individual, partnership, financial institution, trust or corporation
28 meeting the eligibility requirements of sections 135.403 to 135.414. In the case of partnerships
29 and nontaxable trusts, the individual partners or beneficiaries shall be treated as the investors;

30 (8) "Missouri small business", an independently owned and operated business as defined
31 in Title 15 U.S.C. Section 632(a) and as described by Title 13 CFR Part 121, which is
32 headquartered in Missouri and which employs at least eighty percent of its employees in
33 Missouri, except that no such small business shall employ more than one hundred employees.
34 Such businesses must be involved in interstate or intrastate commerce for the purpose of
35 manufacturing, processing or assembling products, conducting research and development, or
36 providing services in interstate commerce, but excluding retail, real estate, insurance or
37 professional services. For the purpose of qualifying for the tax credit pursuant to sections
38 135.400 to 135.430, "Missouri small business" shall include cooperative marketing associations
39 organized pursuant to chapter 274, RSMo, which are engaged in the business of producing and
40 marketing fuels derived from agriculture commodities, without regard for whether a cooperative
41 marketing association has more than one hundred employees. Cooperative marketing
42 associations organized pursuant to chapter 274, RSMo, shall not be required to comply with the
43 requirements of section 135.414;

44 (9) "Primary employment", work which pays at least the minimum wage and which is
45 not seasonal or part-time;

46 (10) "Principal owners", one or more persons who own an aggregate of fifty percent or
47 more of the Missouri small business and who are involved in the operation of the business as a
48 full-time professional activity;

49 (11) "Project", any commercial or industrial business or other economic development
50 activity undertaken in a target area, designed to reduce conditions of blight, unemployment or
51 widespread reliance on public assistance which creates permanent primary employment
52 opportunities;

53 (12) "State tax liability", any liability incurred by a taxpayer pursuant to the provisions
54 of chapter 143, RSMo, chapter 147, RSMo, chapter 148, RSMo, section 375.916, RSMo, and
55 chapter 153, RSMo, exclusive of the provisions relating to the withholding of tax as provided
56 for in sections 143.191 to 143.265, RSMo, and related provisions;

57 (13) "Target area", a group of blocks or a self-defined neighborhood where the rate of
58 poverty in the area is greater than twice the national poverty rate and as defined by the
59 department of social services in conjunction with the department of economic development.
60 Areas of the state satisfying the criteria of this subdivision may be designated as a "target area"
61 following appropriate findings made and certified by the departments of economic development
62 and social services. In making such findings, the departments of economic development and
63 social services may use any commonly recognized records and statistical indices published or
64 made available by any agency or instrumentality of the federal or state government. No area of

65 the state shall be a target area until so certified by the department of social services and the
66 revitalization plan submitted pursuant to section 208.335, RSMo, has received approval.

135.431. 1. The department of economic development shall identify active community
2 development corporations operating within the state and assist them in the formation of a
3 Missouri community development corporation association. [With the assistance of the
4 department,] **The department shall assist the community development corporation
5 association in an amount up to ten percent of its total appropriation for community
6 development corporations to cover the cost associated with the activities of the association.**
7 The association shall serve as a clearinghouse for information for community development
8 corporations. The association shall help staff members of community development corporations
9 develop administrative skills in such areas as entrepreneurial development, grant writing, real
10 estate analysis, financial deals structuring, negotiations, human resource development, strategic
11 planning and community needs assessment. The association shall sponsor conferences which
12 allow community development corporations to learn about community development activities
13 statewide and at the federal level.

14 2. The Missouri community development corporation association shall be funded by
15 dues assessed against participating community development corporations. The association shall
16 adopt, alter or repeal its own bylaws, rules and regulations governing the manner in which its
17 business may be transacted; elect officers; make expenditures which are incidental and necessary
18 to carry out its purposes and powers; and do all things necessary to ensure full participation by
19 Missouri community development corporations in any federal program relating to community
20 development needs.

135.500. 1. Sections 135.500 to 135.529 shall be known and may be cited as the
2 "Missouri Certified Capital Company Law".

3 2. As used in sections 135.500 to 135.529, the following terms mean:

4 (1) "Affiliate of a certified company":

5 (a) Any person, directly or indirectly owning, controlling or holding power to vote ten
6 percent or more of the outstanding voting securities or other ownership interests of the Missouri
7 certified capital company;

8 (b) Any person ten percent or more of whose outstanding voting securities or other
9 ownership interest are directly or indirectly owned, controlled or held with power to vote by the
10 Missouri certified capital company;

11 (c) Any person directly or indirectly controlling, controlled by, or under common control
12 with the Missouri certified capital company;

13 (d) A partnership in which the Missouri certified capital company is a general partner;

