

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 135
93RD GENERAL ASSEMBLY

Reported from the Committee on Economic Development, Tourism and Local Government, April 21, 2005, with recommendation that the Senate Committee Substitute do pass.

0390S.04C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 99.960, 100.710, 135.284, and 144.049, RSMo, section 99.845, as enacted by conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 289, ninety-second general assembly, first regular session and senate bill no. 235, ninety-second general assembly, first regular session, section 99.845 as enacted by senate committee substitute for senate bill no. 620, ninety-second general assembly, first regular session, section 100.840, as enacted by senate committee substitute for senate bill no. 620, ninety-second general assembly, first regular session, section 100.850, as enacted by conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 1182, ninety-second general assembly, second regular session, section 100.850, as enacted by house substitute for senate committee substitute for senate bill no. 1155, ninety-second general assembly, first regular session, and section 100.850, as enacted by conference committee substitute for house substitute for house committee substitute for senate bill no. 1394, ninety-second general assembly, second regular session, and to enact in lieu thereof thirteen new sections relating to economic stimulus programs administered by various state agencies, with an emergency clause for a certain section.

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

Section A. Sections 99.960, 100.710, 135.284, and 144.049, RSMo, section 99.845,
2 as enacted by conference committee substitute for senate substitute for senate committee
3 substitute for house committee substitute for house bill no. 289, ninety-second general
4 assembly, first regular session and senate bill no. 235, ninety-second general assembly,
5 first regular session, section 99.845 as enacted by senate committee substitute for senate

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

6 bill no. 620, ninety-second general assembly, first regular session, section 100.840, as
7 enacted by senate committee substitute for senate bill no. 620, ninety-second general
8 assembly, first regular session, section 100.850, as enacted by conference committee
9 substitute for senate substitute for senate committee substitute for house committee
10 substitute for house bill no. 1182, ninety-second general assembly, second regular
11 session, section 100.850, as enacted by house substitute for senate committee substitute
12 for senate bill no. 1155, ninety-second general assembly, first regular session, and
13 section 100.850, as enacted by conference committee substitute for house substitute for
14 house committee substitute for senate bill no. 1394, ninety-second general assembly,
15 second regular session, are repealed and thirteen new sections enacted in lieu thereof,
16 to be known as sections 99.845, 99.960, 100.710, 100.850, 135.284, 144.049, 620.1875,
17 620.1878, 620.1881, 620.1884, 620.1887, 620.1890, and 620.1900, to read as follows:

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

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

20 (2) (a) Payments in lieu of taxes attributable to the increase in the current
21 equalized assessed valuation of each taxable lot, block, tract, or parcel of real property
22 in the area selected for the redevelopment project and any applicable penalty and
23 interest over and above the initial equalized assessed value of each such unit of property
24 in the area selected for the redevelopment project shall be allocated to and, when

25 collected, shall be paid to the municipal treasurer who shall deposit such payment in lieu
26 of taxes into a special fund called the "Special Allocation Fund" of the municipality for
27 the purpose of paying redevelopment costs and obligations incurred in the payment
28 thereof. Payments in lieu of taxes which are due and owing shall constitute a lien
29 against the real estate of the redevelopment project from which they are derived and
30 shall be collected in the same manner as the real property tax, including the assessment
31 of penalties and interest where applicable. The municipality may, in the ordinance,
32 pledge the funds in the special allocation fund for the payment of such costs and
33 obligations and provide for the collection of payments in lieu of taxes, the lien of which
34 may be foreclosed in the same manner as a special assessment lien as provided in section
35 88.861, RSMo. No part of the current equalized assessed valuation of each lot, block,
36 tract, or parcel of property in the area selected for the redevelopment project attributable
37 to any increase above the total initial equalized assessed value of such properties shall
38 be used in calculating the general state school aid formula provided for in section
39 163.031, RSMo, until such time as all redevelopment costs have been paid as provided
40 for in this section and section 99.850;

41 (b) Notwithstanding any provisions of this section to the contrary, for purposes
42 of determining the limitation on indebtedness of local government pursuant to article VI,
43 section 26(b) of the Missouri Constitution, the current equalized assessed value of the
44 property in an area selected for redevelopment attributable to the increase above the
45 total initial equalized assessed valuation shall be included in the value of taxable
46 tangible property as shown on the last completed assessment for state or county
47 purposes;

48 (c) The county assessor shall include the current assessed value of all property
49 within the taxing district in the aggregate valuation of assessed property entered upon
50 the assessor's book and verified pursuant to section 137.245, RSMo, and such value shall
51 be utilized for the purpose of the debt limitation on local government pursuant to article
52 VI, section 26(b) of the Missouri Constitution;

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

61 2. In addition to the payments in lieu of taxes described in subdivision (2) of
62 subsection 1 of this section, for redevelopment plans and projects adopted or
63 redevelopment projects approved by ordinance after July 12, 1990, and prior to August
64 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest
65 imposed by the municipality, or other taxing districts, which are generated by economic
66 activities within the area of the redevelopment project over the amount of such taxes
67 generated by economic activities within the area of the redevelopment project in the
68 calendar year prior to the adoption of the redevelopment project by ordinance, while tax
69 increment financing remains in effect, but excluding taxes imposed on sales or charges
70 for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant
71 to section 70.500, RSMo, licenses, fees or special assessments other than payments in
72 lieu of taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes
73 levied pursuant to section 94.660, RSMo, for the purpose of public transportation, shall
74 be allocated to, and paid by the local political subdivision collecting officer to the
75 treasurer or other designated financial officer of the municipality, who shall deposit such
76 funds in a separate segregated account within the special allocation fund. Any provision
77 of an agreement, contract or covenant entered into prior to July 12, 1990, between a
78 municipality and any other political subdivision which provides for an appropriation of
79 other municipal revenues to the special allocation fund shall be and remain enforceable.

80 3. In addition to the payments in lieu of taxes described in subdivision (2) of
81 subsection 1 of this section, for redevelopment plans and projects adopted or
82 redevelopment projects approved by ordinance after August 31, 1991, fifty percent of the
83 total additional revenue from taxes, penalties and interest which are imposed by the
84 municipality or other taxing districts, and which are generated by economic activities
85 within the area of the redevelopment project over the amount of such taxes generated
86 by economic activities within the area of the redevelopment project in the calendar year
87 prior to the adoption of the redevelopment project by ordinance, while tax increment
88 financing remains in effect, but excluding personal property taxes, taxes imposed on
89 sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes
90 levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for
91 the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or
92 special assessments other than payments in lieu of taxes and penalties and interest
93 thereon, shall be allocated to, and paid by the local political subdivision collecting officer
94 to the treasurer or other designated financial officer of the municipality, who shall
95 deposit such funds in a separate segregated account within the special allocation fund.

