

HOUSE SUBSTITUTE
FOR
HOUSE BILL NO. 1409
AN ACT

1
2 To repeal sections 32.105, 32.110, 71.620,
3 100.710, 135.208, 135.209, 135.484, 135.530,
4 620.1400, 620.1410, 620.1420, 620.1430,
5 620.1440, 620.1450, 620.1460, 620.1560, RSMo,
6 and section 100.850 as enacted by conference
7 committee substitute for senate substitute
8 for senate committee substitute for house
9 committee substitute for house bill no. 289,
10 ninety-second general assembly, first regular
11 session, and section 100.850 as enacted by
12 senate committee substitute for senate bill
13 no. 620, ninety-second general assembly,
14 first regular session, and to enact in lieu
15 thereof thirty-five new sections relating to
16 economic development projects.

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
18 AS FOLLOWS:

19 Section A. Sections 32.105, 32.110, 71.620, 100.710,
20 135.208, 135.209, 135.484, 135.530, 620.1400, 620.1410, 620.1420,
21 620.1430, 620.1440, 620.1450, 620.1460, and 620.1560, RSMo, and
22 section 100.850 as enacted by conference committee substitute for
23 senate substitute for senate committee substitute for house
24 committee substitute for house bill no. 289, ninety-second
25 general assembly, first regular session, and section 100.850 as
26 enacted by senate committee substitute for senate bill no. 620,
27 ninety-second general assembly, first regular session, are
28 repealed and thirty-five new sections enacted in lieu thereof, to

1 be known as sections 32.105, 32.110, 71.620, 100.710, 100.850,
2 135.155, 135.208, 135.209, 135.214, 135.216, 135.217, 135.221,
3 135.261, 135.262, 135.286, 135.288, 135.484, 135.530, 135.536,
4 135.546, 135.1050, 135.1055, 135.1057, 135.1060, 135.1065,
5 135.1070, 135.1075, 135.1077, 178.980, 178.981, 178.982, 178.983,
6 178.984, 178.985, and 196.1104, to read as follows:

7 32.105. As used in sections 32.100 to 32.125, the following
8 terms mean:

9 (1) "Affordable housing assistance activities", money, real
10 or personal property, or professional services expended or
11 devoted to the construction, or rehabilitation of affordable
12 housing units;

13 (2) "Affordable housing unit", a residential unit generally
14 occupied by persons and families with incomes at or below the
15 levels described in this subdivision and bearing a cost to the
16 occupant no greater than thirty percent of the maximum eligible
17 household income for the affordable housing unit. In the case of
18 owner-occupied units, the cost to the occupant shall be
19 considered the amount of the gross monthly mortgage payment,
20 including casualty insurance, mortgage insurance, and taxes. In
21 the case of rental units, the cost to the occupant shall be
22 considered the amount of the gross rent. The cost to the
23 occupant shall include the cost of any utilities, other than
24 telephone. If any utilities are paid directly by the occupant,
25 the maximum cost that may be paid by the occupant is to be

reduced by a utility allowance prescribed by the commission.
Persons or families are eligible occupants of affordable housing units if the household combined, adjusted gross income as defined by the commission is equal to or less than the following percentages of the median family income for the geographic area in which the residential unit is located, or the median family income for the state of Missouri, whichever is larger; ("geographic area" means the metropolitan area or county designated as an area by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, for purposes of determining fair market rental rates):

Percent of State or Geographic Area Family	
Size of Household	Median Income
One Person	35%
Two Persons	40%
Three Persons	45%
Four Persons	50%
Five Persons	54%
Six Persons	58%
Seven Persons	62%
Eight Persons	66%

(3) "Business firm", person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business

1 in the state of Missouri and subject to the state income tax
2 imposed by the provisions of chapter 143, RSMo, or a corporation
3 subject to the annual corporation franchise tax imposed by the
4 provisions of chapter 147, RSMo, or an insurance company paying
5 an annual tax on its gross premium receipts in this state, or
6 other financial institution paying taxes to the state of Missouri
7 or any political subdivision of this state pursuant to the
8 provisions of chapter 148, RSMo, or an express company which pays
9 an annual tax on its gross receipts in this state;

10 (4) "Commission", the Missouri housing development
11 commission;

12 (5) "Community services", any type of counseling and
13 advice, emergency assistance or medical care furnished to
14 individuals or groups in the state of Missouri or transportation
15 services at below-cost rates as provided in sections 208.250 to
16 208.275, RSMo;

17 (6) "Crime prevention", any activity which aids in the
18 reduction of crime in the state of Missouri;

19 (7) "Defense industry contractor", a person, corporation or
20 other entity which will be or has been negatively impacted as a
21 result of its status as a prime contractor of the Department of
22 Defense or as a second or third tier contractor. A "second tier
23 contractor" means a person, corporation or other entity which
24 contracts to perform manufacturing, maintenance or repair
25 services for a prime contractor of the Department of Defense, and

1 a "third tier contractor" means a person, corporation or other
2 entity which contracts with a person, corporation or other entity
3 which contracts with a prime contractor of the Department of
4 Defense;

5 (8) "Doing business", among other methods of doing business
6 in the state of Missouri, a partner in a firm or a shareholder in
7 an S corporation shall be deemed to be doing business in the
8 state of Missouri if such firm or S corporation, as the case may
9 be, is doing business in the state of Missouri;

10 (9) "Economic development", the acquisition, renovation,
11 improvement, or the furnishing or equipping of existing buildings
12 and real estate in distressed or blighted areas of the state when
13 such acquisition, renovation, improvement, or the furnishing or
14 equipping of the business development projects will result in the
15 creation or retention of jobs within the state; or, until June
16 30, 1996, a defense conversion pilot project located in a
17 standard metropolitan statistical area which contains a city with
18 a population of at least three hundred fifty thousand
19 inhabitants, which will assist Missouri-based defense industry
20 contractors in their conversion from predominately
21 defense-related contracting to nondefense-oriented manufacturing.
22 Only neighborhood organizations, as defined in subdivision (15)
23 of this section, may apply to conduct economic development
24 projects. Prior to the approval of an economic development
25 project, the neighborhood organization shall enter into a

1 contractual agreement with the department of economic
2 development. Credits approved for economic development projects
3 may not exceed four million dollars from within any one fiscal
4 year's allocation, except that for fiscal years 2005, 2006, and
5 2007 credits approved for economic development projects shall not
6 exceed six million dollars. Neighborhood assistance program tax
7 credits for economic development projects and affordable housing
8 assistance as defined in section 32.111, may be transferred, sold
9 or assigned by a notarized endorsement thereof naming the
10 transferee;

11 (10) "Education", any type of scholastic instruction or
12 scholarship assistance to an individual who resides in the state
13 of Missouri that enables the individual to prepare himself or
14 herself for better opportunities or community awareness
15 activities rendered by a statewide organization established for
16 the purpose of archeological education and preservation;

17 (11) ["Eligible farmers' market", a group of farmers, each
18 of whom farms agricultural land located within this state which
19 he or she rents or owns, and who have formed a group for the
20 purpose of allowing each member farmer to sell his or her
21 products derived from his or her farming activities to the public
22 at a common structure or building when at least fifty percent of
23 the costs of such structure or building are paid for by such
24 group of farmers;

25 (12) "Eligible new generation cooperative", as defined in

1 section 348.340, RSMo;

2 (13)] "Homeless assistance pilot project", the program
3 established pursuant to section 32.117;

4 [(14)] (12) "Job training", any type of instruction to an
5 individual who resides in the state of Missouri that enables the
6 individual to acquire vocational skills so that the individual
7 can become employable or be able to seek a higher grade of
8 employment;

9 [(15)] (13) "Neighborhood organization", any organization
10 performing community services or economic development activities
11 in the state of Missouri and:

12 (a) Holding a ruling from the Internal Revenue Service of
13 the United States Department of the Treasury that the
14 organization is exempt from income taxation pursuant to the
15 provisions of the Internal Revenue Code; or

16 (b) Incorporated in the state of Missouri as a
17 not-for-profit corporation pursuant to the provisions of chapter
18 355, RSMo; or

19 (c) Designated as a community development corporation by
20 the United States government pursuant to the provisions of Title
21 VII of the Economic Opportunity Act of 1964; or

22 (d) Contributing funds to help finance a building or
23 structure or purchase equipment located within this state and
24 used to sell agricultural food products or to add value to food
25 products produced in this state by members of an eligible new

1 generation cooperative; or contributing funds to help finance a
2 building or structure or purchase equipment owned by a not-
3 for-profit organization located within this state and used to
4 sell agricultural food products or to add value to food products
5 produced by family farms as defined in subdivision (4) of section
6 350.010, RSMo, or family farm corporations as defined in
7 subdivision (5) of section 350.010, RSMo;

8 [(16)] (14) "Physical revitalization", furnishing financial
9 assistance, labor, material, or technical advice to aid in the
10 physical improvement or rehabilitation of any part or all of a
11 neighborhood area;

12 [(17)] (15) "S corporation", a corporation described in
13 Section 1361(a)(1) of the United States Internal Revenue Code and
14 not subject to the taxes imposed by section 143.071, RSMo, by
15 reason of section 143.471, RSMo;

16 [(18)] (16) "Workfare renovation project", any project
17 initiated pursuant to sections 215.340 to 215.355, RSMo.

18 32.110. Any business firm which engages in the activities
19 of providing physical revitalization, economic development, job
20 training or education for individuals, community services,
21 eligible farmers' markets or crime prevention in the state of
22 Missouri shall receive a tax credit as provided in section 32.115
23 if the director of the department of economic development
24 annually approves the proposal of the business firm; except that,
25 no proposal shall be approved which does not have the endorsement

1 of the agency of local government within the area in which the
2 business firm is engaging in such activities which has adopted an
3 overall community or neighborhood development plan that the
4 proposal is consistent with such plan. The proposal shall set
5 forth the program to be conducted, the neighborhood area to be
6 served, why the program is needed, the estimated amount to be
7 contributed to the program and the plans for implementing the
8 program. If, in the opinion of the director of the department of
9 economic development, a business firm's contribution can more
10 consistently with the purposes of sections 32.100 to 32.125 be
11 made through contributions to a neighborhood organization as
12 defined in subdivision [(15)] (13) of section 32.105, tax credits
13 may be allowed as provided in section 32.115. The director of
14 the department of economic development is hereby authorized to
15 promulgate rules and regulations for establishing criteria for
16 evaluating such proposals by business firms for approval or
17 disapproval and for establishing priorities for approval or
18 disapproval of such proposals by business firms with the
19 assistance and approval of the director of the department of
20 revenue. The total amount of tax credit granted for programs
21 approved pursuant to sections 32.100 to 32.125 shall not exceed
22 fourteen million dollars in fiscal year 1999 and twenty-six
23 million dollars in fiscal year 2000, and any subsequent fiscal
24 year, except as otherwise provided for proposals approved
25 pursuant to section 32.111, 32.112 or 32.117. All tax credits

1 authorized pursuant to the provisions of sections 32.100 to
2 32.125 may be used as a state match to secure additional federal
3 funding. The total amount of tax credits allowed for programs of
4 neighborhood organizations defined pursuant to paragraph (d) of
5 subdivision [(15)] (13) of section 32.105 is two and one-half
6 million dollars per fiscal year for fiscal years 2002 to 2006.