- 14 (e) Any person who is an officer, director or agent of the Missouri certified capital
15 company or an immediate family member of such officer, director or agent;
- 16 (2) "Applicable percentage", one hundred percent;
- 17 (3) "Capital in a qualified Missouri business", any debt, equity or hybrid security, of any
18 nature and description whatsoever, including a debt instrument or security which has the
19 characteristics of debt but which provides for conversion into equity or equity participation
20 instruments such as options or warrants which are acquired by a Missouri certified capital
21 company **or a qualified investing entity** as a result of a transfer of cash to a business[. Capital
22 in a qualified Missouri business shall not include secured debt instruments];
- 23 (4) "Certified capital", an investment of cash by an investor in a Missouri certified
24 capital company;
- 25 (5) "Certified capital company", any partnership, corporation, trust or limited liability
26 company, whether organized on a profit or not-for-profit basis, that is located, headquartered and
27 registered to conduct business in Missouri that has as its primary business activity, the
28 investment of cash in qualified Missouri businesses, and which is certified by the department as
29 meeting the criteria of sections 135.500 to 135.529;
- 30 (6) "Department", the Missouri department of economic development;
- 31 (7) "Director", the director of the department of economic development or a person
32 acting under the supervision of the director;
- 33 (8) "Investor", any insurance company that contributes cash;
- 34 (9) "Liquidating distribution", payments to investors or to the certified capital company
35 from earnings;
- 36 (10) "Person", any natural person or entity, including a corporation, general or limited
37 partnership, trust or limited liability company;
- 38 (11) "Qualified distribution", any distribution or payment to equity holders of a certified
39 capital company in connection with the following:
- 40 (a) Reasonable costs and expenses of forming, syndicating, managing and operating the
41 certified capital company;
- 42 (b) Management fees for managing and operating the certified capital company; and
- 43 (c) Any increase in federal or state taxes, penalties and interest, including those related
44 to state and federal income taxes, of equity owners of a certified capital company which related
45 to the ownership, management or operation of a certified capital company;
- 46 **(12) "Qualified investing entity", any partnership, corporation, trust, or limited**
47 **liability company, whether organized on a for profit or not-for-profit basis, that:**
48 **(a) Is registered to do business in this state;**

49 **(b) Is a wholly owned subsidiary of a certified capital company or otherwise**
50 **affiliated with and under common control with a certified capital company; and**

51 **(c) Has been designated as a qualified investing entity by such certified capital**
52 **company.**

53 **Such designation shall be effective upon delivery by the certified capital company of**
54 **written notice of the designation to the department. A qualified investing entity may raise**
55 **debt or equity capital for investment, but such capital shall not be considered certified**
56 **capital. Any qualified investment made by a qualified investing entity after the effective**
57 **date of this act shall be deemed to have been made by a certified capital company that**
58 **designated the qualified investing entity as such; provided that no qualified investment**
59 **may be deemed to have been made by more than one certified capital company.**

60 [(12)] **(13) "Qualified investment", the investment of cash by a Missouri certified capital**
61 **company or a qualified investing entity in such a manner as to acquire capital in a qualified**
62 **Missouri business;**

63 [(13)] **(14) "Qualified Missouri business", an independently owned and operated**
64 **business, which is headquartered and located in Missouri and which is in need of venture capital**
65 **and cannot obtain conventional financing. Such business shall have no more than two hundred**
66 **employees, eighty percent of which are employed in Missouri. Such business shall be involved**
67 **in commerce for the purpose of manufacturing, processing or assembling products, conducting**
68 **research and development, or providing services in interstate commerce, but excluding retail, real**
69 **estate, real estate development, insurance and professional services provided by accountants,**
70 **lawyers or physicians. [If such business has been in existence for three years or less, its gross**
71 **sales during its most recent complete fiscal years shall not have exceeded four million dollars.**
72 **If such business has been in existence for longer than three years, its gross sales during its most**
73 **recent complete fiscal year shall not have exceeded three million dollars.] At the time a**
74 **certified capital company or qualified investing entity makes an initial investment in a**
75 **business, such business shall be a small business concern that meets the requirements of**
76 **the United States Small Business Administration's qualification size standards for its**
77 **venture capital program, as defined in Section 13 CFR 121.301 (c) of the Small Business**
78 **Investment Act of 1958, as amended.** Any business which is classified as a qualified Missouri
79 business at the time of the first investment in such business by a Missouri certified capital
80 company **or qualified investing entity** shall, for a period of seven years from the date of such
81 first investment, remain classified as a qualified Missouri business and may receive follow-on
82 investments from any Missouri certified capital company **or qualified investing entity** and such
83 follow-on investments shall be qualified investments even though such business may not meet
84 the other qualifications of this subsection at the time of such follow-on investments;

85 [(14)] (15) "State premium tax liability", any liability incurred by an insurance company
86 pursuant to the provisions of section 148.320, 148.340, 148.370 or 148.376, RSMo, and any
87 other related provisions, which may impose a tax upon the premium income of insurance
88 companies after January 1, 1997.

 135.503. 1. Any investor that makes an investment of certified capital shall, in the year
2 of investment, earn a vested credit against state premium tax liability equal to the applicable
3 percentage of the investor's investment of certified capital. An investor shall be entitled to take
4 up to ten percent of the vested credit in any taxable year of the investor. Any time after three
5 years after August 28, 1996, the director, with the approval of the commissioner of
6 administration, may reduce the applicable percentage on a prospective basis. Any such reduction
7 in the applicable percentage by the director shall not have any effect on credits against state
8 premium tax liability which have been claimed or will be claimed by any investor with respect
9 to credits which have been earned and vested pursuant to an investment of certified capital prior
10 to the effective date of any such change.

11 2. An insurance company claiming a state premium tax credit earned through an
12 investment in a certified capital company shall not be required to pay any additional retaliatory
13 tax levied pursuant to section 375.916, RSMo, as a result of claiming such credit.