96 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or

97 redevelopment projects approved by ordinance and which have complied with subsections
98 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity
99 taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the new
100 state revenues, as defined in subsection 8 of this section, estimated for the businesses
101 within the project area and identified by the municipality in the application required by
102 subsection 10 of this section, over and above the amount of such taxes reported by
103 businesses within the project area as identified by the municipality in their application
104 prior to the approval of the redevelopment project by ordinance, while tax increment
105 financing remains in effect, may be available for appropriation by the general assembly
106 as provided in subsection 10 of this section to the department of economic development
107 supplemental tax increment financing fund, from the general revenue fund, for
108 distribution to the treasurer or other designated financial officer of the municipality with
109 approved plans or projects.

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

113 6. No transfer from the general revenue fund to the Missouri supplemental tax
114 increment financing fund shall be made unless an appropriation is made from the
115 general revenue fund for that purpose. No municipality shall commit any state revenues
116 prior to an appropriation being made for that project. For all redevelopment plans or
117 projects adopted or approved after December 23, 1997, appropriations from the new state
118 revenues shall not be distributed from the Missouri supplemental tax increment
119 financing fund into the special allocation fund unless the municipality's redevelopment
120 plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of
121 economic activity taxes generated by the project shall be used for eligible redevelopment
122 project costs while tax increment financing remains in effect. This account shall be
123 separate from the account into which payments in lieu of taxes are deposited, and
124 separate from the account into which economic activity taxes are deposited.

125 7. In order for the redevelopment plan or project to be eligible to receive the
126 revenue described in subsection 4 of this section, the municipality shall comply with the
127 requirements of subsection 10 of this section prior to the time the project or plan is
128 adopted or approved by ordinance. The director of the department of economic
129 development and the commissioner of the office of administration may waive the
130 requirement that the municipality's application be submitted prior to the redevelopment
131 plan's or project's adoption or the redevelopment plan's or project's approval by
132 ordinance.

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

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

148 (2) The state income tax withheld on behalf of new employees by the employer
149 pursuant to section 143.221, RSMo, at the business located within the project as
150 identified by the municipality. The state income tax withholding allowed by this section
151 shall be the municipality's estimate of the amount of state income tax withheld by the
152 employer within the redevelopment area for new employees who fill new jobs directly
153 created by the tax increment financing project.

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

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

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

168 10. The initial appropriation of up to fifty percent of the new state revenues

169 authorized pursuant to subsections 4 and 5 of this section shall not be made to or
170 distributed by the department of economic development to a municipality until all of the
171 following conditions have been satisfied:

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

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

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

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

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

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

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

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

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

200 (i) The street address of the development site;

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

203 (k) The estimated development project costs;

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

- 205 (m) Evidence of the commitments to finance such development project costs;
- 206 (n) The anticipated type and term of the sources of funds to pay such
207 development project costs;
- 208 (o) The anticipated type and terms of the obligations to be issued;
- 209 (p) The most recent equalized assessed valuation of the property within the
210 development project area;
- 211 (q) An estimate as to the equalized assessed valuation after the development
212 project area is developed in accordance with a development plan;
- 213 (r) The general land uses to apply in the development area;
- 214 (s) The total number of individuals employed in the development area, broken
215 down by full-time, part-time, and temporary positions;
- 216 (t) The total number of full-time equivalent positions in the development area;
- 217 (u) The current gross wages, state income tax withholdings, and federal income
218 tax withholdings for individuals employed in the development area;
- 219 (v) The total number of individuals employed in this state by the corporate
220 parent of any business benefitting from public expenditures in the development area, and
221 all subsidiaries thereof, as of December thirty-first of the prior fiscal year, broken down
222 by full-time, part-time, and temporary positions;
- 223 (w) The number of new jobs to be created by any business benefitting from public
224 expenditures in the development area, broken down by full-time, part-time, and
225 temporary positions;
- 226 (x) The average hourly wage to be paid to all current and new employees at the
227 project site, broken down by full-time, part-time, and temporary positions;
- 228 (y) For project sites located in a metropolitan statistical area, as defined by the
229 federal Office of Management and Budget, the average hourly wage paid to
230 nonmanagerial employees in this state for the industries involved at the project, as
231 established by the United States Bureau of Labor Statistics;
- 232 (z) For project sites located outside of metropolitan statistical areas, the average
233 weekly wage paid to nonmanagerial employees in the county for industries involved at
234 the project, as established by the United States Department of Commerce;
- 235 (aa) A list of other community and economic benefits to result from the project;
- 236 (bb) A list of all development subsidies that any business benefitting from public
237 expenditures in the development area has previously received for the project, and the
238 name of any other granting body from which such subsidies are sought;
- 239 (cc) A list of all other public investments made or to be made by this state or
240 units of local government to support infrastructure or other needs generated by the

241 project for which the funding pursuant to this [act] **section** is being sought;

242 (dd) A statement as to whether the development project may reduce employment
243 at any other site, within or without the state, resulting from automation, merger,
244 acquisition, corporate restructuring, relocation, or other business activity;

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

248 (ff) A list of competing businesses in the county containing the development area
249 and in each contiguous county;

250 (gg) A market study for the development area;

251 (hh) A certification by the chief officer of the applicant as to the accuracy of the
252 development plan;

253 (2) The methodologies used in the application for determining the base year and
254 determining the estimate of the incremental increase in the general revenue portion of
255 the state sales tax revenues or the state income tax withheld by employers on behalf of
256 new employees who fill new jobs created in the redevelopment area shall be approved by
257 the director of the department of economic development or his or her designee and the
258 commissioner of the office of administration or his or her designee. Upon approval of the
259 application, the director of the department of economic development or his or her
260 designee and the commissioner of the office of administration or his or her designee shall
261 issue a certificate of approval. The department of economic development may request
262 the appropriation following application approval;

263 (3) The appropriation shall be either a portion of the estimate of the incremental
264 increase in the general revenue portion of state sales tax revenues in the redevelopment
265 area or a portion of the estimate of the state income tax withheld by the employer on
266 behalf of new employees who fill new jobs created in the redevelopment area as indicated
267 in the municipality's application, approved by the director of the department of economic
268 development or his or her designee and the commissioner of the office of administration
269 or his or her designee. At no time shall the [aggregate] annual [appropriation] **amount**
270 of the new state revenues [for redevelopment areas] **approved for disbursements**
271 **from the Missouri supplemental tax increment financing fund** exceed [fifteen]
272 **thirty-two** million dollars;

273 (4) Redevelopment plans and projects receiving new state revenues shall have a
274 duration of up to fifteen years, unless prior approval for a longer term is given by the
275 director of the department of economic development or his or her designee and the
276 commissioner of the office of administration or his or her designee; except that, in no

277 case shall the duration exceed twenty-three years.