7 71.620. 1. Hereafter no person following for a livelihood
8 the profession or calling of minister of the gospel, duly
9 accredited Christian Science practitioner, teacher, professor in
10 a college, priest, lawyer, certified public accountant, dentist,
11 chiropractor, optometrist, chiropodist, physician or surgeon in
12 this state shall be taxed or made liable to pay any municipal or
13 other corporation tax or license fee of any description whatever
14 for the privilege of following or carrying on such profession or
15 calling, and, after December 31, 2003, no investment funds
16 service corporation, as defined in section 143.451, RSMo, may be
17 required to pay, or shall be taxed or made liable to pay any
18 municipal or other corporation tax or license fee of any
19 description whatever for the privilege of following or carrying
20 on its business or occupation, in excess of or in an aggregate
21 amount exceeding twenty-five thousand dollars annually, any law,
22 ordinance or charter to the contrary notwithstanding.

23 2. No person following for a livelihood the profession of
24 insurance agent or broker, veterinarian, architect, professional
25 engineer, land surveyor, auctioneer, or real estate broker or

1 salesman in this state shall be taxed or made liable to pay any
2 municipal or other corporation tax or license fee for the
3 privilege of following or carrying on his or her profession by a
4 municipality unless that person maintains a business office
5 within that municipality.

6 3. Notwithstanding any other provision of law to the
7 contrary, after September 1, 2004, no village with less than one
8 thousand three hundred inhabitants shall impose a business
9 license tax in excess of [ten] fifteen thousand dollars per
10 license.

11 100.710. As used in sections 100.700 to 100.850, the
12 following terms mean:

13 (1) "Assessment", an amount of up to five percent of the
14 gross wages paid in one year by an eligible industry to all
15 eligible employees in new jobs, or up to ten percent if the
16 economic development project is located within a distressed
17 community as defined in section 135.530, RSMo;

18 (2) "Board", the Missouri development finance board as
19 created by section 100.265;

20 (3) "Certificates", the revenue bonds or notes authorized
21 to be issued by the board pursuant to section 100.840;

22 (4) "Credit", the amount agreed to between the board and an
23 eligible industry, but not to exceed the assessment attributable
24 to the eligible industry's project;

25 (5) "Department", the Missouri department of economic

1 development;

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

4 (7) "Economic development project":

5 (a) The acquisition of any real property by the board, the
6 eligible industry, or its affiliate; or

7 (b) The fee ownership of real property by the eligible
8 industry or its affiliate; and

9 (c) For both paragraphs (a) and (b) of this subdivision,
10 "economic development project" shall also include the development
11 of the real property including construction, installation, or
12 equipping of a project, including fixtures and equipment, and
13 facilities necessary or desirable for improvement of the real
14 property, including surveys; site tests and inspections;
15 subsurface site work; excavation; removal of structures,
16 roadways, cemeteries and other surface obstructions; filling,
17 grading and provision of drainage, storm water retention,
18 installation of utilities such as water, sewer, sewage treatment,
19 gas, electricity, communications and similar facilities; off-site
20 construction of utility extensions to the boundaries of the real
21 property; and the acquisition, installation, or equipping of
22 facilities on the real property, for use and occupancy by the
23 eligible industry or its affiliates;

24 (8) "Eligible employee", a person employed on a full-time
25 basis in a new job at the economic development project averaging

1 at least thirty-five hours per week who was not employed by the
2 eligible industry or a related taxpayer in this state at any time
3 during the twelve-month period immediately prior to being
4 employed at the economic development project. For an essential
5 industry, a person employed on a full-time basis in an existing
6 job at the economic development project averaging at least
7 thirty-five hours per week may be considered an eligible employee
8 for the purposes of the program authorized by sections 100.700 to
9 100.850;

10 (9) "Eligible industry", a business located within the
11 state of Missouri which is engaged in interstate or intrastate
12 commerce for the purpose of manufacturing, processing or
13 assembling products, conducting research and development, or
14 providing services in interstate commerce, office industries, or
15 agricultural processing, but excluding retail, health or
16 professional services. "Eligible industry" does not include a
17 business which closes or substantially reduces its operation at
18 one location in the state and relocates substantially the same
19 operation to another location in the state. This does not
20 prohibit a business from expanding its operations at another
21 location in the state provided that existing operations of a
22 similar nature located within the state are not closed or
23 substantially reduced. This also does not prohibit a business
24 from moving its operations from one location in the state to
25 another location in the state for the purpose of expanding such

1 operation provided that the board determines that such expansion
2 cannot reasonably be accommodated within the municipality in
3 which such business is located, or in the case of a business
4 located in an incorporated area of the county, within the county
5 in which such business is located, after conferring with the
6 chief elected official of such municipality or county and taking
7 into consideration any evidence offered by such municipality or
8 county regarding the ability to accommodate such expansion within
9 such municipality or county. An eligible industry must:

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

13 (b) Create a minimum of one hundred new jobs for eligible
14 employees at the economic development project or a minimum of
15 five hundred jobs if the economic development project is an
16 office industry or a minimum of two hundred new jobs if the
17 economic development project is an office industry located within
18 a distressed community as defined in section 135.530, RSMo, in
19 the case of an approved company for a project for a world
20 headquarters of a business whose primary function is tax return
21 preparation in any home rule city with more than four hundred
22 thousand inhabitants and located in more than one county, create
23 a minimum of one hundred new jobs for eligible employees at the
24 economic development project. An industry that meets the
25 definition of "essential industry" may be considered an eligible

1 industry for the purposes of the program authorized by sections
2 100.700 to 100.850;

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

6 (a) Be a targeted industry;

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

11 (c) Have maintained at least two thousand jobs at the
12 proposed economic development project site each year for a period
13 of four years preceding the year in which application for the
14 program authorized by sections 100.700 to 100.850 is made and
15 during the year in which said application is made;

16 (d) For the duration of the certificates, retain at the
17 proposed economic development project site the level of
18 employment that existed at the site in the taxable year
19 immediately preceding the year in which application for the
20 program authorized by sections 100.700 to 100.850 is made; and

21 (e) Invest a minimum of five hundred million dollars in the
22 economic development project by the end of the third year after
23 the issuance of the certificates under this program;

24 (11) "New job", a job in a new or expanding eligible
25 industry not including jobs of recalled workers, replacement jobs

1 or jobs that formerly existed in the eligible industry in the
2 state. For an essential industry, an existing job may be
3 considered a new job for the purposes of the program authorized
4 by sections 100.700 to 100.850;

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

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

15 (a) Obligations incurred for labor and obligations incurred
16 to contractors, subcontractors, builders and materialmen in
17 connection with the acquisition, construction, installation or
18 equipping of an economic development project;

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

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

1 (d) All costs of architectural and engineering services,
2 including test borings, surveys, estimates, plans and
3 specifications, preliminary investigations and supervision of
4 construction, as well as the costs for the performance of all the
5 duties required by or consequent upon the acquisition,
6 construction, installation or equipping of an economic
7 development project;

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

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

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

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

21 [100.850. 1. The approved company
22 shall remit to the board a job development
23 assessment fee, not to exceed five percent of
24 the gross wages of each eligible employee
25 whose job was created as a result of the
26 economic development project, or not to
27 exceed ten percent if the economic
28 development project is located within a
29 distressed community as defined in section
30 135.530, RSMo, for the purpose of retiring

1 bonds which fund the economic development
2 project.

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

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

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

24 5. In no event shall the aggregate
25 amount of tax credits authorized by
26 subsection 4 of this section exceed eleven
27 million dollars annually.

28 6. The director of revenue shall issue
29 a refund to the approved company to the
30 extent that the amount of credits allowed in
31 subsection 4 of this section exceeds the
32 amount of the approved company's income tax.]

33 100.850. 1. The approved company shall remit to the board
34 a job development assessment fee, not to exceed five percent of
35 the gross wages of each eligible employee whose job was created
36 as a result of the economic development project, or not to exceed
37 ten percent if the economic development project is located within
38 a distressed community as defined in section 135.530, RSMo, for
39 the purpose of retiring bonds which fund the economic development
40 project.

41 2. Any approved company remitting an assessment as provided

1 in subsection 1 of this section shall make its payroll books and
2 records available to the board at such reasonable times as the
3 board shall request and shall file with the board documentation
4 respecting the assessment as the board may require.

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

7 4. Any approved company which has paid an assessment for
8 debt reduction shall be allowed a tax credit equal to the amount
9 of the assessment. The tax credit may be claimed against taxes
10 otherwise imposed by chapters 143 and 148, RSMo, except
11 withholding taxes imposed under the provisions of sections
12 143.191 to 143.265, RSMo, which were incurred during the tax
13 period in which the assessment was made.

14 5. In no event shall the aggregate amount of tax credits
15 authorized by subsection 4 of this section exceed [eleven]
16 eighteen million dollars annually.

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

21 135.155. For all tax years beginning on or after January 1,
22 2005, no tax credits shall be approved, awarded, or issued to any
23 person or entity claiming any tax credit under sections 135.100
24 to 135.150.

25 135.208. 1. In addition to the number of enterprise zones

1 authorized under the provisions of sections 135.206 and 135.210,
2 the department of economic development shall designate one such
3 zone in any county of the third class which is south of the
4 Missouri River and which adjoins one county of the second class
5 and also the state of Oklahoma. Such designation shall only be
6 made if the area of the county which is to be included in the
7 enterprise zone meets all the requirements of section 135.205.

8 2. In addition to the number of enterprise zones authorized
9 under the provisions of sections 135.206 and 135.210, the
10 department of economic development shall designate one such zone
11 in any county of the third class which borders the Missouri River
12 and which adjoins a county of the second class with a population
13 of at least one hundred thousand inhabitants and which contains a
14 branch of the state university. Such designation shall only be
15 made if the area of the county which is to be included in the
16 enterprise zone meets all the requirements of section 135.205.

17 3. In addition to the number of enterprise zones authorized
18 under the provisions of sections 135.206, 135.210 and 135.256,
19 the department of economic development shall designate one such
20 zone in every county of the third class without a township form
21 of government with a population of more than seven thousand eight
22 hundred but less than ten thousand inhabitants located south of
23 the Missouri River, which adjoins one third class county with a
24 township form of government, and which adjoins no first or second
25 class county. Such enterprise zone designation shall only be

1 made if the area in the county which is to be included in the
2 enterprise zone meets all the requirements of section 135.205.

3 4. In addition to the number of enterprise zones authorized
4 pursuant to the provisions of sections 135.206, 135.210 and
5 135.256, the department of economic development shall designate
6 one such zone in a city of the third class with a population of
7 more than eight thousand but less than ten thousand located in a
8 county of the third classification with a township form of
9 government with a population of more than twenty thousand but
10 less than twenty-two thousand. Such enterprise zone designation
11 shall only be made if the area in the city which is to be
12 included in the enterprise zone meets all the requirements of
13 section 135.205.

14 5. In addition to the number of enterprise zones authorized
15 pursuant to the provisions of sections 135.206, 135.210 and
16 135.256, the department of economic development shall designate
17 one such zone for any city with a home rule form of government
18 and a population of at least one hundred ten thousand inhabitants
19 but not more than one hundred thirty thousand inhabitants. Such
20 enterprise zone designation shall only be made if the area in the
21 city which is to be included in the enterprise zone meets all the
22 requirements of section 135.205.