14 3. The credit against state premium tax liability which is described in subsection 1 of this
15 section may not exceed the state premium tax liability of the investor for any taxable year. All
16 such credits against state premium tax liability may be carried forward indefinitely until the
17 credits are utilized. The maximum amount of certified capital in one or more certified capital
18 companies for which earned and vested tax credits will be allowed in any year to any one
19 investor or its affiliates shall be limited to ten million dollars.

20 4. Except as provided in subsection 5 of this section, the aggregate amount of certified
21 capital for which earned and vested credits against state premium tax liability are allowed for all
22 persons pursuant to sections 135.500 to 135.529 shall not exceed the following amounts: for
23 calendar year 1996, \$0.00; for calendar year 1997, an amount which would entitle all Missouri
24 certified capital company investors to take aggregate credits of five million dollars; and for any
25 year thereafter, an additional amount to be determined by the director but not to exceed aggregate
26 credits of ten million dollars for any year with the approval of the commissioner of
27 administration and reported to the general assembly as provided in subsection 2 of section
28 33.282, RSMo, provided that the amount so determined shall not impair the ability of an investor
29 with earned and vested credits which have been allowed in previous years to take them, pursuant
30 to subsection 1 of this section. During any calendar year in which the limitation described in this
31 subsection will limit the amount of certified capital for which earned and vested credits against
32 state premium tax liability are allowed, certified capital for which credits are allowed will be

33 allocated in order of priority based upon the date of filing of information described in subdivision
34 (1) of subsection 5 of section 135.516. Certified capital limited in any calendar year by the
35 application of the provisions of this subsection shall be allowed and allocated in the immediately
36 succeeding calendar year in the order of priority set forth in this subsection. The department
37 shall make separate allocations of certified capital for which credits are allowed under the
38 limitations described in this subsection and under the limitations described in subsection 5 of this
39 section.

40 5. In addition to the maximum amount pursuant to subsection 4 of this section, the
41 aggregate amount of certified capital for which earned and vested credits against state premium
42 tax liability are allowed for persons pursuant to sections 135.500 to 135.529 shall be the
43 following: for calendar year 1999 and for any year thereafter, an amount to be determined by the
44 director which would entitle all Missouri certified capital company investors to take aggregate
45 credits not to exceed four million dollars for any year with the approval of the commissioner of
46 administration and reported to the general assembly as provided in subsection 2 of section
47 33.282, RSMo, provided that the amount so determined shall not impair the ability of an investor
48 with earned and vested credits which have been allowed in previous years or pursuant to the
49 provisions of subsection 4 of this section to take them, pursuant to subsection 1 of this section.
50 For purposes of any requirement regarding the schedule of qualified investments for certified
51 capital for which earned and vested credits against state premium tax liability are allowed
52 pursuant to this subsection only, the definition of a "qualified Missouri business" as set forth in
53 subdivision [(13)] **(14)** of subsection 2 of section 135.500 means a Missouri business that is
54 located in a distressed community as defined in section 135.530, and meets all of the
55 requirements of subdivision [(13)] **(14)** of subsection 2 of section 135.500[, except that its gross
56 sales during its most recent complete fiscal year shall not have exceeded five million dollars].
57 During any calendar year in which the limitation described in this subsection limits the amount
58 of additional certified capital for which earned and vested credits against state premium tax
59 liability are allowed, additional certified capital for which credits are allowed shall be allocated
60 in order of priority based upon the date of filing of information described in subdivision (1) of
61 subsection 5 of section 135.516 with respect to such additional certified capital. The department
62 shall make separate allocations of certified capital for which credits are allowed under the
63 limitations described in this subsection and under the limitations described in subsection 4 of this
64 section. No limitation applicable to any certified capital company with respect to certified capital
65 for which credits are allowed pursuant to subsection 4 of this section shall limit the amount of
66 certified capital for which credits are allowed pursuant to this subsection. No limitation
67 applicable to any certified capital company with respect to certified capital for which credits are

68 allowed pursuant to this subsection shall limit the amount of certified capital for which credits
69 are allowed pursuant to subsection 4 of this section.

70 6. The department shall advise any Missouri certified capital company, in writing, within
71 fifteen days after receiving the filing described in subdivision (1) of subsection 5 of section
72 135.516 whether the limitations of subsection 3 of this section then in effect will be applicable
73 with respect to the investments and credits described in such filing with the department.

 135.516. 1. To continue to be certified, a Missouri certified capital company shall make
2 qualified investments according to the following schedule:

3 (1) Within two years after the date on which a Missouri certified capital company is
4 designated as a Missouri certified capital company at least twenty-five percent of its certified
5 capital shall be, or have been, placed in qualified investments;

6 (2) Within three years after the date on which a Missouri certified capital company is
7 designated as a Missouri certified capital company at least forty percent of its certified capital
8 shall be, or have been, placed in qualified investments;

9 (3) Within four years after the date on which a Missouri certified capital company is
10 designated as a Missouri certified capital company, at least fifty percent of its total certified
11 capital shall be, or have been, placed in qualified investments. A Missouri certified capital
12 company may not make an investment in an affiliate of the certified capital company. For the
13 purposes of this subsection, if a legal entity is not an affiliate before a certified capital company
14 initially invests in the entity, it will not be an affiliate if a certified capital company provides
15 additional investment in such entity subsequent to its initial investment;