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

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

295 13. [All personnel and other costs incurred by the department of economic
296 development for the administration and operation of subsections 4 to 12 of this section
297 shall be paid from the state general revenue fund. On an annual basis, the general
298 revenue fund shall be reimbursed for the full amount of such costs by the developer or
299 developers of the project or projects for which municipalities have made tax increment
300 financing applications for the appropriation of new state revenues, as provided for in
301 subdivision (1) of subsection 10 of this section. The amount of costs charged to each
302 developer shall be based upon the percentage arrived at by dividing the monetary
303 amount of the application made by each municipality for a particular project by the total
304 monetary amount of all applications received by the department of economic
305 development] **Redevelopment project costs may include, at the prerogative of**
306 **the state, the portion of salaries and expenses of the department of economic**
307 **development and the department of revenue reasonably allocable to each**
308 **redevelopment project approved for disbursements from the Missouri**
309 **supplemental tax increment financing fund for the ongoing administrative**
310 **functions associated with such redevelopment project. Such amounts shall**
311 **be recovered from new state revenues deposited into the Missouri**
312 **supplemental tax increment financing fund created under this section.**

313 14. For redevelopment plans or projects approved by ordinance that result in net
314 new jobs from the relocation of a national headquarters from another state to the area
315 of the redevelopment project, the economic activity taxes and new state tax revenues
316 shall not be based on a calculation of the incremental increase in taxes as compared to
317 the base year or prior calendar year for such redevelopment project, rather the
318 incremental increase shall be the amount of total taxes generated from the net new jobs
319 brought in by the national headquarters from another state. In no event shall this
320 subsection be construed to allow a redevelopment project to receive an appropriation in
321 excess of up to fifty percent of the new state revenues.

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

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

25 (2) Payments in lieu of taxes attributable to the increase in the
26 current equalized assessed valuation of each taxable lot, block, tract, or
27 parcel of real property in the area selected for the redevelopment project

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

50 (3) For purposes of this section, "levies upon taxable real property
51 in such redevelopment project by taxing districts" shall not include the
52 blind pension fund tax levied under the authority of article III, section
53 38(b) of the Missouri Constitution, or the merchants' and manufacturers'
54 inventory replacement tax levied under the authority of subsection 2 of
55 section 6 of article X, of the Missouri Constitution, except in
56 redevelopment project areas in which tax increment financing has been
57 adopted by ordinance pursuant to a plan approved by vote of the governing
58 body of the municipality taken after August 13, 1982, and before January
59 1, 1998.

60 2. In addition to the payments in lieu of taxes described in
61 subdivision (2) of subsection 1 of this section, for redevelopment plans and
62 projects adopted or redevelopment projects approved by ordinance after
63 July 12, 1990, and prior to August 31, 1991, fifty percent of the total

64 additional revenue from taxes, penalties and interest imposed by the
65 municipality, or other taxing districts, which are generated by economic
66 activities within the area of the redevelopment project over the amount of
67 such taxes generated by economic activities within the area of the
68 redevelopment project in the calendar year prior to the adoption of the
69 redevelopment project by ordinance, while tax increment financing
70 remains in effect, but excluding taxes imposed on sales or charges for
71 sleeping rooms paid by transient guests of hotels and motels, taxes levied
72 pursuant to section 70.500, RSMo, licenses, fees or special assessments
73 other than payments in lieu of taxes and any penalty and interest thereon,
74 or, effective January 1, 1998, taxes levied pursuant to section 94.660,
75 RSMo, for the purpose of public transportation, shall be allocated to, and
76 paid by the local political subdivision collecting officer to the treasurer or
77 other designated financial officer of the municipality, who shall deposit
78 such funds in a separate segregated account within the special allocation
79 fund. Any provision of an agreement, contract or covenant entered into
80 prior to July 12, 1990, between a municipality and any other political
81 subdivision which provides for an appropriation of other municipal
82 revenues to the special allocation fund shall be and remain enforceable.

83 3. In addition to the payments in lieu of taxes described in
84 subdivision (2) of subsection 1 of this section, for redevelopment plans and
85 projects adopted or redevelopment projects approved by ordinance after
86 August 31, 1991, fifty percent of the total additional revenue from taxes,
87 penalties and interest which are imposed by the municipality or other
88 taxing districts, and which are generated by economic activities within the
89 area of the redevelopment project over the amount of such taxes generated
90 by economic activities within the area of the redevelopment project in the
91 calendar year prior to the adoption of the redevelopment project by
92 ordinance, while tax increment financing remains in effect, but excluding
93 personal property taxes, taxes imposed on sales or charges for sleeping
94 rooms paid by transient guests of hotels and motels, taxes levied pursuant
95 to section 70.500, RSMo, or effective January 1, 1998, taxes levied for the
96 purpose of public transportation pursuant to section 94.660, RSMo,
97 licenses, fees or special assessments other than payments in lieu of taxes
98 and penalties and interest thereon, shall be allocated to, and paid by the
99 local political subdivision collecting officer to the treasurer or other

100 designated financial officer of the municipality, who shall deposit such
101 funds in a separate segregated account within the special allocation fund.

102 4. Beginning January 1, 1998, for redevelopment plans and
103 projects adopted or redevelopment projects approved by ordinance and
104 which have complied with subsections 4 to 12 of this section, in addition
105 to the payments in lieu of taxes and economic activity taxes described in
106 subsections 1, 2 and 3 of this section, up to fifty percent of the new state
107 revenues, as defined in subsection 8 of this section, estimated for the
108 businesses within the project area and identified by the municipality in
109 the application required by subsection 10 of this section, over and above
110 the amount of such taxes reported by businesses within the project area
111 as identified by the municipality in their application prior to the approval
112 of the redevelopment project by ordinance, while tax increment financing
113 remains in effect, may be available for appropriation by the general
114 assembly as provided in subsection 10 of this section to the department of
115 economic development supplemental tax increment financing fund, from
116 the general revenue fund, for distribution to the treasurer or other
117 designated financial officer of the municipality with approved plans or
118 projects.