23 6. In addition to the number of enterprise zones authorized
24 pursuant to the provisions of sections 135.206, 135.210 and
25 135.256, the department of economic development shall designate

1 one such zone for any county of the first classification without
2 a charter form of government with a population of less than
3 thirty thousand inhabitants. Such enterprise zone designation
4 shall only be made if the area in the city which is to be
5 included in the enterprise zone meets all the requirements of
6 section 135.205.

7 7. In addition to the number of enterprise zones authorized
8 pursuant to the provisions of sections 135.206, 135.210, 135.256
9 and 135.257, the department of economic development shall
10 designate one such zone in a city of the fourth classification
11 with a population of at least three thousand but less than four
12 thousand inhabitants located in a county of the second
13 classification with a population of at least twenty thousand but
14 not more than twenty-five thousand inhabitants. Such enterprise
15 zone designation shall only be made if such area which is to be
16 included in the enterprise zone meets all the requirements of
17 section 135.205.

18 8. In addition to the number of enterprise zones authorized
19 pursuant to the provisions of sections 135.206, 135.210, 135.256
20 and 135.257, the department of economic development shall
21 designate one such zone for any area that includes property in
22 two adjoining counties where one county is a county of the third
23 classification without a township form of government with a
24 population of less than sixteen thousand three hundred and more
25 than sixteen thousand inhabitants and the other county is a

1 county of the first classification having a population of at
2 least one hundred seventy-one thousand but less than one hundred
3 seventy-two thousand inhabitants. Such enterprise zone
4 designation shall only be made if such area which is to be
5 included in the enterprise zone meets all the requirements of
6 section 135.205.

7 9. In addition to the number of enterprise zones authorized
8 pursuant to the provisions of sections 135.206, 135.210 and
9 135.256, the department of economic development shall designate
10 one such zone in a city of the fourth class with a population of
11 more than four thousand located in a county of the third
12 classification with a township form of government and with a
13 population of less than thirteen thousand. Such enterprise zone
14 designation shall only be made if the area in the city which is
15 to be included in the enterprise zone meets all the requirements
16 of section 135.205.

17 10. In addition to the number of enterprise zones
18 authorized pursuant to the provisions of sections 135.206,
19 135.210 and 135.256, the department of economic development shall
20 designate one such zone in a city of the fourth class with a
21 population of more than two thousand nine hundred located in a
22 county of the third classification without a township form of
23 government with a population of less than twelve thousand and
24 more than eleven thousand seven hundred inhabitants. Such
25 enterprise zone designation shall only be made if the area in the

1 city which is to be included in the enterprise zone meets all the
2 requirements of section 135.205.

3 11. In addition to the number of enterprise zones
4 authorized pursuant to the provisions of sections 135.206,
5 135.210 and 135.256, the department of economic development shall
6 designate one such zone in a county of the third classification
7 without a township form of government with a population of less
8 than twenty-four thousand five hundred and more than twenty-four
9 thousand inhabitants. Such enterprise zone designation shall
10 only be made if the area in the county which is to be included in
11 the enterprise zone meets all the requirements of section
12 135.205.

13 12. In addition to the number of enterprise zones
14 authorized in this chapter, the department of economic
15 development shall designate one such zone for any city of the
16 fourth classification with more than three thousand eight hundred
17 but less than four thousand inhabitants and located in more than
18 one county. Such enterprise zone designation shall only be made
19 if the area in the city which is to be included in the enterprise
20 zone meets all the requirements of section 135.205.

21 135.209. 1. Any city in which an enterprise zone is
22 designated pursuant to subsection 5 or subsection 12 of section
23 135.208 may, upon approval of the local governing authority of
24 the city and the director of the department of economic
25 development, designate one satellite enterprise zone within its

1 corporate limits. A prerequisite for the designation of the
2 satellite zone shall be the approval by the director of the
3 department of economic development of a plan submitted by the
4 local governing authority of the city describing how the
5 satellite zone corresponds to the city's overall enterprise zone
6 strategy.

7 2. The satellite enterprise zone authorized by this section
8 shall be designated only if it meets the criteria established by
9 subdivisions (1) to (4) of subsection 2 of section 135.207.

10 Retail businesses, as identified by the 1997 North American
11 Industry Classification System (NAICS) sector numbers 44 to 45,
12 located within the satellite enterprise zone shall be eligible
13 for all benefits provided pursuant to the provisions of sections
14 135.200 to 135.258.

15 135.214. 1. In addition to any other enterprise zones
16 authorized in this chapter, the department of economic
17 development shall designate one enterprise zone that shall be
18 located partially in any city of the fourth classification with
19 more than twelve thousand one hundred but less than twelve
20 thousand four hundred inhabitants and partially in any city of
21 the fourth classification with more than nine thousand six
22 hundred but less than nine thousand seven hundred inhabitants and
23 shall include all area in between any city of the fourth
24 classification with more than twelve thousand one hundred but
25 less than twelve thousand four hundred inhabitants and any city

1 of the fourth classification with more than nine thousand six
2 hundred but less than nine thousand seven hundred inhabitants
3 with specific boundaries to be determined by the department of
4 economic development in conjunction with the governing authority
5 of the county. Such enterprise zone designation shall only be
6 made if the area that is to be included in the enterprise zone
7 meets all the requirements of section 135.205.

8 2. Notwithstanding the provisions of section 135.230, to
9 the contrary, any enterprise zone designated in any county of the
10 third classification with a township form of government and with
11 more than thirteen thousand seven hundred but less than thirteen
12 thousand eight hundred inhabitants or designated in any county of
13 the third classification without a township form of government
14 and with more than fifteen thousand seven hundred but less than
15 fifteen thousand eight hundred inhabitants shall not expire
16 before December 31, 2015.

17 3. In addition to the number of enterprise zones authorized
18 by the provisions of sections 135.200 to 135.270, the department
19 of economic development shall designate one such zone in every
20 county of the third classification without a township form of
21 government and with more than six thousand seven hundred fifty
22 but less than six thousand eight hundred fifty inhabitants. Such
23 designation shall only be made if the area in the county which is
24 to be included in the enterprise zone meets all the requirements
25 of section 135.205.

1 135.216. In addition to any other enterprise zones
2 authorized in this chapter, the department of economic
3 development shall designate one enterprise zone within any county
4 of the third classification without a township form of government
5 and with more than thirty-one thousand but less than thirty-one
6 thousand one hundred inhabitants. Such enterprise zone
7 designation shall only be made if the area that is to be included
8 in the enterprise zone meets all the requirements of section
9 135.205.

10 135.217. In addition to any other enterprise zones
11 authorized under this chapter, the department of economic
12 development shall designate one enterprise zone that shall have
13 boundaries that are the same as any county of the third
14 classification without a township form of government and with
15 more than thirteen thousand seventy-five but less than thirteen
16 thousand one hundred seventy-five inhabitants. Such enterprise
17 zone designation shall only be made if the area that is to be
18 included in the enterprise zone meets all the requirements of
19 section 135.205.

20 135.221. In addition to the number of enterprise zones
21 authorized by the provisions of this chapter the department of
22 economic development shall designate one such zone in every city
23 of the fourth classification with more than thirteen thousand six
24 hundred but less than thirteen thousand eight hundred inhabitants
25 which shall have boundaries abutting an international airport and

1 an interstate highway with specific boundaries to be determined
2 by the department of economic development in conjunction with the
3 governing authority of the city. Such designation shall only be
4 made if the area in the city which is to be included in the
5 enterprise zone meets all the requirements of section 135.205.

6 135.261. In addition to all other enterprise zones
7 authorized in this chapter, the department of economic
8 development shall designate one such zone in any county of the
9 third classification without a township form of government and
10 with more than thirty-two thousand five hundred but less than
11 thirty-two thousand six hundred inhabitants. Such enterprise
12 zone designation shall only be made if such area which is to be
13 included in the enterprise zone meets all the requirements of
14 section 135.205.

15 135.262. In addition to the number of enterprise zones
16 authorized under the provisions of sections 135.206 to 135.260,
17 the department of economic development shall designate any area
18 that meets all the requirements of section 135.205 as an
19 enterprise zone.

20 135.286. 1. Notwithstanding any provision of law to the
21 contrary, no revenue-producing enterprise shall receive the state
22 tax exemption, state tax credits, or state tax refund as provided
23 in sections 135.200 to 135.283 for facilities commencing
24 operations on or after January 1, 2005. This provision is not
25 intended to affect in any way the local real property tax

1 abatement authorized by section 135.215.

2 2. Notwithstanding subsection 4 of section 135.215 to the
3 contrary, if an exemption pursuant to section 135.215 is granted
4 on property prior to the expiration of the twenty-five year
5 anniversary of the designation of the enterprise zone, the
6 property may continue to receive that exemption for up to twenty-
7 five years following the date the exemption on that property was
8 granted, provided that the total number of years of exemption on
9 that property shall not exceed twenty-five.

10 135.288. For all tax years beginning on or after January 1,
11 2005, no tax credits shall be approved, awarded, or issued to any
12 person or entity claiming any tax credit under sections 135.200
13 to 135.258.

14 135.484. 1. Beginning January 1, 2000, tax credits shall
15 be allowed pursuant to section 135.481 in an amount not to exceed
16 [~~sixteen~~] twenty million dollars per year. Of this total amount
17 of tax credits in any given year, [~~eight~~] ten million dollars
18 shall be set aside for projects in areas described in subdivision
19 (6) of section 135.478 and [~~eight~~] ten million dollars for
20 projects in areas described in subdivision (10) of section
21 135.478. The maximum tax credit for a project consisting of
22 multiple-unit qualifying residences in a distressed community
23 shall not exceed three million dollars.

24 2. Any amount of credit which exceeds the tax liability of
25 a taxpayer for the tax year in which the credit is first claimed

1 may be carried back to any of the taxpayer's three prior tax
2 years and carried forward to any of the taxpayer's five
3 subsequent tax years. A certificate of tax credit issued to a
4 taxpayer by the department may be assigned, transferred, sold or
5 otherwise conveyed. Whenever a certificate of tax credit is
6 assigned, transferred, sold or otherwise conveyed, a notarized
7 endorsement shall be filed with the department specifying the
8 name and address of the new owner of the tax credit and the value
9 of the credit.

10 3. The tax credits allowed pursuant to sections 135.475 to
11 135.487 may not be claimed in addition to any other state tax
12 credits, with the exception of the historic structures
13 rehabilitation tax credit authorized pursuant to sections 253.545
14 to 253.559, RSMo, which insofar as sections 135.475 to 135.487
15 are concerned may be claimed only in conjunction with the tax
16 credit allowed pursuant to subsection 4 of section 135.481. In
17 order for a taxpayer eligible for the historic structures
18 rehabilitation tax credit to claim the tax credit allowed
19 pursuant to subsection 4 of section 135.481, the taxpayer must
20 comply with the requirements of sections 253.545 to 253.559,
21 RSMo, and in such cases, the amount of the tax credit pursuant to
22 subsection 4 of section 135.481 shall be limited to the lesser of
23 twenty percent of the taxpayer's eligible costs or forty thousand
24 dollars.

