

FIRST REGULAR SESSION

# HOUSE BILL NO. 135

## 93RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES RICHARD (Sponsor), HOBBS, WILDBERGER, PEARCE,  
YATES, WILSON (119), MOORE AND LEMBKE (Co-sponsors).

Pre-filed December 29, 2004 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

0390L.011

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### AN ACT

To repeal section 100.710, RSMo, and to enact in lieu thereof one new section relating to business use incentives.

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

Section A. Section 100.710, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 100.710, to read as follows:

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

- 2 (1) "Assessment", an amount of up to five percent of the gross wages paid in one year  
3 by an eligible industry to all eligible employees in new jobs, or up to ten percent if the economic  
4 development project is located within a distressed community as defined in section 135.530,  
5 RSMo;
- 6 (2) "Board", the Missouri development finance board as created by section 100.265;
- 7 (3) "Certificates", the revenue bonds or notes authorized to be issued by the board  
8 pursuant to section 100.840;
- 9 (4) "Credit", the amount agreed to between the board and an eligible industry, but not  
10 to exceed the assessment attributable to the eligible industry's project;
- 11 (5) "Department", the Missouri department of economic development;
- 12 (6) "Director", the director of the department of economic development;
- 13 (7) "Economic development project":  
14 (a) The acquisition of any real property by the board, the eligible industry, or its affiliate;
- 15 or

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

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

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

27 (8) "Eligible employee", a person employed on a full-time basis in a new job at the  
28 economic development project averaging at least thirty-five hours per week who was not  
29 employed by the eligible industry or a related taxpayer in this state at any time during the  
30 twelve-month period immediately prior to being employed at the economic development project.  
31 For an essential industry, a person employed on a full-time basis in an existing job at the  
32 economic development project averaging at least thirty-five hours per week may be considered  
33 an eligible employee for the purposes of the program authorized by sections 100.700 to 100.850;

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

51 (a) Invest a minimum of fifteen million dollars, or ten million dollars for an office

52 industry, in an economic development project; and

53 (b) Create a minimum of one hundred new jobs for eligible employees at the economic  
54 development project or a minimum of five hundred jobs if the economic development project  
55 is an office industry or a minimum of two hundred new jobs if the economic development project  
56 is an office industry located within a distressed community as defined in section 135.530, RSMo,  
57 or in the case of an approved company for a project for a world headquarters of a business whose  
58 primary function is tax return preparation in any home rule city with more than four hundred  
59 thousand inhabitants and located in more than one county, create a minimum of one hundred new  
60 jobs for eligible employees at the economic development project. An industry that meets the  
61 definition of "essential industry" may be considered an eligible industry for the purposes of the  
62 program authorized by sections 100.700 to 100.850;

63

64 **A development agency, as such term is defined in section 100.255, or a corporation, limited**  
65 **liability company, or partnership formed on behalf of a development agency, at the option**  
66 **of the board, may be authorized to act as an eligible industry with such obligations and**  
67 **rights otherwise applicable to an eligible industry, including the rights of an approved**  
68 **company under section 100.850, so long as the development agency, corporation, limited**  
69 **liability company, or partnership otherwise meets the requirements imposed by subdivision**  
70 **(9) of this section;**

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

73 (a) Be a targeted industry;

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

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

81 (d) For the duration of the certificates, retain at the proposed economic development  
82 project site the level of employment that existed at the site in the taxable year immediately  
83 preceding the year in which application for the program authorized by sections 100.700 to  
84 100.850 is made; and

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

87 (11) "New job", a job in a new or expanding eligible industry not including jobs of

88 recalled workers, replacement jobs or jobs that formerly existed in the eligible industry in the  
89 state. For an essential industry, an existing job may be considered a new job for the purposes of  
90 the program authorized by sections 100.700 to 100.850;

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

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

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

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

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

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

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

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

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

116 (15) "Targeted industry", an industry or one of a cluster of industries that is identified  
117 by the department as critical to the state's economic security and growth and affirmed as such by  
118 the joint committee on economic development policy and planning established in section  
119 620.602, RSMo.