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

123 6. No transfer from the general revenue fund to the Missouri
124 supplemental tax increment financing fund shall be made unless an
125 appropriation is made from the general revenue fund for that purpose. No
126 municipality shall commit any state revenues prior to an appropriation
127 being made for that project. For all redevelopment plans or projects
128 adopted or approved after December 23, 1997, appropriations from the new
129 state revenues shall not be distributed from the Missouri supplemental tax
130 increment financing fund into the special allocation fund unless the
131 municipality's redevelopment plan ensures that one hundred percent of
132 payments in lieu of taxes and fifty percent of economic activity taxes
133 generated by the project shall be used for eligible redevelopment project
134 costs while tax increment financing remains in effect. This account shall
135 be separate from the account into which payments in lieu of taxes are

136 deposited, and separate from the account into which economic activity
137 taxes are deposited.

138 7. In order for the redevelopment plan or project to be eligible to
139 receive the revenue described in subsection 4 of this section, the
140 municipality shall comply with the requirements of subsection 10 of this
141 section prior to the time the project or plan is adopted or approved by
142 ordinance. The director of the department of economic development and
143 the commissioner of the office of administration may waive the
144 requirement that the municipality's application be submitted prior to the
145 redevelopment plan's or project's adoption or the redevelopment plan's or
146 project's approval by ordinance.

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

148 (1) The incremental increase in the general revenue portion of
149 state sales tax revenues received pursuant to section 144.020, RSMo,
150 excluding sales taxes that are constitutionally dedicated, taxes deposited
151 to the school district trust fund in accordance with section 144.701, RSMo,
152 sales and use taxes on motor vehicles, trailers, boats and outboard motors
153 and future sales taxes earmarked by law. The incremental increase in the
154 general revenue portion of state sales tax revenues for an existing or
155 relocated facility shall be the amount that current state sales tax revenue
156 exceeds the state sales tax revenue in the base year as stated in the
157 redevelopment plan as provided in subsection 10 of this section; or

158 (2) The state income tax withheld on behalf of new employees by
159 the employer pursuant to section 143.221, RSMo, at the business located
160 within the project as identified by the municipality. The state income tax
161 withholding allowed by this section shall be the municipality's estimate of
162 the amount of state income tax withheld by the employer within the
163 redevelopment area for new employees who fill new jobs directly created
164 by the tax increment financing project.

165 9. Subsection 4 of this section shall apply only to blighted areas
166 located in enterprise zones, pursuant to sections 135.200 to 135.256,
167 RSMo, blighted areas located in federal empowerment zones, or to blighted
168 areas located in central business districts or urban core areas of cities
169 which districts or urban core areas at the time of approval of the project
170 by ordinance, provided that the enterprise zones, federal empowerment
171 zones or blighted areas contained one or more buildings at least fifty years

172 old; and

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

176 (2) Was a historic hotel located in a county of the first
177 classification without a charter form of government with a population
178 according to the most recent federal decennial census in excess of one
179 hundred fifty thousand and containing a portion of a city with a
180 population according to the most recent federal decennial census in excess
181 of three hundred fifty thousand.

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

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

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

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

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

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

204 (e) An affidavit that is signed by the developer or developers
205 attesting that the provisions of subdivision (1) of section 99.810 have been
206 met and specifying that the redevelopment area would not be reasonably
207 anticipated to be developed without the appropriation of the new state

208 revenues;

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

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

215 (2) The methodologies used in the application for determining the
216 base year and determining the estimate of the incremental increase in the
217 general revenue portion of the state sales tax revenues or the state income
218 tax withheld by employers on behalf of new employees who fill new jobs
219 created in the redevelopment area shall be approved by the director of the
220 department of economic development or his or her designee and the
221 commissioner of the office of administration or his or her designee. Upon
222 approval of the application, the director of the department of economic
223 development or his or her designee and the commissioner of the office of
224 administration or his or her designee shall issue a certificate of
225 approval. The department of economic development may request the
226 appropriation following application approval;

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

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

243 11. In addition to the areas authorized in subsection 9 of this

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

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

262 13. All personnel and other costs incurred by the department of
263 economic development for the administration and operation of subsections
264 4 to 12 of this section shall be paid from the state general revenue
265 fund. On an annual basis, the general revenue fund shall be reimbursed
266 for the full amount of such costs by the developer or developers of the
267 project or projects for which municipalities have made tax increment
268 financing applications for the appropriation of new state revenues, as
269 provided for in subdivision (1) of subsection 10 of this section. The
270 amount of costs charged to each developer shall be based upon the
271 percentage arrived at by dividing the monetary amount of the application
272 made by each municipality for a particular project by the total monetary
273 amount of all applications received by the department of economic
274 development.

275 14. For redevelopment plans or projects approved by ordinance
276 that result in net new jobs from the relocation of a national headquarters
277 from another state to the area of the redevelopment project, the economic
278 activity taxes and new state tax revenues shall not be based on a
279 calculation of the incremental increase in taxes as compared to the base

280 year or prior calendar year for such redevelopment project, rather the
281 incremental increase shall be the amount of total taxes generated from the
282 net new jobs brought in by the national headquarters from another state. In
283 no event shall this subsection be construed to allow a redevelopment
284 project to receive an appropriation in excess of up to fifty percent of the
285 new state revenues.]

99.960. 1. A municipality shall submit an application to the department of
2 economic development for review and submission of an analysis and recommendation to
3 the Missouri development finance board for a determination as to approval of the
4 disbursement of the project costs of one or more development projects from the state
5 supplemental downtown development fund. The department of economic development
6 shall forward the application to the Missouri development finance board with the
7 analysis and recommendation. In no event shall any approval authorize a disbursement
8 of one or more development projects from the state supplemental downtown development
9 fund which exceeds the allowable amount of other net new revenues derived from the
10 development area. An application submitted to the department of economic development
11 shall contain the following, in addition to the items set forth in section 99.942:

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

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

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

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

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

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

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

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

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

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

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

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

67 when development financing for a development project is terminated by a municipality.

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

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

79 8. A development project approved for state supplemental downtown development
80 financing may not thereafter elect to receive tax increment financing pursuant to the
81 real property tax increment allocation redevelopment act, sections 99.800 to 99.865, and
82 continue to receive state supplemental downtown development financing pursuant to
83 sections 99.915 to 99.980.