25 135.530. For the purposes of sections 100.010, 100.710 and

1 100.850, RSMo, sections 135.110, 135.200, 135.258, 135.313,
2 135.403, 135.405, 135.503, 135.530 and 135.545, section 215.030,
3 RSMo, sections 348.300 and 348.302, RSMo, and sections 620.1400
4 to 620.1460, RSMo, "distressed community" means either a Missouri
5 municipality within a metropolitan statistical area which has a
6 median household income of under seventy percent of the median
7 household income for the metropolitan statistical area, according
8 to the last decennial census, or a United States census block
9 group or contiguous group of block groups within a metropolitan
10 statistical area which has a population of at least [two
11 thousand] five hundred, and each block group having a median
12 household income of under seventy percent of the median household
13 income for the metropolitan area in Missouri, according to the
14 last decennial census. In addition the definition shall include
15 municipalities not in a metropolitan statistical area, with a
16 median household income of under seventy percent of the median
17 household income for the nonmetropolitan areas in Missouri
18 according to the last decennial census or a census block group or
19 contiguous group of block groups which has a population of at
20 least two thousand five hundred each block group having a median
21 household income of under seventy percent of the median household
22 income for the nonmetropolitan areas of Missouri, according to
23 the last decennial census. In metropolitan statistical areas,
24 the definition shall include areas that are designated as either
25 a federal empowerment zone; or a federal enhanced enterprise

1 community; or a state enterprise zone that was originally
2 designated before January 1, 1986, but shall not include
3 expansions of such state enterprise zones done after March 16,
4 1988.

5 135.536. For all tax years beginning on or after January 1,
6 2005, no tax credits shall be approved, awarded, or issued to any
7 person or entity claiming any tax credit under section 135.535.

8 135.546. For all tax years beginning on or after January 1,
9 2005, no tax credits shall be approved, awarded, or issued to any
10 person or entity claiming any tax credit under section 135.545.

11 135.1050. The following terms, whenever used in sections
12 135.1050 to 135.1075 mean:

13 (1) "Blighted area", an area which by reason of the
14 predominance of defective or inadequate street layout, unsanitary
15 or unsafe conditions, deterioration of site improvements,
16 improper subdivision or obsolete platting, or the existence of
17 conditions which endanger life or property by fire and other
18 causes, or any combination of such factors, retards the provision
19 of housing accommodations or constitutes an economic or social
20 liability or a menace to the public health, safety, morals, or
21 welfare in its present condition and use;

22 (2) "Board", an enhanced enterprise zone board established
23 under section 135.1057;

24 (3) "Commencement of commercial operations", shall be
25 deemed to occur during the first taxable year for which the new

1 business facility is first put into use by the taxpayer in the
2 enhanced business enterprise in which the taxpayer intends to use
3 the new business facility;

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

5 (5) "Director", the director of the department of economic
6 development;

7 (6) "Employee", A person employed by the enhanced business
8 enterprise on:

9 (a) A regular, full-time basis;

10 (b) A part-time basis, provided such person is customarily
11 performing such duties an average of at least twenty hours per
12 week; or

13 (c) A seasonal basis, provided such person performs such
14 duties for at least eighty percent of the season customary for
15 the position in which such person is employed;

16 (7) "Enhanced business enterprise", an industry or one of a
17 cluster of industries that is either:

18 (a) Identified by the department as critical to the state's
19 economic security and growth; or

20 (b) Will have an impact on industry cluster development, as
21 identified by the governing authority in its application for
22 designation of an enhanced enterprise zone and approved by the
23 department, but excluding gambling establishments (NAICS industry
24 group 7132), retail trade (NAICS sectors 44 and 45) and food and
25 drinking places (NAICS subsector 722). A service industry shall

1 be eligible only if a majority of its annual revenues will be
2 derived from services provided out of the state;

3 (8) "Existing business facility", any facility in this
4 state that was employed by the taxpayer claiming the credit in
5 the operation of an enhanced business enterprise immediately
6 prior to an expansion, acquisition, addition, or replacement;

7 (9) "Facility", any building used as an enhanced business
8 enterprise located within an enhanced enterprise zone including
9 the land on which the facility is located and all machinery,
10 equipment, and other real and depreciable tangible personal
11 property acquired for use at and located at or within such
12 facility and used in connection with the operation of such
13 facility;

14 (10) "Governing authority", the body holding primary
15 legislative authority over a county or incorporated municipality;

16 (11) "NAICS", the 1997 edition of the North American
17 Industry Classification System as prepared by the Executive
18 Office of the President, Office of Management and Budget. Any
19 NAICS sector, subsector, industry group, or industry identified
20 in this section shall include its corresponding classification in
21 subsequent federal industry classification systems;

22 (12) "New business facility", a facility that satisfies the
23 following requirements:

24 (a) Such facility is employed by the taxpayer in the
25 operation of an enhanced business enterprise. Such facility

1 shall not be considered a new business facility in the hands of
2 the taxpayer if the taxpayer's only activity with respect to such
3 facility is to lease it to another person or persons. If the
4 taxpayer employs only a portion of such facility in the operation
5 of an enhanced business enterprise, and leases another portion of
6 such facility to another person or persons or does not otherwise
7 use such other portions in the operation of an enhanced business
8 enterprise, the portion employed by the taxpayer in the operation
9 of an enhanced business enterprise shall be considered a new
10 business facility, if the requirements of paragraphs (b), (c),
11 and (d) of this subdivision are satisfied;

12 (b) Such facility is acquired by or leased to the taxpayer
13 after December 31, 2004. A facility shall be deemed to have been
14 acquired by or leased to the taxpayer after December 31, 2004, if
15 the transfer of title to the taxpayer, the transfer of possession
16 under a binding contract to transfer title to the taxpayer, or
17 the commencement of the term of the lease to the taxpayer occurs
18 after December 31, 2004;

19 (c) If such facility was acquired by the taxpayer from
20 another taxpayer and such facility was employed immediately prior
21 to the acquisition by another taxpayer in the operation of an
22 enhanced business enterprise, the operation of the same or a
23 substantially similar enhanced business enterprise is not
24 continued by the taxpayer at such facility; and

25 (d) Such facility is not a replacement business facility,

1 as defined in subdivision (16) of this section;

2 (13) "New business facility employee", an employee of the
3 taxpayer in the operation of a new business facility, except that
4 truck drivers and rail and barge vehicle operators and other
5 operators of rolling stock for hire shall not constitute new
6 business facility employees;

7 (14) "New business facility investment", the value of real
8 and depreciable tangible personal property, acquired by the
9 taxpayer as part of the new business facility that is used by the
10 taxpayer in the operation of the new business facility, except
11 that trucks, truck-trailers, truck semitrailers, rail vehicles,
12 barge vehicles, aircraft and other rolling stock for hire, track,
13 switches, barges, bridges, tunnels, and rail yards and spurs
14 shall not constitute new business facility investments. The
15 total value of such property during such taxable year shall be:

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

17 (b) Eight times the net annual rental rate, if leased by
18 the taxpayer. The net annual rental rate shall be the annual
19 rental rate paid by the taxpayer less any annual rental rate
20 received by the taxpayer from subrentals. The new business
21 facility investment shall be determined by dividing by twelve the
22 sum of the total value of such property on the last business day
23 of each calendar month of the taxable year. If the new business
24 facility is in operation for less than an entire taxable year,
25 the new business facility investment shall be determined by

1 dividing the sum of the total value of such property on the last
2 business day of each full calendar month during the portion of
3 such taxable year during which the new business facility was in
4 operation by the number of full calendar months during such
5 period;

6 (15) "Related taxpayer":

7 (a) A corporation, partnership, trust, or association
8 controlled by the taxpayer;

9 (b) An individual, corporation, partnership, trust, or
10 association in control of the taxpayer; or

11 (c) A corporation, partnership, trust, or association
12 controlled by an individual, corporation, partnership, trust or
13 association in control of the taxpayer. "Control of a
14 corporation" shall mean ownership, directly or indirectly, of
15 stock possessing at least fifty percent of the total combined
16 voting power of all classes of stock entitled to vote, "control
17 of a partnership or association" shall mean ownership of at least
18 fifty percent of the capital or profits interest in such
19 partnership or association, and "control of a trust" shall mean
20 ownership, directly or indirectly, of at least fifty percent of
21 the beneficial interest in the principal or income of such trust;
22 ownership shall be determined as provided in Section 318 of the
23 Internal Revenue Code of 1986, as amended;

24 (16) "Replacement business facility", a facility otherwise
25 described in subdivision (12) of this section, hereafter referred

1 to in this subdivision as "new facility", which replaces another
2 facility, hereafter referred to in this subdivision as "old
3 facility", located within the state, which the taxpayer or a
4 related taxpayer previously operated but discontinued operating
5 on or before the close of the first taxable year for which the
6 credit allowed by this section is claimed. A new facility shall
7 be deemed to replace an old facility if the following conditions
8 are met:

9 (a) The old facility was operated by the taxpayer or a
10 related taxpayer during the taxpayer's or related taxpayer's
11 taxable period immediately preceding the taxable year in which
12 commencement of commercial operations occurs at the new facility;
13 and

14 (b) The old facility was employed by the taxpayer or a
15 related taxpayer in the operation of an enhanced business
16 enterprise and the taxpayer continues the operation of the same
17 or substantially similar enhanced business enterprise at the new
18 facility.

19 Notwithstanding the preceding provisions of this subdivision, a
20 facility shall not be considered a replacement business facility
21 if the taxpayer's new business facility investment as computed in
22 subdivision (14) of this section in the new facility exceeds one
23 million dollars and if the total number of employees at the new
24 facility exceeds the total number of employees at the old

1 facility by at least two;

2 (17) "Same or substantially similar enhanced business
3 enterprise", an enhanced business enterprise in which the
4 products produced or sold, or activities conducted, are similar
5 in character and use to those of another enhanced business
6 enterprise or the products produced or sold or activities
7 conducted are produced, sold, or conducted in the same or similar
8 manner as in another enhanced business enterprise.

9 135.1055. 1. For purposes of sections 135.1050 to
10 135.1075, an area shall meet the following criteria in order to
11 qualify as an enhanced enterprise zone:

12 (1) The area shall be a blighted area, have pervasive
13 poverty, unemployment and general distress; and

14 (2) At least sixty percent of the residents living in the
15 area have incomes below ninety percent of the median income of
16 all residents:

17 (a) Within the state of Missouri, according to the last
18 decennial census or other appropriate source as approved by the
19 director; or

20 (b) Within the county or city not within a county in which
21 the area is located, according to the last decennial census or
22 other appropriate source as approved by the director; and

23 (3) The resident population of the area shall be at least
24 five hundred but not more than one hundred thousand at the time
25 of designation as an enhanced enterprise zone if the area lies

1 within a metropolitan statistical area, as established by the
2 United States Census Bureau, or if the area does not lie within a
3 metropolitan statistical area, the resident population of the
4 area at the time of designation shall be at least five hundred
5 but not more than forty thousand inhabitants. If the population
6 of the jurisdiction of the governing authority does not meet the
7 minimum population requirements set forth in this subdivision,
8 the population of the area shall be at least fifty percent of the
9 population of the jurisdiction. However, no enhanced enterprise
10 zone shall be created that consists of the total area within the
11 political boundaries of a county; and

12 (4) The level of unemployment of persons according to the
13 most recent data available from the United States Bureau of
14 Census and approved by the director within the area is equal to
15 or exceeds the average rate of unemployment for:

16 (a) The state of Missouri over the previous twelve months;
17 or

18 (b) The county or city not within a county over the
19 previous twelve months.