16 (4) A certified capital company, at least fifteen working days prior to making what it
17 determines to be an initial qualified investment in a specific qualified Missouri business, shall
18 certify to the department that the company in which it **or a qualified investing entity** proposes
19 to invest [meets the definition of] **is** a qualified Missouri business [pursuant to subdivision (14)
20 of subsection 2 of section 135.500]. The certified capital company shall state the amount of
21 capital it **or a qualified investing entity** intends to invest and the name of the business in which
22 it **or a qualified investing entity** intends to invest. The certified capital company shall also
23 provide to the department an explanation of its determination that the business meets the
24 definition of a qualified Missouri business. If the department determines that the business does
25 not meet the definition of a qualified Missouri business, it shall, within the fifteen-working-day
26 period prior to the making of the proposed investment, notify the certified capital company of
27 its determination and an explanation thereof. If the department fails to notify the certified capital
28 company with respect to the proposed investment within the fifteen-working-day period prior
29 to the making of the proposed investment, the company in which the certified capital company
30 **or a qualified investing entity** proposes to invest shall be deemed to be a qualified Missouri

31 business. If a certified capital company fails to notify the department prior to making an initial
32 investment in a business, the department may subsequently determine that the business in which
33 the certified capital company **or a qualified investing entity** invested was not a qualified
34 Missouri business even though the business, at the time of the investment, met the requirements
35 of subdivision [(14)] **(15)** of subsection 2 of section 135.500;

36 (5) All certified capital which is not required to be placed in qualified investments or
37 which has been placed in qualified investments and can be received by the company, may be held
38 or invested in such manner as the Missouri certified capital company, in its discretion, deems
39 appropriate. The proceeds of all certified capital which is received by a certified capital company
40 after it was originally placed in qualified investments may be placed again in qualified
41 investments and shall count toward any requirement in sections 135.500 to 135.529 with respect
42 to placing certified capital in qualified investments.

43 2. A certified capital company may make qualified distributions at any time. In order
44 to make distributions, other than qualified distributions, a certified capital company must have
45 [placed] **made cumulative qualified investments, including those made through a qualified**
46 **investing entity, in** an amount cumulatively equal to **at least** one hundred percent of its certified
47 capital [in qualified investments]. Cumulative distributions to equity holders, other than
48 qualified distributions, in excess of the certified capital company's original certified capital and
49 any additional capital contributions to the certified capital company shall be subject to audit by
50 a nationally recognized certified public accounting firm acceptable to the department, at the
51 expense of the certified capital company. The audit shall determine whether aggregate
52 cumulative distributions to all investors and equity holders, other than qualified distributions,
53 when combined with all tax credits utilized by investors pursuant to sections 135.500 to 135.529,
54 have resulted in an annual internal rate of return of fifteen percent computed on the sum of total
55 original certified capital of the certified capital company and any additional capital contributions
56 to the certified capital company. Twenty-five percent of distributions made, other than qualified
57 distributions, in excess of the amount required to produce a fifteen percent annual internal rate
58 of return, as determined by the audit, shall be payable by the certified capital company to the
59 Missouri development finance board. Distributions or payments to debt holders of a certified
60 capital company, however, may be made without restriction with respect to debt owed to them
61 by a certified capital company. A debt holder that is also an investor or equity holder of a
62 certified capital company may receive distributions or payments with respect to such debt
63 without restriction.

64 3. No qualified investment may be made at a cost to a Missouri certified capital company
65 greater than fifteen percent of the total certified capital under management of the Missouri
66 certified capital company at the time of investment.

67 4. Documents and other materials submitted by Missouri certified capital companies or
68 by businesses for purposes of the continuance of certification may be deemed "closed records"
69 pursuant to the provisions of section 620.014, RSMo.

70 5. Each Missouri certified capital company shall report the following to the department:

71 (1) As soon as practicable after the receipt of certified capital, the name of each investor
72 from which the certified capital was received, the amount of each investor's investment of
73 certified capital and tax credits computed without regard to any limitations under subsection 3
74 of section 135.503, and the date on which the certified capital was received;

75 (2) On a quarterly basis, the amount of the Missouri certified capital company's certified
76 capital at the end of the quarter, whether or not the Missouri certified capital company has
77 invested, **together with any investments made by a qualified investing entity that are**
78 **deemed to have been made by the certified capital company**, more than fifteen percent of the
79 total certified capital under management in any one company, and all qualified investments that
80 the Missouri certified capital company has made **or has been deemed to have been made**
81 **through a qualified investing entity**;

82 (3) Each Missouri certified capital company shall provide annual audited financial
83 statements to the department which include an opinion of an independent certified public
84 accountant to the department within ninety days of the close of the fiscal year. **At the same**
85 **time, the certified capital company shall also provide audited financial statements for any**
86 **qualified investing entity that has made qualified investments on its behalf, unless the**
87 **financial results of such qualified investing entity are included in the consolidated financial**
88 **statements of the certified capital company.** The audit shall address the methods of operation
89 and conduct of the business of the Missouri certified capital company to determine if the
90 Missouri certified capital company is complying with the statutes and program rules and that the
91 funds received by the Missouri certified capital company have been invested as required within
92 the time limits provided by sections 135.500 to 135.529.