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

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

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

2 100.710. As used in sections 100.700 to 100.850, the following terms mean:

3 (1) "Assessment", an amount of up to five percent of the gross wages paid in one
4 year by an eligible industry to all eligible employees in new jobs, or up to ten percent if

5 the economic development project is located within a distressed community as defined
6 in section 135.530, RSMo;

7 (2) "Board", the Missouri development finance board as created by section
8 100.265;

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

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

13 (5) "Department", the Missouri department of economic development;

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

15 (7) "Economic development project":

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

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

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

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

38 (9) "Eligible industry", a business located within the state of Missouri which is
39 engaged in interstate or intrastate commerce for the purpose of manufacturing,
40 processing or assembling products, conducting research and development, or providing

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

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

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

69 **Notwithstanding the preceding provisions of this subdivision, a development**
70 **agency, as such term is defined in section 100.255, or a corporation, limited**
71 **liability company, or partnership formed on behalf of a development agency,**
72 **at the option of the board, may be authorized to act as an eligible industry**
73 **with such obligations and rights otherwise applicable to an eligible industry,**
74 **including the rights of an approved company under section 100.850, so long**
75 **as the eligible industry otherwise meets the requirements imposed by**
76 **subdivision (9) of this section;**

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

79 (a) Be a targeted industry;

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

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

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

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

94 (11) "New job", a job in a new or expanding eligible industry not including jobs
95 of recalled workers, replacement jobs or jobs that formerly existed in the eligible
96 industry in the state. For an essential industry, an existing job may be considered a new
97 job for the purposes of the program authorized by sections 100.700 to 100.850;

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

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

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

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

111 (c) The cost of contract bonds and of insurance of all kinds that may be required
112 or necessary during the course of acquisition, construction, installation or equipping of

113 an economic development project which is not paid by the contractor or contractors or
114 otherwise provided for;

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

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

123 (f) All other costs of a nature comparable to those described in this subdivision;
124 (14) "Program services", administrative expenses of the board, including
125 contracted professional services, and the cost of issuance of certificates;

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

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

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

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

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

20 were incurred during the tax period in which the assessment was made.

21 5. In no event shall the aggregate amount of tax credits authorized
22 by subsection 4 of this section exceed eleven million dollars annually. If
23 the approved company shall be a project for a world headquarters of a
24 business whose primary function is tax return preparation in any home
25 rule city with more than four hundred thousand inhabitants and located
26 in more than one county, the aggregate amount of tax credits authorized
27 by subsection 4 of this section shall be increased to eleven million nine
28 hundred fifty thousand dollars annually.

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

100.850. 1. The approved company shall remit to the board a job development
2 assessment fee, not to exceed five percent of the gross wages of each eligible employee
3 whose job was created as a result of the economic development project, or not to exceed
4 ten percent if the economic development project is located within a distressed community
5 as defined in section 135.530, RSMo, for the purpose of retiring bonds which fund the
6 economic development project. 2. Any approved company remitting an
7 assessment as provided in subsection 1 of this section shall make its payroll books and
8 records available to the board at such reasonable times as the board shall request and
9 shall file with the board documentation respecting the assessment as the board may
10 require.

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

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

18 5. In no event shall the aggregate amount of tax credits authorized by subsection
19 4 of this section exceed fifteen million dollars annually. **Of such amount, nine**
20 **hundred fifty thousand dollars shall be reserved for an approved project for**
21 **a world headquarters of a business whose primary function is tax return**
22 **preparation that is located in any home rule city with more than four**
23 **hundred thousand inhabitants and located in more than one county.**

24 6. The director of revenue shall issue a refund to the approved company to the

25 extent that the amount of credits allowed in subsection 4 of this section exceeds the
26 amount of the approved company's income tax.

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

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

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

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

21 5. In no event shall the aggregate amount of tax credits authorized
22 by subsection 4 of this section exceed eleven million nine hundred fifty
23 thousand dollars annually. Of such amount, nine hundred fifty thousand
24 dollars shall be reserved for an approved project for a world headquarters
25 of a business whose primary function is tax return preparation that is
26 located in any home rule city with more than four hundred thousand
27 inhabitants and located in more than one county.

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

135.284. The repeal and reenactment of sections [99.845,] 100.710, [100.840,
2 100.850] and 178.892, and the enactment of sections 135.276, 135.277, 135.279, 135.281,
3 and 135.283 shall expire on January 1, 2006, if no essential industry retention projects
4 have been approved by the department of economic development by December 31, 2005.

5 an essential industry retention project has been approved by the department of economic
6 development by December 31, 2005, the repeal and reenactment of sections [99.845,]
7 100.710, 100.840, 100.850 and 178.892, and the enactment of sections 135.276, 135.277,
8 135.279, 135.281, and 135.283 shall expire on January 1, 2020.

144.049. 1. For purposes of this section, the following terms mean:

2 (1) "Clothing", any article of wearing apparel, including footwear, intended to be
3 worn on or about the human body. The term shall include but not be limited to cloth
4 and other material used to make school uniforms or other school clothing. Items
5 normally sold in pairs shall not be separated to qualify for the exemption. The term
6 shall not include watches, watchbands, jewelry, handbags, handkerchiefs, umbrellas,
7 scarves, ties, headbands, or belt buckles; and

8 (2) "Personal computers", a laptop, desktop, or tower computer system which
9 consists of a central processing unit, random access memory, a storage drive, a display
10 monitor, and a keyboard and devices designed for use in conjunction with a personal
11 computer, such as a disk drive, memory module, compact disk drive, daughterboard,
12 digitalizer, microphone, modem, motherboard, mouse, multimedia speaker, printer,
13 scanner, single-user hardware, single-user operating system, soundcard, or video card;

14 (3) "School supplies", any item normally used by students in a standard
15 classroom for educational purposes, including but not limited to, textbooks, notebooks,
16 paper, writing instruments, crayons, art supplies, rulers, book bags, backpacks, handheld
17 calculators, chalk, maps, and globes. The term shall not include watches, radios, CD
18 players, headphones, sporting equipment, portable or desktop telephones, copiers or
19 other office equipment, furniture, or fixtures. School supplies shall also include
20 computer software having a taxable value of two hundred dollars or less.

21 2. **In each year beginning on or after January 1, 2005**, there is hereby
22 specifically exempted from state sales tax law all retail sales of any article of clothing
23 having a taxable value of one hundred dollars or less, all retail sales of school supplies
24 not to exceed fifty dollars per purchase, all computer software with a taxable value of
25 two hundred dollars or less, and all retail sales of personal computers or computer
26 peripheral devices not to exceed two thousand dollars, during a three-day period
27 beginning at 12:01 a.m. on the [second] **first** Friday in August and ending at midnight
28 on the Sunday following.