20 2. Notwithstanding the requirements of subsection 1 of this
21 section to the contrary, an enhanced enterprise zone may be
22 established in an area located within a county for which public
23 and individual assistance has been requested by the governor
24 under Section 401 of the Robert T. Stafford Disaster Relief and
25 Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an

1 emergency proclaimed by the governor under section 44.100, RSMo,
2 due to a natural disaster of major proportions, if the area to be
3 designated is blighted and sustained severe damage as a result of
4 such natural disaster, as determined by the state emergency
5 management agency. An application for designation as an enhanced
6 enterprise zone under this subsection shall be made before the
7 expiration of one year from the date the governor requested
8 federal relief for the area sought to be designated.

9 3. Notwithstanding the requirements of subsection 1 of this
10 section to the contrary, an enhanced enterprise zone may be
11 designated in a county of declining population if it meets the
12 requirements of subdivisions (1) and (3), and either subdivision
13 (2) or (4) of subsection 1 of this section. For the purposes of
14 this subsection a "county of declining population" is one that
15 has lost one percent or more of its population as demonstrated by
16 comparing the most recent decennial census population to the next
17 most recent decennial census population for the county.

18 4. In addition to meeting the requirements of subsection 1,
19 2, or 3 of this section, an area, to qualify as an enhanced
20 enterprise zone shall be demonstrated by the governing authority
21 to have either:

22 (1) The potential to create sustainable jobs in a targeted
23 industry; or

24 (2) A demonstrated impact on industry cluster development.

25 135.1057. 1. A governing authority planning to seek

1 designation of an enhanced enterprise zone shall establish an
2 enhanced enterprise zone board. The number of members on the
3 board shall be seven. One member of the board shall be appointed
4 by the school district or districts located within the area
5 proposed for designation as an enhanced enterprise zone. One
6 member of the board shall be appointed by other affected taxing
7 districts. The remaining five members shall be chosen by the
8 chief elected official of the county or municipality.

9 2. The school district member and the affected taxing
10 district member shall each have initial terms of five years. Of
11 the five members appointed by the chief elected official, two
12 shall have initial terms of four years, two shall have initial
13 terms of three years, and one shall have an initial term of two
14 years. Thereafter, members shall serve terms of five years.
15 Each commissioner shall hold office until a successor has been
16 appointed. All vacancies shall be filled in the same manner as
17 the original appointment. For inefficiency or neglect of duty or
18 misconduct in office, a member of the board may be removed by the
19 applicable appointing authority.

20 3. A majority of the members shall constitute a quorum of
21 such board for the purpose of conducting business and exercising
22 the powers of the board and for all other purposes. Action may
23 be taken by the board upon a vote of a majority of the members
24 present.

25 4. The members of the board annually shall elect a chair

1 from among the members.

2 5. The role of the board shall be to conduct the activities
3 necessary to advise the governing authority on the designation of
4 an enhanced enterprise zone and any other advisory duties as
5 determined by the governing authority. The role of the board
6 after the designation of an enhanced enterprise zone shall be
7 review and assess the status zone activities which the enhanced
8 enterprise zone is required to report on annually under section
9 135.1060.

10 135.1060. 1. Any governing authority that desires to have
11 any portion of a city or unincorporated area of a county under
12 its control designated as an enhanced enterprise zone shall hold
13 a public hearing for the purpose of obtaining the opinion and
14 suggestions of those persons who will be affected by such
15 designation. The governing authority shall notify the director
16 of such hearing at least thirty days prior thereto and shall
17 publish notice of such hearing in a newspaper of general
18 circulation in the area to be affected by such designation at
19 least twenty days prior to the date of the hearing but not more
20 than thirty days prior to such hearing. Such notice shall state
21 the time, location, date, and purpose of the hearing. The
22 director, or the director's designee, shall attend such hearing.

23 2. After a public hearing is held as required in subsection
24 1 of this section, the governing authority may file a petition
25 with the department requesting the designation of a specific area

1 as an enhanced enterprise zone. Such petition shall include, in
2 addition to a description of the physical, social, and economic
3 characteristics of the area:

4 (1) A plan to provide adequate police protection within the
5 area;

6 (2) A specific and practical process for individual
7 businesses to obtain waivers from burdensome local regulations,
8 ordinances, and orders that serve to discourage economic
9 development within the area to be designated an enhanced
10 enterprise zone, except that such waivers shall not substantially
11 endanger the health or safety of the employees of any such
12 business or the residents of the area;

13 (3) A description of what other specific actions will be
14 taken to support and encourage private investment within the
15 area;

16 (4) A plan to ensure that resources are available to assist
17 area residents to participate in increased development through
18 self-help efforts and in ameliorating any negative effects of
19 designation of the area as an enhanced enterprise zone;

20 (5) A statement describing the projected positive and
21 negative effects of designation of the area as an enhanced
22 enterprise zone;

23 (6) A specific plan to provide assistance to any person or
24 business dislocated as a result of activities within the enhanced
25 enterprise zone. Such plan shall determine the need of

1 dislocated persons for relocation assistance; provide, prior to
2 displacement, information about the type, location, and price of
3 comparable housing or commercial property; provide information
4 concerning state and federal programs for relocation assistance
5 and provide other advisory services to displaced persons. Public
6 agencies may choose to provide assistance under the Uniform
7 Relocation and Real Property Acquisition Act, 42 U.S.C. section
8 4601, et seq., to meet the requirements of this subdivision; and

9 (7) A description or plan that demonstrates the
10 requirements of subsection 2 of section 135.1055.

11 3. An enhanced enterprise zone designation shall be
12 effective upon such approval by the department and shall expire
13 in twenty-five years.

14 4. Each designated enhanced enterprise zone board shall
15 report to the director on an annual basis regarding the status of
16 the zone and business activity within the zone.

17 135.1065. 1. Improvements made to "real property" as such
18 term is defined in section 137.010, RSMo, that are made in an
19 enhanced enterprise zone subsequent to the date such zone or
20 expansion to the zone was designated, may upon approval of an
21 authorizing resolution by the governing authority having
22 jurisdiction of the area in which the improvements are made be
23 exempt in whole or in part from assessment and payment of ad
24 valorem taxes of one or more affected political subdivisions.
25 This exemption shall become effective on the date on which such

1 improvements are assessed.

2 2. Such authorizing resolution shall specify the percent of
3 the exemption to be granted, the duration of the exemption to be
4 granted, and the political subdivisions to which such exemption
5 is to apply and any other terms, conditions, or stipulations
6 otherwise required. A copy of the resolution shall be provided
7 to the director within thirty calendar days following adoption of
8 the resolution by the governing authority.

9 3. No exemption shall be granted until the governing
10 authority holds a public hearing for the purpose of obtaining the
11 opinions and suggestions of residents of political subdivisions
12 to be affected by the exemption from property taxes. The
13 governing authority shall send by certified mail a notice of such
14 hearing to each political subdivision in the area to be affected
15 and shall publish notice of such hearing in a newspaper of
16 general circulation in the area to be affected by the exemption
17 at least twenty days prior to the hearing but not more than
18 thirty days prior to the hearing. Such notice shall state the
19 time, location, date, and purpose of the hearing.

20 4. Notwithstanding subsection 1 of this section, at least
21 one-half of the ad valorem taxes otherwise imposed on subsequent
22 improvements to real property located in an enhanced enterprise
23 zone shall become and remain exempt from assessment and payment
24 of ad valorem taxes of any political subdivision of this state or
25 municipality thereof for a period of not less than ten years

1 following the date such improvements were assessed, provided the
2 improved properties are used for enhanced business enterprises.

3 5. No exemption shall be granted for a period more than
4 twenty-five years following the date on which the improvements
5 were first assessed.

6 6. The provisions of subsection 1 of this section shall not
7 apply to improvements made to real property begun prior to August
8 28, 2004.

9 7. The abatement referred to in this section shall not
10 relieve the assessor or other responsible official from
11 ascertaining the amount of the equalized assessed value of all
12 taxable property annually as required by section 99.855, 99.957,
13 or 99.1042, RSMo, and shall not have the effect of reducing the
14 payments in lieu of taxes referred to in subdivision (2) of
15 subsection 1 of section 99.845, RSMo, subdivision (2) of
16 subsection 3 of section 99.957, RSMo, or subdivision (2) of
17 subsection 3 of section 99.1042, RSMo, unless such reduction is
18 set forth in the plan approved by the governing body of the
19 municipality under subdivision (1) of section 99.820, section
20 99.942, or section 99.1027, RSMo.

21 135.1070. 1. A taxpayer who establishes a new business
22 facility may, upon approval by the department, be allowed a
23 credit each tax year for up to ten tax years in an amount
24 determined as set forth in this section, against the tax imposed
25 by chapter 143, RSMo, excluding withholding tax imposed by

1 sections 143.191 to 143.265, RSMo. No taxpayer shall receive
2 multiple ten-year periods for subsequent expansions at the same
3 facility.

4 2. Notwithstanding any provision of law to the contrary,
5 any taxpayer who establishes a new business facility in an
6 enhanced enterprise zone and is awarded state tax credits under
7 this section shall not also receive tax credits under sections
8 135.100 to 135.150, sections 135.200 to 135.268, or section
9 135.535.

10 3. No credit shall be issued under this section unless:

11 (1) The number of new business facility employees engaged
12 or maintained in employment at the new business facility for the
13 taxable year for which the credit is claimed equals or exceeds
14 two; and

15 (2) The new business facility investment for the taxable
16 year for which the credit is claimed equals or exceeds one
17 hundred thousand dollars.

18 4. The annual amount of credits allowed for an approved
19 enhanced business enterprise shall be the lesser of:

20 (1) The annual amount authorized by the department for the
21 enhanced business enterprise, which shall be limited to the
22 projected state economic benefit, as determined by the
23 department; or

24 (2) The sum calculated based upon the following:

25 (a) A credit of four hundred dollars for each new business

1 facility employee employed within an enhanced enterprise zone;

2 (b) An additional credit of four hundred dollars for each
3 new business facility employee who is a resident of an enhanced
4 enterprise zone;

5 (c) An additional credit of four hundred dollars for each
6 new business facility employee who is paid by the enhanced
7 business enterprise a wage that exceeds the average wage paid
8 within the county in which the facility is located, as determined
9 by the department; and

10 (d) A credit equal to two percent of new business facility
11 investment within an enhanced enterprise zone.

12 5. In no event shall the department authorize more than
13 four million dollars annually to be issued for all enhanced
14 business enterprises.

15 6. If a facility, that does not constitute a new business
16 facility, is expanded by the taxpayer, the expansion shall be
17 considered eligible for the credit allowed by this section if:

18 (1) The taxpayer's new business facility investment in the
19 expansion during the tax period in which the credits allowed in
20 this section are claimed exceeds one hundred thousand dollars and
21 if the number of new business facility employees engaged or
22 maintained in employment at the expansion facility for the
23 taxable year for which credit is claimed equals or exceeds two,
24 and the total number of employees at the facility after the
25 expansion is at least two greater than the total number of

1 employees before the expansion; and

2 (2) The taxpayer's investment in the expansion and in the
3 original facility prior to expansion shall be determined in the
4 manner provided in subdivision (12) of section 135.1050.