135.517. In order for investments of a qualifying investing entity to be counted as
2 **qualified investments pursuant to sections 135.500 to 135.529, each such investment of a**
3 **qualifying investing entity must have received prior approval from the department.**

135.520. 1. The division of finance of the department of economic development shall
2 conduct an annual review of each Missouri certified capital company **and any qualified**
3 **investing entities designated by it** to determine if the Missouri certified capital company is
4 abiding by the requirements of certifications, to advise the Missouri certified capital company
5 as to the certification status of its qualified investments and to ensure that no investment has been
6 made in violation of sections 135.500 to 135.529. The cost of the annual review shall be paid
7 by each Missouri certified capital company according to a reasonable fee schedule adopted by

8 the department. The division of finance shall report its findings to the department as soon as
9 practicable following completion of the audit.

10 2. Any material violation of sections 135.500 to 135.529 shall be grounds for
11 decertification under this section. If the department determines that a company is not in
12 compliance with any requirements for continuing in certification, it shall, by written notice,
13 inform the officers of the company and the board of directors, managers, trustees or general
14 partners that they may be decertified in one hundred twenty days from the date of mailing of the
15 notice, unless they correct the deficiencies and are again in compliance with the requirements
16 for certification.

17 3. At the end of the one hundred twenty-day grace period, if the Missouri certified capital
18 company is still not in compliance, the department may send a notice of decertification to the
19 company and to the directors of the department of revenue and department of insurance.
20 Decertification of a Missouri certified capital company prior to the certified capital company
21 meeting all requirements of subdivisions (1) to (3) of subsection 1 of section 135.516 shall cause
22 the recapture of all premium tax credits previously claimed by an investor and the forfeiture of
23 all future credits to be claimed by an investor with respect to its investment in the certified
24 capital company. Decertification of a Missouri certified capital company after it has met all
25 requirements of subdivisions (1) to (3) of subsection 1 of section 135.516 shall cause the
26 forfeiture of premium tax credits for the taxable year of the investor in which the decertification
27 arose and for future taxable years with no recapture of tax credits obtained by an investor with
28 respect to the investor's tax years which ended before the decertification occurred. Once a
29 certified capital company has [invested] **made cumulative qualified investments, including**
30 **those made through a qualified investing entity and deemed to have been made by the**
31 **certified capital company, in an amount equal to at least** one hundred percent of its certified
32 capital [in qualified Missouri businesses], all future premium tax credits to be claimed by
33 investors with respect to said certified capital company pursuant to sections 135.500 to 135.529
34 shall be nonforfeitable. Once a certified capital company has [invested] **made cumulative**
35 **qualified investments, including those made through a qualified investing entity and**
36 **deemed to have been made by the certified capital company, in an amount equal to at least**
37 one hundred percent of its certified capital [in qualified Missouri businesses] and has met all
38 other requirements under sections 135.500 to 135.529, it shall no longer be subject to regulation
39 by the department except with respect to the payment of distributions to the Missouri
40 development finance board.

162.1100. 1. There is hereby established within each city not within a county a school
2 district to be known as the "Transitional School District of (name of city)", which shall be a body
3 corporate and politic and a subdivision of the state. The transitional school district shall be

4 coterminous with the boundaries of the city in which the district is located. Except as otherwise
5 provided in this section and section 162.621, the transitional school district shall be subject to
6 all laws pertaining to "seven-director districts", as defined in section 160.011, RSMo. The
7 transitional school district shall have the responsibility for educational programs and policies
8 determined by a final judgment of a federal school desegregation case to be needed in providing
9 for a transition of the educational system of the city from control and jurisdiction of a federal
10 court school desegregation order, decree or agreement and such other programs and policies as
11 designated by the governing body of the school district.

12 2. (1) The governing board of the transitional school district shall consist of three
13 residents of the district: one shall be appointed by the governing body of the district, one shall
14 be appointed by the mayor of the city not within a county and one shall be appointed by the
15 president of the board of aldermen of the city not within a county. The members of the
16 governing board shall serve without compensation for a term of three years, or until their
17 successors have been appointed, or until the transitional district is dissolved or terminated. Any
18 tax approved for the transitional district shall be assigned to the governing body of the school
19 district in a city not within a county after dissolution or termination of the transitional district.

20 (2) In the event that the state board of education shall declare the school district of a city
21 not within a county to be unaccredited, the member of the governing board of the transitional
22 district appointed by the governing body of the district as provided in subdivision (1) of this
23 subsection shall, within ninety days, be replaced by a chief executive officer nominated by the
24 state board of education and appointed by the governor with the advice and consent of the senate.
25 The chief executive officer need not be a resident of the district but shall be a person of
26 recognized administrative ability, shall be paid in whole or in part with funds from the district,
27 and shall have all other powers and duties of any other general superintendent of schools,
28 including appointment of staff. The chief executive officer shall serve for a term of three years
29 or until his successor is appointed or until the transitional district is dissolved or terminated. His
30 salary shall be set by the state board of education.

31 3. In the event that the school district loses its accreditation, upon the appointment of a
32 chief executive officer, any powers granted to any existing school board in a city not within a
33 county on or before August 28, 1998, shall be vested with the special administrative board of the
34 transitional school district containing such school district so long as the transitional school
35 district exists, except as otherwise provided in section 162.621.

36 4. The special administrative board's powers and duties shall include:

37 (1) Creating an academic accountability plan, taking corrective action in
38 underperforming schools, and seeking relief from state-mandated programs;

39 (2) Exploration of alternative forms of governance for the district;

40 (3) Authority to contract with nonprofit corporations to provide for the operation of
41 schools;

42 (4) Oversight of facility planning, construction, improvement, repair, maintenance and
43 rehabilitation;

44 (5) Authority to establish school site councils to facilitate site-based school management
45 and to improve the responsiveness of the schools to the needs of the local geographic attendance
46 region of the school;

47 (6) Authority to submit a proposal to district voters pursuant to section 162.666
48 regarding establishment of neighborhood schools.