29 3. [Beginning on August 28, 2003, the governing body of any political subdivision
30 may adopt an ordinance to prohibit the provisions of this section from exempting sales
31 that occur within the political subdivision from being subject to the local sales taxes
32 applicable to sales within the political subdivision. Upon adoption of such an ordinance,

33 the governing body of the political subdivision shall provide written notice to the
34 department of revenue of the substance of the ordinance. In the event such notification
35 is not received by the department of revenue prior to the second Friday in July in any
36 given year, the ordinance shall not go into effect prior to the year the notice is received. ~~ff~~
37 **the governing body of any political subdivision adopted an ordinance that**
38 **applied to the 2004 sales tax holiday to prohibit the provisions of this section**
39 **from allowing the sales tax holiday to apply to such political subdivision's**
40 **local sales tax, then, notwithstanding any provision of a local ordinance to the**
41 **contrary, the 2005 sales tax holiday shall not apply to such political**
42 **subdivision's local sales tax. However, any such political subdivisions may**
43 **enact an ordinance to allow the 2005 sales tax holiday to apply to its local**
44 **sales taxes.**

45 4. This section **applies to sales of tangible personal property bought for**
46 **personal use only.**

47 5. This section shall not apply to any sales which take place within the
48 Missouri state fairgrounds.

49 [5. The provisions of this section shall expire July 1, 2005.] **After the 2005**
50 **sales tax holiday, any political subdivision may, by adopting an ordinance or**
51 **order, choose to prohibit future annual sales tax holidays from applying to its**
52 **local sales tax. After opting out the political subdivision may rescind the**
53 **ordinance or order, provided that such order or ordinance shall be enacted**
54 **not less than 45 calendar days prior to the beginning date of the sales tax**
55 **holiday occurring in that year.**

56 6. This section may not apply to any retailer when less than two
57 percent of their merchandise sold during the sales tax holiday is qualifying
58 items under this section. The retailer may offer a sales tax refund in lieu of
59 the sales tax holiday.

620.1875. Sections 620.1875 to 620.1890, RSMo, shall be known and may
2 be cited as the "Missouri Quality Jobs Act".

620.1878. For the purposes of sections 620.1875 to 620.1890, the
2 following terms shall mean:

3 (1) "Average wage", the new payroll divided by the number of new jobs;

4 (2) "Commencement of operations", the starting date for the qualified
5 company's first new employee, which must be no later than twelve months
6 from the date of the proposal;

7 (3) "County average wage", the average wages in each county as
8 determined by the department for the most recently completed full calendar

9 year. However, if the computed county average wage is ten percent or more
10 above the statewide average wage, the statewide average wage plus ten
11 percent shall be deemed the "county average wage" for such county. The
12 department shall publish the county average wage for each county at least
13 annually;

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

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

16 (6) "Employee", a person employed by a qualified company;

17 (7) "Full-time equivalent employees", employees of the qualified
18 company converted to reflect an equivalent of the number of full-time, year-
19 around employees. The method for converting part-time and seasonal
20 employees into an equivalent number of full-time, year-around employees
21 shall be published in a rule promulgated by the department as authorized in
22 section 620.1884;

23 (8) "Full-time, year-around employee", an employee of the company that
24 works an average of at least thirty five hours per week for a twelve month
25 period, and one for which the qualified company offers health insurance and
26 pays at least fifty percent of such insurance premiums;

27 (9) "High impact project", a qualified company that, within two years
28 from commencement of operations, creates one hundred or more new jobs;

29 (10) "Local incentives", the amount of direct benefit received by a
30 qualified company for a project facility from one or more local political
31 subdivisions, but shall not include loans or other funds provided to the
32 qualified company that must be repaid by the qualified company to the
33 political subdivision;

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

39 (12) "New direct local revenue", the amount of direct net new tax
40 revenues of the local political subdivisions likely to be produced by the
41 project over the project period as calculated by the department and net new
42 utility revenues, provided the local incentives include a discount or other
43 direct incentives from utilities owned or operated by the political subdivision;

44 (13) "New investment", the purchase or leasing of new tangible assets
45 to be placed in operation at the project facility, which will be directly related

46 to the new jobs;

47 (14) "New job", the number of full-time, year-around employees located
48 at the project facility that exceeds the project facility base employment less
49 any decrease in the number of full-time equivalent employees at related
50 facilities below the related facility base employment;

51 (15) "New payroll", the amount of wages paid by a qualified company
52 to employees in new jobs;

53 (16) "Notice of intent", a form developed by the department, completed
54 by the qualified company and submitted to the department which states the
55 qualified company's intent to hire new jobs and request benefits under this
56 program;

57 (17) "Percent of local incentives", the amount of local incentives divided
58 by the amount of new direct local revenue;

59 (18) "Program", the Missouri quality jobs program provided in sections
60 620.1875 to 620.1890;

61 (19) "Project facility", the building used by a qualified company at
62 which the new jobs and new investment will be located. A project facility may
63 include separate buildings that are adjacent, or sharing common walls,
64 utilities, or covered walkways such that their purpose and operations are
65 interrelated;

66 (20) "Project facility base employment", for the twelve-month period
67 prior to the date of the proposal, the average number of full-time equivalent
68 employees located at the project facility. In the event the project facility has
69 not been in operation for a full twelve-month period, "project facility base
70 employment" is the average number of full-time equivalent employees for the
71 number of months the project facility has been in operation prior to the date
72 of the proposal;

73 (21) "Project period", the time period that the benefits are provided to
74 a qualified company;

75 (22) "Proposal", a document submitted by the department to the
76 qualified company that states the benefits that may be provided by this
77 program. The effective date of such proposal cannot be prior to the
78 commencement of operations. The proposal shall not offer benefits regarding
79 any jobs created prior to its effective date;

80 (23) "Qualified company", a firm, partnership, joint venture, association,
81 private or public corporation whether organized for profit or not, or
82 headquarters of such entity registered to do business in Missouri that is the

83 owner or operator of a project facility. For the purposes of sections 620.1875
84 to 620.1890, the term "qualified company" shall not include:

85 (a) Gambling establishments (NAICS industry group 7132);

86 (b) Retail trade establishments (NAICS sectors 44 and 45);

87 (c) Food and drinking places (NAICS subsector 722);