5 7. The number of new business facility employees during any
6 taxable year shall be determined by dividing by twelve the sum of
7 the number of individuals employed on the last business day of
8 each month of such taxable year. If the new business facility is
9 in operation for less than the entire taxable year, the number of
10 new business facility employees shall be determined by dividing
11 the sum of the number of individuals employed on the last
12 business day of each full calendar month during the portion of
13 such taxable year during which the new business facility was in
14 operation by the number of full calendar months during such
15 period. For the purpose of computing the credit allowed by this
16 section in the case of a facility that qualifies as an expanded
17 business facility under subsection 6 of this section, and in the
18 case of a new business facility that satisfies the requirements
19 of paragraph (c) of subdivision (12) of section 135.1050, or
20 subdivision (14) of section 135.1050, the number of new business
21 facility employees at such facility shall be reduced by the
22 average number of individuals employed computed as provided in
23 this subsection at the facility during the taxable year
24 immediately preceding the taxable year in which such expansion,
25 acquisition, or replacement occurred and shall further be reduced

1 by the number of individuals employed by the taxpayer or related
2 taxpayer that was subsequently transferred to the new business
3 facility from another Missouri facility and for which credits
4 authorized in this section are not being earned, whether such
5 credits are earned because of an expansion, acquisition,
6 relocation, or the establishment of a new facility.

7 8. In the case where a new business facility employee who
8 is a resident of an enhanced enterprise zone for less than a
9 twelve-month period is employed for less than a twelve-month
10 period, the credit allowed by paragraph (b) of subdivision (2) of
11 subsection 4 of this section shall be determined by multiplying
12 four hundred dollars by a fraction, the numerator of which is the
13 number of calendar days during the taxpayer's tax year for which
14 such credits are claimed, in which the employee was a resident of
15 an enhanced enterprise zone, and the denominator of which is
16 three hundred sixty-five.

17 9. For the purpose of computing the credit allowed by this
18 section in the case of a facility that qualifies as a new
19 business facility under subsection 6 of this section, and in the
20 case of a new business facility that satisfies the requirements
21 of paragraph (c) of subdivision (12) or subdivision (16) of
22 section 135.1050, the amount of the taxpayer's new business
23 facility investment in such facility shall be reduced by the
24 average amount, computed as provided in subdivision (14) of
25 section 135.1050 for new business facility investment, of the

1 investment of the taxpayer, or related taxpayer immediately
2 preceding such expansion or replacement or at the time of
3 acquisition. In addition, the amount of the taxpayer's new
4 business facility investment shall be reduced by the amount of
5 investment employed by the taxpayer or related taxpayer that was
6 subsequently transferred to the new business facility from
7 another Missouri facility and for which credits authorized in
8 this section are not being earned, whether such credits are
9 earned because of an expansion, acquisition, relocation, or the
10 establishment of a new facility.

11 10. For a taxpayer with flow-through tax treatment to its
12 members, partners, or shareholders, the credit shall be allowed
13 to members, partners, or shareholders in proportion to their
14 share of ownership on the last day of the taxpayer's tax period.

15 11. Credits may not be carried forward but shall be claimed
16 for the taxable year during which commencement of commercial
17 operations occurs at such new business facility, and for each of
18 the nine succeeding taxable years for which the credit is issued.

19 12. Certificates of tax credit authorized by this section
20 may be transferred, sold, or assigned by filing a notarized
21 endorsement thereof with the department that names the
22 transferee, the amount of tax credit transferred, and the value
23 received for the credit, as well as any other information
24 reasonably requested by the department. The sale price cannot be
25 less than seventy-five percent of the par value of such credits.

1 13. The director of revenue shall issue a refund to the
2 taxpayer to the extent that the amount of credits allowed in this
3 section exceeds the amount of the taxpayer's income tax.

4 135.1075. The department may adopt such rules, statements
5 of policy, procedures, forms, and guidelines as may be necessary
6 to carry out the provisions of sections 135.1050 to 135.1070.
7 Any rule or portion of a rule, as that term is defined in section
8 536.010, RSMo, that is created under the authority delegated in
9 this section shall become effective only if it complies with and
10 is subject to all of the provisions of chapter 536, RSMo, and, if
11 applicable, section 536.028, RSMo. This section and chapter 536,
12 RSMo, are nonseverable and if any of the powers vested with the
13 general assembly under chapter 536, RSMo, to review, to delay the
14 effective date, or to disapprove and annul a rule are
15 subsequently held unconstitutional, then the grant of rulemaking
16 authority and any rule proposed or adopted after August 28, 2004,
17 shall be invalid and void.

18 135.1077. Under section 23.253, RSMo, of the Missouri
19 Sunset Act:

20 (1) The provisions of the new program authorized under
21 sections 135.1055 to 135.1075 shall automatically sunset six
22 years after the effective date of sections 135.1055 to 135.1075
23 unless reauthorized by an act of the general assembly; and

24 (2) If such program is reauthorized, the program authorized
25 under sections 135.1055 to shall automatically sunset twelve

1 years after the effective date of the reauthorization of sections
2 135.1055 to 135.1075; and

3 (3) Sections 135.1055 to 135.1075 shall terminate on
4 September first of the calendar year immediately following the
5 calendar year in which the program authorized under sections
6 135.1055 to 135.1075 is sunset.

7 178.980. As used in sections 178.980 to 178.985, the
8 following terms mean:

9 (1) "Agreement", the agreement between an employer and a
10 junior college district concerning a project. An agreement may
11 be for a period not to exceed ten years when the program services
12 associated with a project are not in excess of five hundred
13 thousand dollars. For a project where the associated program
14 costs are greater than five hundred thousand dollars, the
15 agreement may not exceed a period of eight years;

16 (2) "Board of trustees", the board of trustees of a junior
17 college district;

18 (3) "Capital investment", an investment in research and
19 development, working capital, and real and tangible personal
20 business property except inventory or property intended for sale
21 to customers. Trucks, truck trailers, truck semi-trailers, rail
22 and barge vehicles and other rolling stock for hire, track,
23 switches, barges, bridges, tunnels, rail yards, and spurs shall
24 not qualify as a capital investment. The amount of such
25 investment shall be the original cost of the property if owned,

1 or eight times the net annual rental rate if leased;

2 (4) "Certificate", industrial retained jobs training
3 certificates issued under section 178.983;

4 (5) "Date of commencement of the project", the date of the
5 agreement;

6 (6) "Employee", the person employed in a retained job;

7 (7) "Employer", the person maintaining retained jobs in
8 conjunction with a project;

9 (8) "Industry", a business located within this state which
10 enters into an agreement with a community college district and
11 which is engaged in interstate or intrastate commerce for the
12 purpose of manufacturing, processing, or assembling products,
13 conducting research and development, or providing services in
14 interstate commerce, but excluding retail services;

15 (9) "Program costs", all necessary and incidental costs of
16 providing program services, including payment of the principal,
17 premium, and interest on certificates, including capitalized
18 interest, issued to finance a project, funding and maintenance of
19 a debt service reserve fund to secure such certificates and
20 wages, salaries and benefits of employees participating in on-
21 the-job training;

22 (10) "Program services" includes, but is not limited to,
23 the following:

24 (a) Retained jobs training;

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

1 (c) Vocational and skill-assessment services and testing;

2 (d) Training facilities, equipment, materials, and
3 supplies;

4 (e) On-the-job training;

5 (f) Administrative expenses equal to seventeen percent of
6 the total training costs, two percent to be paid to the
7 department of economic development for deposit into the Missouri
8 job development fund created under section 620.478, RSMo;

9 (g) Subcontracted services with state institutions of
10 higher education, private colleges or universities, or other
11 federal, state, or local agencies;

12 (h) Contracted or professional services; and

13 (i) Issuance of certificates;

14 (11) "Project", a training arrangement which is the subject
15 of an agreement entered into between the community college
16 district and an employer to provide program services that is not
17 also the subject of an agreement entered into between a community
18 college district and an employer to provide program services
19 under sections 178.892 to 178.896;

20 (12) "Retained job", a job in a stable industry, not
21 including jobs for recalled workers, which was in existence for
22 at least two consecutive calendar years preceding the year in
23 which the application for the retained jobs training program was
24 made;

25 (13) "Retained jobs credit from withholding", the credit as

1 provided in section 178.982;

2 (14) "Retained jobs training program", or "program", the
3 project or projects established by a community college district
4 for the retention of jobs, by providing education and training of
5 workers for existing jobs for stable industry in the state;

6 (15) "Stable industry", a business that otherwise meets the
7 definition of industry and retains existing jobs. To be a stable
8 industry, the business shall have:

9 (a) Maintained at least one hundred employees per year at
10 the employer's site in the state at which the jobs are based, for
11 each of the two calendar years preceding the year in which
12 application for the program is made;

13 (b) Retained at that site the level of employment that
14 existed in the taxable year immediately preceding the year in
15 which application for the program is made; and

16 (c) Made or agree to make a capital investment aggregating
17 at least one million dollars to acquire or improve long-term
18 assets (including leased facilities) such as property, plant, or
19 equipment (excluding program costs) at the employer's site in the
20 state at which jobs are based over a period of three consecutive
21 calendar years, as certified by the employer and:

22 a. Have made substantial investment in new technology
23 requiring the upgrading of worker's skills; or

24 b. Be located in a border county of the state and represent
25 a potential risk of relocation from the state; or

1 c. Be determined to represent a substantial risk of
2 relocation from the state by the director of the department of
3 economic development;

4 (16) "Total training costs", costs of training, including
5 supplies, wages and benefits of instructors, subcontracted
6 services, on-the-job training, training facilities, equipment,
7 skill assessment, and all program services excluding issuance of
8 certificates.

9 178.981. A community college district, with the approval of
10 the department of economic development in consultation with the
11 office of administration, may enter into an agreement to
12 establish a project and provide program services to an employer.
13 As soon as possible after initial contact between a community
14 college district and a potential employer regarding the
15 possibility of entering into an agreement, the district shall
16 inform the division of workforce development of the department of
17 economic development and the office of administration about the
18 potential project. The division of workforce development shall
19 evaluate the proposed project within the overall job training
20 efforts of the state to ensure that the project will not
21 duplicate other job training programs. The department of
22 economic development shall have fourteen days from receipt of the
23 application to approve or disapprove projects. If no response is
24 received by the community college within fourteen days, the
25 projects are approved. Any project that is disapproved must be

1 in writing stating the reasons for the disapproval. If an
2 agreement is entered into, the district and the employer shall
3 notify the department of revenue within fifteen calendar days.
4 An agreement may provide, but is not limited to:

5 (1) Payment of program costs, including deferred costs,
6 which may be paid from one or a combination of the following
7 sources:

8 (a) Funds appropriated by the general assembly from the
9 Missouri community college job retention program fund and
10 disbursed by the division of workforce development in respect of
11 retained jobs credit from withholding to be received or derived
12 from retained employment resulting from the project;

13 (b) Tuition, student fees, or special charges fixed by the
14 board of trustees to defray program costs in whole or in part;

15 (c) Guarantee of payments to be received under paragraph
16 (a) or (b) of this subdivision;

17 (2) Payment of program costs shall not be deferred for a
18 period longer than ten years if program costs do not exceed five
19 hundred thousand dollars, or eight years if program costs exceed
20 five hundred thousand dollars from the date of commencement of
21 the project;

22 (3) Costs of on-the-job training for employees shall
23 include wages or salaries of participating employees. Payments
24 for on-the-job training shall not exceed the average of fifty
25 percent of the total percent of the total wages paid by the

1 employer to each participant during the period of training.
2 Payment for on-the-job training may continue for up to six months
3 from the date of the employer's capital investment;

4 (4) A provision which fixes the minimum amount of retained
5 jobs credit from withholding, or tuition and fee payments which
6 shall be paid for program costs;

7 (5) Any payment required to be made by an employer is a
8 lien upon the employer's business property until paid and has
9 equal precedence with ordinary taxes and shall not be divested by
10 a judicial sale. Property subject to the lien may be sold for
11 sums due and delinquent at a tax sale, with the same forfeitures,
12 penalties, and consequences as for the nonpayment of ordinary
13 taxes. The purchasers at tax sale obtain the property subject to
14 the remaining payments.