49 5. (1) The provisions of a final judgment as to the state of Missouri and its officials in
50 a school desegregation case which subjects a district in which a transitional district is located in
51 this state to a federal court's jurisdiction may authorize or require the governing body of a
52 transitional school district established under this section to establish the transitional district's
53 operating levy for school purposes, as defined pursuant to section 163.011, RSMo, at a level not
54 to exceed eighty-five cents per one hundred dollars assessed valuation in the district or a sales
55 tax equivalent amount as determined by the department of elementary and secondary education
56 which may be substituted for all or part of such property tax. [The transitional school district,]

57 (2) Any other statute to the contrary notwithstanding, **no tax authorized pursuant to**
58 **this subsection** shall [not]:

59 (a) Be subject to any certificate of tax abatement issued **after August 28, 1998**, pursuant
60 to sections 99.700 to 99.715, RSMo[. Any certificate of abatement issued after August 28, 1998,
61 shall not be applicable to the transitional school district]; **and**

62 (b) **Effective January 1, 2002, be subject to any new or existing tax increment**
63 **financing adopted by a city not within a county pursuant to sections 99.800 to 99.865,**
64 **RSMo, except that any redevelopment plan and redevelopment project concerning a**
65 **convention headquarters hotel adopted by ordinance by a city not within a county prior**
66 **to August 28, 2003, shall be subject to such tax increment financing.**

67 (3) The transitional school district shall not be subject to the provisions of section
68 162.081, sections 163.021 and 163.023, RSMo, with respect to any requirements to maintain a
69 minimum value of operating levy or any consequences provided by law for failure to levy at least
70 such minimum rate. No operating levy or increase in the operating levy or sales tax established
71 pursuant to this section shall be collected for a transitional school district unless prior approval
72 is obtained from a simple majority of the district's voters. The board of the transitional district
73 shall place the matter before the voters prior to March 15, 1999.

74 6. (1) The special administrative board established in this section shall develop,
75 implement, monitor and evaluate a comprehensive school improvement plan, and such plan shall

76 be subject to review and approval of the state board of education. The plan shall ensure that all
77 students meet or exceed grade-level standards established by the state board of education
78 pursuant to section 160.514, RSMo;

79 (2) The special administrative board shall establish student performance standards
80 consistent with the standards established by the state board of education pursuant to section
81 160.514, RSMo, for preschool through grade twelve in all skill and subject areas, subject to
82 review and approval of the state board of education for the purpose of determining whether the
83 standards are consistent with standards established by the state board of education pursuant to
84 section 160.514, RSMo;

85 (3) All students in the district who do not achieve grade-level standards shall be required
86 to attend summer school; except that the provisions of this subsection shall not apply to students
87 receiving special education services pursuant to sections 162.670 to 162.999;

88 (4) No student shall be promoted to a higher grade level unless that student has a reading
89 ability at or above one grade level below the student's grade level; except that the provisions of
90 this subsection shall not apply to students receiving special education services pursuant to
91 sections 162.670 to 162.999;

92 (5) The special administrative board established in this section shall develop, implement
93 and annually update a professional development plan for teachers and other support staff, subject
94 to review and approval of the state board of education.

95 7. The school improvement plan established pursuant to this section shall ensure open
96 enrollment and program access to all students in the district, and, consistent with the Missouri
97 and United States Constitutions, shall give first priority to residents of the city for admission to
98 magnet schools. The school board shall take all practicable and constitutionally permissible
99 steps to ensure that all magnet schools operate at full capacity. Students who change residence
100 within the district shall be allowed to continue to attend the school in which they were initially
101 enrolled for the remainder of their education at grade levels served by that school, and
102 transportation shall be provided by the district to allow such students to continue to attend such
103 school of initial enrollment.

104 8. To the extent practicable, the special administrative board shall ensure that per pupil
105 expenditures and pupil-teacher ratios shall be the same for all schools serving students at a given
106 grade level.

107 9. The special administrative board shall ensure that early childhood education is
108 available throughout the district.

109 10. The special administrative board shall ensure that vocational education instruction
110 is provided within the district.

111 11. The special administrative board shall establish an accountability officer whose duty
112 shall be to ensure that academically deficient schools within the district are raised to acceptable
113 condition within two years.

114 12. The transitional school district in any city not within a county shall be dissolved on
115 July 1, 2008, unless the state board determines, prior to that date, that it is necessary for the
116 transitional district to continue to accomplish the purposes for which it was created. The state
117 board of education may cause the termination of the transitional school district at any time upon
118 a determination that the transitional district has accomplished the purposes for which it was
119 established and is no longer needed. The state board of education may cause the reestablishment
120 of the transitional school district at any time upon a determination that it is necessary for the
121 transitional district to be reestablished to accomplish the purposes established in this section.
122 The state board of education shall provide notice to the governor and general assembly of the
123 termination or reestablishment of the transitional school district and the termination or
124 reestablishment shall become effective thirty days following such determination. Upon
125 dissolution of a transitional school district pursuant to this section, nothing in this section shall
126 be construed to reduce or eliminate any power or duty of any school district or districts
127 containing the territory of the dissolved transitional school district unless such transitional school
128 district is reestablished by the state board of education pursuant to this section.