88 (d) Utilities regulated by the Missouri public service commission;

89 (e) Service companies, unless more than seventy-five percent of such
90 service company's annual revenues during the period at the project facility
91 are derived from sources outside Missouri;

92 (f) Any company that is delinquent in the payment of any nonprotested
93 taxes or any other amounts due the state or federal government or any other
94 political subdivision of this state; or

95 (g) Any company that has filed for or has publicly announced its
96 intention to file for bankruptcy protection;

97 (h) Any company that has been found guilty of or has pleaded guilty to
98 violating any labor, health and safety, or environmentally related laws,
99 whether federal or state, within the last five years;

100 (24) "Related company" means:

101 (a) A corporation, partnership, trust, or association controlled by the
102 qualified company;

103 (b) An individual, corporation, partnership, trust, or association in
104 control of the qualified company; or

105 (c) Corporations, partnerships, trusts or associations controlled by an
106 individual, corporation, partnership, trust or association in control of the
107 qualified company. As used in this subdivision, "control of a corporation"
108 shall mean ownership, directly or indirectly, of stock possessing at least fifty
109 percent of the total combined voting power of all classes of stock entitled to
110 vote, "control of a partnership or association" shall mean ownership of at least
111 fifty percent of the capital or profits interest in such partnership or
112 association, "control of a trust" shall mean ownership, directly or indirectly,
113 of at least fifty percent of the beneficial interest in the principal or income
114 of such trust, and ownership shall be determined as provided in section 318
115 of the Internal Revenue Code of 1986, as amended;

116 (25) "Related facility", a facility operated by the qualified company or
117 a related company located in this state that is directly related to the
118 operations of the project facility;

119 (26) "Related facility base employment", for the twelve-month period

120 prior to the date of the proposal, the average number of full-time equivalent
121 employees located at all related facilities of the qualified company or a
122 related company located in this state;

123 (27) "Rural area", a county in Missouri with a population less than
124 seventy-five thousand or that does not contain an individual city with a
125 population greater than fifty thousand according to the most recent federal
126 decennial census;

127 (28) "Small and expanding business project", a qualified company that,
128 within two years of the date of the proposal creates a minimum of twenty new
129 jobs if the project facility is located in a rural area or a minimum of forty new
130 jobs if the project facility is not located in a rural area and less than one
131 hundred total new jobs on the date of the proposal regardless of the location
132 of the qualified company;

133 (29) "Tax credits", tax credits issued by the department to offset the
134 state income taxes imposed by chapter 143, RSMo, or which may be sold or
135 refunded as provided for in this program;

136 (30) "Technology business project", a qualified company that, within
137 two years of the date of the proposal creates a minimum of ten new jobs with
138 at least seventy-five percent of the new jobs directly involved in the
139 operations of a technology company as determined by a regulation
140 promulgated by the department under the provisions of section 620.1884,
141 RSMo, and classified by NAICS codes;

142 (31) "Withholding tax", the state tax imposed by sections 143.191 to
143 143.265, RSMo.

620.1881. 1. The department of economic development shall respond
2 within thirty days to a company who provides a notice of intent with either
3 a proposal or a rejection of the notice of intent. Failure to respond on behalf
4 of the department of economic development shall result in the notice of intent
5 being deemed a proposal for the purposes of this section. A qualified
6 company who is provided a proposal for a project shall be allowed a benefit
7 as provided in this program in the amount and duration provided in this
8 section. A qualified company may receive additional periods for subsequent
9 new jobs at the same facility after the full initial period if the minimum
10 thresholds are met as set forth in sections 620.1875 to 620.1890. There is no
11 limit on the number of periods a qualified company may participate in the
12 program, as long as the minimum thresholds are achieved and the qualified
13 company provides the department with the required reporting and is in

14 proper compliance for this program or other state programs.

15 2. Notwithstanding any provision of law to the contrary, any qualified
16 company that is awarded benefits under this program may not also receive
17 tax credits or exemptions under sections 135.100 to 135.150, sections 135.200
18 to 135.268, section 135.535, or sections 135.900 to 135.906, RSMo, for the same
19 new jobs at the project facility. The benefits available to the company under
20 any other state programs for which the company is eligible and which utilize
21 withholding tax from the new jobs of the company must first be credited to
22 the other state program before the withholding retention level applicable
23 under the Missouri quality jobs act will begin to accrue. These other state
24 programs include, but are not limited to, the new jobs training program under
25 sections 178.892 to 178.896, RSMo, the job retention program under sections
26 178.760 to 178.764, RSMo, the real property tax increment allocation
27 redevelopment act, sections 99.800 to 99.865, RSMo, or the Missouri downtown
28 and rural economic stimulus act under sections 99.915 to 99.980, RSMo. If any
29 qualified company also participates in the new jobs training program in
30 sections 178.892 to 178.896, RSMo, the company shall retain no withholding
31 tax, but the department shall issue a refundable tax credit for the full amount
32 of benefit allowed under this subdivision.

33 3. The types of projects and the amount of benefits to be provided are:

34 (1) Small and expanding business projects: In exchange for the
35 consideration provided by the new tax revenues and other economic stimulus
36 that will be generated by the new jobs created by the program, a qualified
37 company may retain an amount equal to the withholding tax from the new
38 jobs that would otherwise be withheld and remitted by the qualified company
39 under the provisions of sections 143.191 to 143.265, RSMo, for a period of
40 three years from the date the required number of new jobs has been created
41 if the average wage of the new payroll equals or exceeds the county average
42 wage or for a period of five years from the date the required number of new
43 jobs has been created if the average wage of the new payroll equals or
44 exceeds one hundred twenty percent of the county average wage;

45 (2) Technology business projects: In exchange for the consideration
46 provided by the new tax revenues and other economic stimulus that will be
47 generated by the new jobs created by the program, a qualified company may
48 retain an amount equal to a maximum of five percent of new payroll for a
49 period of five years from the date the required number of jobs has been
50 created from the withholding tax of the new jobs that would otherwise be

51 withheld and remitted by the qualified company under the provisions of
52 sections 143.191 to 143.265, RSMo, if the average wage of the new payroll
53 equals or exceeds the county average wage. An additional one half percent
54 of new payroll may be added to the five percent maximum if the average wage
55 of the new payroll in any year exceeds one hundred twenty percent of the
56 county average wage in the county in which the project facility is located,
57 plus an additional one-half percent of new payroll may be added if the
58 average wage of the new payroll in any year exceeds one hundred forty
59 percent of the average wage in the county in which the project facility is
60 located. The department shall issue a refundable tax credit for any difference
61 between the amount of benefit allowed under this subdivision and the amount
62 of withholding tax retained by the company, in the event the withholding tax
63 is not sufficient to provide the entire amount of benefit due to the qualified
64 company under this subdivision. The calendar year annual maximum amount
65 of tax credits that may be issued to any qualified company for a project or
66 combination of projects is five hundred thousand dollars;