15 178.982. If an agreement provides that all or part of
16 program costs are to be met by receipt of retained jobs credit
17 from withholding, such retained jobs credit from withholding
18 shall be determined and paid as follows:

19 (1) Retained jobs credit from withholding shall be based
20 upon the wages paid to the employees in the retained jobs;

21 (2) A portion of the total payments made by the employer
22 under section 143.221, RSMo, shall be designated as the retained
23 jobs credit from withholding. Such portion shall be an amount
24 equal to two and one-half percent of the gross wages paid by the
25 employer for each of the first one hundred jobs included in the

1 project and one and one-half percent of the gross wages paid by
2 the employer for each of the remaining jobs included in the
3 project. If business or employment conditions cause the amount
4 of the retained jobs credit from withholding to be less than the
5 amount projected in the agreement for any time period, then other
6 withholding tax paid by the employer under section 143.221, RSMo,
7 shall be credited to the Missouri junior college retained job
8 training fund by the amount of such difference. The employer
9 shall remit the amount of the retained jobs credit to the
10 department of revenue in the manner prescribed in section
11 178.984. When all program costs, including the principal,
12 premium, and interest on the certificates have been paid, the
13 employer credits shall cease;

14 (3) The community college district participating in a
15 project shall establish a special fund for and in the name of the
16 project. All funds appropriated by the general assembly from the
17 Missouri community college job training retention program fund
18 and disbursed by the division of workforce development for the
19 project and other amounts received by the district in respect of
20 the project and required by the agreement to be used to pay
21 program costs for the project shall be deposited in the special
22 fund. Amounts held in the special fund may be used and disbursed
23 by the district only to pay program costs for the project. The
24 special fund may be divided into such accounts and subaccounts as
25 shall be provided in the agreement, and amounts held therein may

1 be invested in investments which are legal for the investment of
2 the district's other funds;

3 (4) Any disbursement in respect of a project received from
4 the division of workforce development under sections 178.980 to
5 178.985 and the special fund into which it is paid may be
6 irrevocably pledged by a junior college district for the payment
7 of the principal, premium, and interest on the certificate issued
8 by a junior college district to finance or refinance, in whole or
9 in part, the project;

10 (5) The employer shall certify to the department of revenue
11 that the credit from withholding is in accordance with an
12 agreement and shall provide other information the department may
13 require;

14 (6) An employee participating in a project will receive
15 full credit for the amount designated as a retained jobs credit
16 from withholding and withheld as provided in section 143.221,
17 RSMo;

18 (7) If an agreement provides that all or part of program
19 costs are to be met by receipt of retained jobs credit from
20 withholding, the provisions of this subsection shall also apply
21 to any successor to the original employer until such time as the
22 principal and interest on the certificates have been paid.

23 178.983. 1. To provide funds for the present payment of
24 the costs of retained jobs training programs, a community college
25 district may borrow money and issue and sell certificates payable

1 from a sufficient portion of the future receipts of payments
2 authorized by the agreement including disbursements from the
3 Missouri community college job retention training program to the
4 special fund established by the district for each project. The
5 total amount of outstanding certificates sold by all junior
6 college districts shall not exceed fifteen million dollars,
7 unless an increased amount is authorized in writing by a majority
8 of members of the Missouri job training joint legislative
9 oversight committee. The certificates shall be marketed through
10 financial institutions authorized to do business in Missouri.
11 The receipts shall be pledged to the payment of principal of and
12 interest on the certificates. Certificates may be sold at public
13 sale or at private sale at par, premium, or discount of not less
14 than ninety-five percent of the par value thereof, at the
15 discretion of the board of trustees, and may bear interest at
16 such rate or rates as the board of trustees shall determine,
17 notwithstanding the provisions of section 108.170, RSMo, to the
18 contrary. However, chapter 176, RSMo, does not apply to the
19 issuance of these certificates. Certificates may be issued with
20 respect to a single project or multiple projects and may contain
21 terms or conditions as the board of trustees may provide by
22 resolution authorizing the issuance of the certificates.

23 2. Certificates issued to refund other certificates may be
24 sold at public sale or at private sale as provided in this
25 section with the proceeds from the sale to be used for the

1 payment of the certificates being refunded. The refunding
2 certificates may be exchanged in payment and discharge of the
3 certificates being refunded, in installments at different times
4 or an entire issue or series at one time. Refunding certificates
5 may be sold or exchanged at any time on, before, or after the
6 maturity of the outstanding certificates to be refunded. They
7 may be issued for the purpose of refunding a like, greater, or
8 lesser principal amount of certificates and may bear a higher,
9 lower, or equivalent rate of interest than the certificates being
10 renewed or refunded.

11 3. Before certificates are issued, the board of trustees
12 shall publish once a notice of its intention to issue the
13 certificates, stating the amount, the purpose, and the project or
14 projects for which the certificates are to be issued. A person
15 may, within fifteen days after the publication of the notice, by
16 action in the circuit court of a county in the district, appeal
17 the decision of the board of trustees to issue the certificates.
18 The action of the board of trustees in determining to issue the
19 certificates is final and conclusive unless the circuit court
20 finds that the board of trustees has exceeded its legal
21 authority. An action shall not be brought which questions the
22 legality of the certificates, the power of the board of trustees
23 to issue the certificates, the effectiveness of any proceedings
24 relating to the authorization of the project, or the
25 authorization and issuance of the certificates from and after

1 fifteen days from the publication of the notice of intention to
2 issue.

3 4. The board of trustees shall make a finding based on
4 information supplied by the employer that revenues provided in
5 the agreement are sufficient to secure the faithful performance
6 of obligations in the agreement.

7 5. Certificates issued under this section shall not be
8 deemed to be an indebtedness of the state or the community
9 college district or of any other political subdivision of the
10 state, and the principal and interest on such certificates shall
11 be payable only from the sources provided in subdivision (1) of
12 section 178.981 which are pledged in the agreement.

13 6. The department of economic development shall coordinate
14 the retained jobs training program, and may promulgate rules that
15 districts will use in developing projects with industrial
16 retained jobs training proposals which shall include rules
17 providing for the coordination of such proposals with the service
18 delivery areas established in the state to administer federal
19 funds pursuant to the federal Workforce Investment Act. No rule
20 or portion of a rule promulgated pursuant to the authority of
21 this section shall become effective unless it has been
22 promulgated pursuant to chapter 536, RSMo.

23 7. No community college district may sell certificates as
24 described in this section after July 1, 2014.

25 178.984. 1. There is hereby established within the state

1 treasury a special fund, to be known as the "Missouri Community
2 College Job Retention Training Program Fund", to be administered
3 by the division of workforce development. The department of
4 revenue shall credit to the community college job retention
5 training program fund, as received, all retained jobs credit from
6 withholding remitted by employers pursuant to section 178.982.
7 The fund shall also consist of any gifts, contributions, grants,
8 or bequests received from federal, private, or other sources.
9 The general assembly, however, shall not provide for any transfer
10 of general revenue funds into the community college job retention
11 training program fund. Moneys in the Missouri community college
12 job retention training program fund shall be disbursed to the
13 division of workforce development pursuant to regular
14 appropriations by the general assembly. The division shall
15 disburse such appropriated funds in a timely manner into the
16 special funds established by community college districts for
17 projects, which funds shall be used to pay program costs,
18 including the principal, premium, and interest on certificates
19 issued by the district to finance or refinance, in whole or in
20 part, a project. Such disbursements by the division of workforce
21 development shall be made to the special fund for each project in
22 the same proportion as the retained jobs credit from withholding
23 remitted by the employer participating in such project bears to
24 the total retained jobs credit from withholding remitted by all
25 employers participating in projects during the period for which

1 the disbursement is made. Moneys for retained jobs training
2 programs established under sections 178.980 to 178.985 shall be
3 obtained from appropriations made by the general assembly from
4 the Missouri community college job retention training program
5 fund. All moneys remaining in the Missouri community college job
6 retention training program fund at the end of any fiscal year
7 shall not lapse to the general revenue fund, as provided in
8 section 33.080, RSMo, but shall remain in the Missouri community
9 college job retention training program fund.

10 2. The department of revenue shall develop such forms as
11 are necessary to demonstrate accurately each employer's retained
12 jobs credit from withholding paid into the Missouri community
13 college job retention training program fund. The retained jobs
14 credit from withholding shall be accounted as separate from the
15 normal withholding tax paid to the department of revenue by the
16 employer. Reimbursements made by all employers to the Missouri
17 community college job retention training program fund shall be no
18 less than all allocations made by the division of workforce
19 development to all community college districts for all job
20 retention projects. The employer shall remit the amount of the
21 retained job credit to the department of revenue in the same
22 manner as provided in sections 143.191 to 143.265, RSMo.

23 178.985. Pursuant to section 23.253, RSMo, of the Missouri
24 Sunset Act:

25 (1) The provisions of the new program authorized under

1 sections 178.980 to 178.985 shall automatically sunset six years
2 after the effective date of sections 178.980 to 178.985 unless
3 reauthorized by an act of the general assembly; and

4 (2) If such program is reauthorized, the program authorized
5 under sections 178.980 to 178.985 shall automatically sunset four
6 years after the effective date of the reauthorization of sections
7 178.980 to 178.985; and

8 (3) Sections 178.980 to 178.985 shall terminate on
9 September first of the calendar year immediately following the
10 calendar year in which the program authorized under sections
11 178.980 to 178.985 is sunset.

12 196.1104. 1. Beginning in fiscal year 2007, the president
13 of any public university in the state of Missouri shall be
14 authorized to present to the life sciences research board on
15 behalf of any campus within the its system:

16 (1) A commitment from any budgetary sources other than the
17 state, including but not limited to private, federal, earned
18 income, or other sources, to pay to the public university a
19 minimum of two million dollars as an endowment or one hundred
20 thousand dollars a year for a minimum of twenty years toward the
21 funding of an academic position within the health and life
22 sciences fields, to be designated as an "Endowed Life Sciences
23 Research Chair (ELSRC)"; and

24 (2) A commitment from the university, including any of its
25 separate campuses, to pay a minimum of one hundred thousand

1 dollars each year for the ELSRC position described in subdivision
2 (1) of this subsection for the same length of payment term for
3 which the budgetary sources other than the state have committed
4 to under subdivision (1) of this subsection for the ELSRC
5 position;

6 (3) Following the commitments in subdivisions (1) and (2)
7 of this subsection have been made, the life sciences research
8 board shall review the commitments and subject to board approval
9 shall pay to the university from the life sciences research trust
10 fund one hundred thousand dollars each year for the same payment
11 term committed to by budgetary sources other than the state under
12 subdivision (1) of this subsection toward the funding of the
13 ELSRC position. The life sciences research board shall also
14 commit from the life sciences research fund a one-time
15 disbursement of research and programmatic start-up moneys of five
16 hundred thousand dollars over a two-year period beginning with
17 the hiring of the ELSRC position. Such one-time disbursement
18 shall include, and not be in addition to, the one hundred
19 thousand dollar a year payment authorized under this subdivision.