178.892. As used in sections 178.892 to 178.896, the following terms mean:

- 2 (1) "Agreement", the agreement, between an employer and a junior college district,
3 concerning a project. An agreement may be for a period not to exceed ten years when the
4 program services associated with a project are not in excess of five hundred thousand dollars.
5 For a project where associated program costs are greater than five hundred thousand dollars, the
6 agreement may not exceed a period of eight years. No agreement shall be entered into between
7 an employer and a community college district which involves the training of potential employees
8 with the purpose of replacing or supplanting employees engaged in an authorized work stoppage;
- 9 (2) "Board of trustees", the board of trustees of a junior college district;
- 10 (3) "Certificate", industrial new jobs training certificates issued pursuant to section
11 178.895;
- 12 (4) "Date of commencement of the project", the date of the agreement;
- 13 (5) "Employee", the person employed in a new job;
- 14 (6) "Employer", the person providing new jobs in conjunction with a project;
- 15 (7) "**Essential industry**", **a business that otherwise meets the definition of industry**
16 **but instead of creating new jobs maintains existing jobs. To be an essential industry, the**
17 **business must have maintained at least two thousand jobs each year for a period of four**
18 **years preceding the year in which application for the program authorized by sections**

19 **178.892 to 178.896 is made and must be located in a home rule city with more than twenty-**
20 **six thousand but less than twenty-seven thousand inhabitants located in any county with**
21 **a charter form of government and with more than one million inhabitants;**

22 **(8) "Existing job", a job in an essential industry that pays wages or salary greater**
23 **than the average of the county in which the project will be located;**

24 **(9) "Industry", a business located within the state of Missouri which enters into an**
25 **agreement with a community college district and which is engaged in interstate or intrastate**
26 **commerce for the purpose of manufacturing, processing, or assembling products, conducting**
27 **research and development, or providing services in interstate commerce, but excluding retail**
28 **services. "Industry" does not include a business which closes or substantially reduces its**
29 **operation in one area of the state and relocates substantially the same operation in another area**
30 **of the state. This does not prohibit a business from expanding its operations in another area of**
31 **the state provided that existing operations of a similar nature are not closed or substantially**
32 **reduced;**

33 **[(8)] (10) "New job", a job in a new or expanding industry not including jobs of recalled**
34 **workers, or replacement jobs or other jobs that formerly existed in the industry in the state. For**
35 **an essential industry, an existing job shall be considered a new job for the purposes of the**
36 **new job training programs;**

37 **[(9)] (11) "New jobs credit from withholding", the credit as provided in section 178.894;**

38 **[(10)] (12) "New jobs training program" or "program", the project or projects**
39 **established by a community college district for the creation of jobs by providing education and**
40 **training of workers for new jobs for new or expanding industry in the state;**

41 **[(11)] (13) "Program costs", all necessary and incidental costs of providing program**
42 **services including payment of the principal of, premium, if any, and interest on certificates,**
43 **including capitalized interest, issued to finance a project, funding and maintenance of a debt**
44 **service reserve fund to secure such certificates and wages, salaries and benefits of employees**
45 **participating in on-the-job training;**

46 **[(12)] (14) "Program services" includes, but is not limited to, the following:**

47 **(a) New jobs training;**

48 **(b) Adult basic education and job-related instruction;**

49 **(c) Vocational and skill-assessment services and testing;**

50 **(d) Training facilities, equipment, materials, and supplies;**

51 **(e) On-the-job training;**

52 **(f) Administrative expenses equal to fifteen percent of the total training costs;**

53 **(g) Subcontracted services with state institutions of higher education, private colleges**
54 **or universities, or other federal, state, or local agencies;**

55 (h) Contracted or professional services; and

56 (i) Issuance of certificates;

57 [(13)] **(15)** "Project", a training arrangement which is the subject of an agreement
58 entered into between the community college district and an employer to provide program
59 services;

60 [(14)] **(16)** "Total training costs", costs of training, including supplies, wages and
61 benefits of instructors, subcontracted services, on-the-job training, training facilities, equipment,
62 skill assessment and all program services excluding issuance of certificates.

348.015. As used in sections 348.005 to 348.225, the following terms shall mean:

2 (1) "Agricultural development loan", a loan for the acquisition, construction,
3 improvement, or rehabilitation of agricultural property;

4 (2) "Agricultural property", any land and easements and real and personal property,
5 including, but not limited to, buildings, structures, improvements, equipment, and livestock,
6 which is used or is to be used in Missouri by Missouri residents for:

7 (a) The operation of a farm or ranch;

8 (b) Planting, cultivating, or harvesting cereals, natural fibers, fruits, vegetables, or trees;

9 (c) Grazing, feeding, or the care of livestock, poultry, or fish;

10 (d) Dairy production;

11 (e) Storing, transporting, or processing farm and ranch products, including, without
12 limitation, facilities such as grain elevators, cotton gins, shipping heads, livestock pens,
13 warehouses, wharfs, docks, creameries, or feed plants; and

14 (f) Supplying and conserving water, draining or irrigating land, collecting, treating, and
15 disposing of liquid and solid waste, or controlling pollution, as needed for the operations set out
16 in this subdivision;

17 (3) "Authority", the Missouri agricultural and small business development authority
18 organized pursuant to the provisions of sections 348.005 to 348.180;

19 (4) "Bonds", any bonds, notes, debentures, interim certificates, bond, grant, or revenue
20 anticipation notes, or any other evidences of indebtedness;

21 (5) "Borrower", any individual, partnership, corporation, including a corporation or other
22 entity organized pursuant to section 274.220, RSMo, firm, cooperative, association, trust, estate,
23 political subdivision, state agency, or other legal entity or its representative executing a note or
24 other evidence of a loan;

25 (6) "Eligible borrower", a borrower qualifying for an agricultural development loan, a
26 small business development loan, or a small business pollution control facility loan under such
27 criteria and priorities as may be established in rules of the authority or in procedural manuals
28 issued thereunder for the purpose of directing the use of available loan funds on the basis of need

29 for and value of each loan for the maintenance of the agricultural economy or small business and
30 on the meeting of pollution control objectives and assuring conformity with conditions
31 established by insurers or guarantors of loans and the preservation of the security of bonds or
32 notes issued to finance the loan;

33 (7) "Insurer" or "guarantor", the Farmers Home Administration of the Department of
34 Agriculture of the United States, the United States Small Business Administration, or any other
35 or successor agency or instrumentality of the United States having power, or any insurance
36 company qualified under Missouri law, to insure or guarantee the payment of agricultural
37 development loans, small business development loans, or small business pollution control
38 facility loans and interest thereon, or any portion thereof;

39 (8) "Lender", any state or national bank, federal land bank, production credit association,
40 bank for cooperatives, federal or state-chartered savings and loan association or building and
41 loan association or small business investment company that is subject to credit examination by
42 an agency of the state or federal government, or any other lending institution approved by the
43 insurer or guarantor of an agricultural development loan, small business development loan, or
44 small business pollution control facility loan which undertakes to make or service such a loan;

45 (9) "Pollution", any form of environmental pollution including, but not limited to, water
46 pollution, air pollution, land pollution, solid waste pollution, thermal pollution, radiation
47 contamination, or noise pollution;

48 (10) "Pollution control facility" or "facilities", any land, interest in land, building,
49 structure, facility, system, fixture, improvement, appurtenance, machinery, equipment, or any
50 combination thereof, and all real and personal property deemed necessary therewith, having to
51 do with, or the end purpose of which is, reducing, controlling, or preventing pollution;

52 (11) "Small business", those enterprises which, at the time of their application to the
53 authority, meet the criteria, as interpreted and applied by the authority, for definition as a "small
54 business" established for the Small Business Administration and set forth in Section 121.301 of
55 Part 121 of Title 13 of the Code of Federal Regulations;

56 (12) "Small business development loan", a loan for the acquisition, construction,
57 improvement, or rehabilitation of property owned or to be acquired by a small business as
58 defined herein;

59 (13) "Small business pollution control facility loan", a loan for the acquisition,
60 construction, improvement, or rehabilitation of a pollution control facility or facilities by a small
61 business;

62 (14) **"Value added agricultural products", any product or products that are the**
63 **result of:**

- 64 **(a) Using an agricultural product grown in this state to produce a meat or dairy**
65 **product in this state;**
- 66 **(b) A change in the physical state or form of the original agricultural product;**
- 67 **(c) An agricultural product grown in this state whose value has been enhanced by**
68 **special production methods such as organically-grown products; or**
- 69 **(d) A physical segregation of a commodity or agricultural product grown in this**
70 **state that enhances its value such as identity preserved marketing systems.**

Section B. The repeal and reenactment of sections 100.710 and 178.892, and the
2 enactment of sections 135.276, 135.277, 135.279, 135.281, and 135.283 of section A of this act
3 shall expire on January 1, 2006, if no essential industry retention projects have been approved
4 by the department of economic development by December 31, 2005. If an essential industry
5 retention project has been approved by the department of economic development by December
6 31, 2005, the repeal and reenactment of sections 100.710 and 178.892, and the enactment of
7 sections 135.276, 135.277, 135.279, 135.281, and 135.283 of section A of this act shall expire
8 on January 1, 2020.

Section C. Because of the need to retain vital jobs across the state, the repeal and
2 reenactment of sections 100.710, 100.840, 100.850, and 178.892, and the enactment of sections
3 99.915, 99.918, 99.919, 99.921, 99.924, 99.927, 99.930, 99.933, 99.936, 99.939, 99.942, 99.945,
4 99.948, 99.951, 99.954, 99.957, 99.958, 99.960, 99.963, 99.965, 99.968, 99.971, 99.975, 99.980,
5 135.276, 135.277, 135.279, 135.281, and 135.283 of section A of this act is deemed necessary
6 for the immediate preservation of the public health, welfare, peace, and safety, and is hereby
7 declared to be an emergency act within the meaning of the constitution, and the repeal and
8 reenactment of sections 100.710, 100.840, 100.850, and 178.892, and the enactment of sections
9 99.915, 99.918, 99.919, 99.921, 99.924, 99.927, 99.930, 99.933, 99.936, 99.939, 99.942, 99.945,
10 99.948, 99.951, 99.954, 99.957, 99.958, 99.960, 99.963, 99.965, 99.968, 99.971, 99.975, 99.980,
11 135.276, 135.277, 135.279, 135.281, and 135.283 of section A of this act shall be in full force
12 and effect upon its passage and approval.