20 The commitments in subdivisions (1) and (2) of this subsection
21 shall be evidenced by a notarized letter of intent and the
22 establishment of an escrow account containing at least ten
23 percent of the total commitment of moneys by the nonstate entity
24 or university under this subsection.

1 2. The life sciences research board shall not be required
2 to provide the matching moneys described in subdivision (3) of
3 subsection 1 of this section in an amount exceeding ten million
4 dollars in any single fiscal year. If at any time the commitment
5 of moneys in subdivisions (1) and (2) of subsection 1 of this
6 section are not fulfilled by either the nonstate entity or the
7 university, the commitment of moneys under subdivision (3) of
8 subsection 1 of this section by life sciences research board
9 shall terminate.

10 3. When the president of any public university of this
11 state receives the commitments from budgetary sources other than
12 the state under subdivision (1) of subsection 1 of this section
13 from a campus of the university, the life sciences research board
14 or, if the funding commitment is made prior to the appointment of
15 any member of the board, the president of the university shall
16 take note thereon of the date and time of the receipt of such
17 funding commitment and the life sciences research board shall
18 provide its matching moneys under subdivision (3) of subsection 1
19 of this section for ELSRC positions in the order in which funding
20 commitments are received.

21 4. Any public university of this state, or any other
22 qualified entity that has a formal contract with such public
23 university of this state for such purposes, shall hold the
24 matching moneys provided by the life sciences research board for
25 the funding of an ELSRC position and any life sciences research

1 conducted under the direction of the ELSRC and shall not spend,
2 loan, or encumber such matching moneys for any other purpose.

3 5. Within ninety days of receipt of the commitments in
4 subsection 1 of this section and annually thereafter, any public
5 or private entity may submit a proposal for life sciences
6 research to be conducted under the direction of an ELSCR funded
7 by this section. Commitments made under subdivisions (1) and (2)
8 of subsection 1 of this section may be made in conjunction with
9 such entities desiring to submit proposals under this subsection.
10 The life sciences research board shall establish criteria for
11 selecting proposals competitively.

12 6. Any moneys withdrawn from the life sciences research
13 trust fund but not expended under this section shall be
14 distributed in accordance with the provisions of sections
15 196.1100 to 196.1130.

16 [620.1400. Sections 620.1400 to
17 620.1460 shall be known and may be cited as
18 the "Missouri Individual Training Account
19 Program Act" and its provisions shall be
20 effective only within distressed communities
21 as defined by section 135.530, RSMo.]

22 [620.1410. There is hereby established
23 an "Individual Training Account Program"
24 within the department of economic
25 development. Job training and retraining
26 activities conducted pursuant to the
27 provisions of sections 620.1400 to 620.1460
28 shall be directed to employee advancement,
29 where jobs are linked to training before the
30 training commences, and shall emphasize
31 upgrade training where current or potential
32 employers, by means of educational programs,
33 provide existing employees with training for
34 higher skilled positions. Job training

1 activities provided pursuant to the
2 provisions of the individual training account
3 program shall attempt to prepare employed
4 workers, including those with obsolete or
5 inadequate job skills, for positions that
6 remain unfilled or that may be created by
7 current or potential employers.]

8 [620.1420. As used in sections 620.1400
9 to 620.1460, the following terms mean:

10 (1) "Costs of classroom training", the
11 normal costs incurred in the provision of
12 classroom training which may also include
13 specifically identified costs incurred for
14 instructors, classroom space and facilities,
15 administrative support services, and directly
16 related expenses, that together do not exceed
17 the amount normally allowed for support of
18 vocational and technical classes;

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

21 (3) "Employee", a full-time or
22 part-time employed worker whose salary is
23 equal to or less than two hundred percent of
24 the federal poverty level;

25 (4) "Employee upgrade training", the
26 progressive development of skills associated
27 with the defined set of work processes. Such
28 training shall be consistent with a career
29 pattern of advancement, as measured by skill
30 proficiency and the progressive earnings and
31 related benefits, that are recognized within
32 an occupation, trade or industry;

33 (5) "Individual training account", an
34 account funded by the tax credits provided
35 for in section 620.1440 for the provision of
36 employee upgrade training to employees
37 through their participation in classroom
38 training provided by educational
39 institutions;

40 (6) "Local educational institution", a
41 publicly funded or privately funded local
42 educational institution which is certified by
43 a recognized accrediting association as
44 capable of providing adequate classroom
45 training to accomplish the purpose of
46 sections 620.1400 to 620.1460.]

47 [620.1430. 1. A Missouri employer who
48 desires to participate in the individual

1 training account program shall provide the
2 department of economic development with
3 notification of intent to participate. The
4 notification shall include, but need not be
5 limited to, the names and occupations of
6 employees whom the employer has selected to
7 be trained, whether or not the employees are
8 currently working for the employer, the name
9 of the local educational institution that
10 will provide the training, and a brief
11 description of the training to be given by
12 the institution.

13 2. The employer shall have complete
14 discretion in the selection of the local
15 educational institution or institutions to
16 provide training and shall be responsible for
17 the payment of the costs of classroom
18 training.]

19
20 [620.1440. 1. Employers may be
21 reimbursed for the costs of training provided
22 pursuant to the provisions of the individual
23 training account program. Such reimbursement
24 shall be in the form of tax credits as
25 authorized in subsection 2 of this section.
26 The tax credits may be claimed for courses
27 provided in no more than two calendar years
28 for each employee. For each year, the
29 maximum amount of credit per employee which
30 can be certified by the department of
31 economic development shall be the lesser of
32 fifty percent of the costs of classroom
33 training or one thousand five hundred
34 dollars.

35 2. Tax credits may be claimed against
36 any liability incurred by the employer
37 pursuant to the provisions of chapter 143,
38 RSMo, and chapter 148, RSMo, exclusive of the
39 provisions relating to the withholding of tax
40 as provided for in sections 143.191 to
41 143.265, RSMo. Earned tax credits may be
42 carried forward for a period not to exceed
43 five years and may be sold or transferred.

44 3. No claim for tax credits submitted
45 to the department by an employer shall be
46 certified until the employer provides
47 documentation that an employee has
48 successfully completed the employee's course
49 training and has been employed by the
50 employer in a new, full-time position for a

1 period of at least three months. It must be
2 demonstrated satisfactorily to the department
3 that the new position in which the employee
4 located is an upgrade in employment, in terms
5 of salary and responsibilities, from the
6 previously held position. All such increases
7 in salary shall be in addition to normal
8 cost-of-living increases provided for in
9 authorized labor-management contracts. If
10 the employee was previously employed in a
11 part-time position, the base salary for the
12 position shall be calculated as if it were a
13 full-time position.]

14
15 [620.1450. The maximum amount of tax
16 credits allowable pursuant to the provisions
17 of the individual training account program
18 shall not annually exceed six million
19 dollars.]

20
21 [620.1460. The department of economic
22 development may promulgate necessary rules
23 and regulations to carry out the provisions
24 of sections 620.1400 to 620.1460. No rule or
25 portion of a rule promulgated pursuant to the
26 authority of sections 620.1400 to 620.1460
27 shall become effective unless it has been
28 promulgated pursuant to the provisions of
29 chapter 536, RSMo.]

30
31 [620.1560. 1. For purposes of this
32 section, the following terms mean:

33 (1) "Department", the department of
34 economic development;

35 (2) "Disadvantaged", an individual
36 shall be considered disadvantaged and
37 eligible to participate in the program if
38 such individual meets any one of the
39 following elements:

40 (a) The family income is at or below
41 one hundred fifty percent of the poverty
42 line;

43 (b) The individual is receiving public
44 support for the care of a foster child;

45 (c) The individual faces serious
46 barriers to employment including displaced
47 homemakers; dislocated workers; veterans; or
48 individuals who possess outdated skills;

49 (3) "Program", the mature worker child
50 care program.

1 2. There is hereby established within
2 the department of economic development a
3 program to be known as the "Mature Worker
4 Child Care Program". The program will
5 administer a statewide community service, in
6 cooperation with the neighborhood assistance
7 program, to enroll disadvantaged individuals,
8 who are fifty years of age or older, to work
9 in child-care assignments. Enrollees may
10 include qualified individuals who are
11 currently participating in existing community
12 service programs.

13 3. The department shall solicit
14 proposals from organizations seeking to
15 contract to supervise the participants.
16 Organizations that are awarded a contract
17 will be responsible for recruiting and
18 training participants, locating child-care
19 assignments, and paying participants.
20 Contract proposals shall include:

21 (1) A requirement that participants in
22 the program be paid the federal minimum wage;

23 (2) A process that allows participants
24 to work an average of twenty-four hours a
25 week for public and not-for-profit day care
26 providers and for school latch-key programs
27 that provide before- and after-school care;

28 (3) A description of the range of
29 services to be performed by program
30 participants, including, but not limited to,
31 child care, food preparation, transportation,
32 activity coordination, and clerical duties;

33 (4) A requirement that the
34 participating facilities provide proof of
35 required licensure under sections 210.201 to
36 210.259, RSMo, with the exception of the
37 public school system.

38 4. The program shall be implemented by
39 July 1, 2000, and shall be funded through
40 general revenue funds with no more than
41 twelve percent of the funds to be used for
42 administrative purposes.

43 5. In addition to tax credits currently
44 available under the neighborhood assistance
45 program, a participating facility shall be
46 allowed a credit against the tax imposed by
47 chapter 143, RSMo, excluding withholding tax
48 imposed by sections 143.191 to 143.265, RSMo,
49 and chapter 147, 148 or 153, RSMo, pursuant
50 to this section. The amount of tax credit

1 claimed shall not exceed the amount of the
2 taxpayer's state tax liability for the
3 taxable year that the credit is claimed.
4 Taxpayers eligible for such tax credit may
5 transfer, sell or assign them. Individual
6 salaries up to ten thousand dollars per
7 program participant each taxable year are
8 eligible for the tax credit which shall not
9 exceed twenty-five percent of the eligible
10 salary amount. Total tax credits taken
11 through the program shall not exceed two
12 million dollars.

13 6. The department of economic
14 development shall verify all tax credit
15 claims by participating facilities. The tax
16 credit allowed by this section shall apply to
17 all taxable years beginning after December
18 31, 1999.

19 7. Subject to appropriations and to the
20 provisions of chapter 34, RSMo, the oversight
21 division of the committee on legislative
22 research shall award up to thirty thousand
23 dollars every two years for an independent
24 evaluation of the program. Based on this
25 program evaluation, the department shall
26 provide a comprehensive report on the program
27 to the speaker of the house and the president
28 pro tem of the senate by March first of each
29 year, beginning in 2001.]