67 **(3) High impact projects:** In exchange for the consideration provided
68 by the new tax revenues and other economic stimulus that will be generated
69 by the new jobs created by the program, a qualified company may retain an
70 amount from the withholding tax of the new jobs that would otherwise be
71 withheld and remitted by the qualified company under the provisions of
72 sections 143.191 to 143.265, RSMo, equal to three percent of new payroll for
73 a period of five years from the date the required number of jobs has been
74 created if the average wage of the new payroll equals or exceeds the county
75 average wage of the county in which the project facility is located. The
76 percentage of payroll allowed under this subdivision shall be three and one-
77 half percent of new payroll if the average wage of the new payroll in any year
78 exceeds one hundred twenty percent of the county average wage in the
79 county in which the project facility is located. The percentage of payroll
80 allowed under this subdivision shall be four percent of new payroll if the
81 average wage of the new payroll in any year exceeds one hundred forty
82 percent of the county average wage in the county in which the project facility
83 is located. An additional one percent of new payroll may be added to these
84 percentages if local incentives equal between ten percent and twenty-four
85 percent of the new direct local revenue; an additional two percent of new
86 payroll is added to these percentages if the local incentives equal between
87 twenty-five percent and forty-nine percent of the new direct local revenue; or

88 an additional three percent of payroll is added to these percentages if the
89 local incentives equal fifty percent or more of the new direct local
90 revenue. The department shall issue a refundable tax credit for any
91 difference between the amount of benefit allowed under this subdivision and
92 the amount of withholding tax retained by the company, in the event the
93 withholding tax is not sufficient to provide the entire amount of benefit due
94 to the qualified company under this subdivision. The calendar year annual
95 maximum amount of tax credits that may be issued to any qualified company
96 for a project or combination of projects is seven hundred fifty thousand
97 dollars. The calendar year annual maximum amount of tax credit that may
98 be issued to any qualified company for a project or combination of projects
99 may be increased up to one million dollars if such action is proposed by the
100 department and approved by the quality jobs advisory task force established
101 in section 620.1887, RSMo. In considering such a request, the task force shall
102 rely on economic modeling and other information supplied by the department
103 when requesting the increased limit on behalf of the project.

104 4. The qualified company shall provide an annual report of the number
105 of jobs and such other information as may be required by the department to
106 document the basis for the benefits of this program. The department may
107 withhold the approval of any benefits until it is satisfied that proper
108 documentation has been provided, and shall reduce the benefits to reflect any
109 reduction in full-time, year-round employees.

110 5. The maximum calendar year annual tax credits issued for the entire
111 program shall not exceed twelve million dollars. Notwithstanding any
112 provision of law to the contrary, the maximum annual tax credits authorized
113 under section 135.535, RSMo, is hereby reduced from ten million dollars to
114 eight million dollars, with the balance of two million dollars transferred to
115 this program. There shall be no limit on the amount of withholding taxes that
116 may be retained by approved companies under this program.

117 6. The department shall allocate the annual tax credits based on the
118 date of the notice of intent or the date of the proposal, reserving such tax
119 credits based on the department's best estimate of new jobs and new payroll
120 of the project, and the other factors in the determination of benefits of this
121 program. However, the annual issuance of tax credits is subject to the annual
122 verification of the actual new payroll. The allocation of tax credits for the
123 period assigned to a project shall expire if, within two years from the date of
124 commencement of operations, the minimum thresholds have not been

125 achieved. The qualified company may retain authorized amounts from the
126 withholding tax under this section once the minimum new jobs thresholds are
127 met for the duration of the project period. No benefits shall be provided
128 under this program until the qualified company meets the minimum new jobs
129 thresholds. In the event the qualified company does not meet the minimum
130 new job threshold, the qualified company may submit a new notice of intent
131 or the department may provide a new proposal for a new project of the
132 qualified company at the project facility or other facilities.

133 7. For a qualified company with flow-through tax treatment to its
134 members, partners, or shareholders, the tax credit shall be allowed to
135 members, partners, or shareholders in proportion to their share of ownership
136 on the last day of the qualified company's tax period.

137 8. Tax credits may not be carried forward but shall be claimed within
138 one year of the close of the taxable year for which they were issued.

139 9. Tax credits authorized by this section may be transferred, sold, or
140 assigned by filing a notarized endorsement thereof with the department that
141 names the transferee, the amount of tax credit transferred, and the value
142 received for the credit, as well as any other information reasonably requested
143 by the department.

144 10. The director of revenue shall issue a refund to the qualified
145 company to the extent that the amount of credits allowed in this section
146 exceeds the amount of the qualified company's income tax.

147 11. An employee of a qualified company will receive full credit for the
148 amount of tax withheld as provided in section 143.221, RSMo.

620.1884. The department may adopt such rules, statements of policy,
2 procedures, forms, and guidelines as may be necessary to carry out the
3 provisions of sections 620.1875 to 620.1890. Any rule or portion of a rule, as
4 that term is defined in section 536.010, RSMo, that is created under the
5 authority delegated in this section shall become effective only if it complies
6 with and is subject to all of the provisions of chapter 536, RSMo, and, if
7 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are
8 nonseverable and if any of the powers vested with the general assembly
9 pursuant to chapter 536, RSMo, to review, to delay the effective date, or to
10 disapprove and annul a rule are subsequently held unconstitutional, then the
11 grant of rulemaking authority and any rule proposed or adopted after August
12 28, 2005, shall be invalid and void.

620.1887. There is hereby created a volunteer task force, to be known

2 as the "Quality Jobs Advisory Task Force", which shall consist of the
3 chairperson of the economic development committee of the Missouri senate
4 or his or her designee, the chairperson of the economic development
5 committee of the Missouri house of representatives or his or her designee, the
6 director of the department of economic development or his or her designee,
7 and two members to be appointed by the governor with the advice and
8 consent of the senate.

620.1890. Prior to March 1 each year, the department will provide a
2 report on the program to the general assembly including the names of
3 participating companies, location of such companies, the annual amount of
4 benefits provided, the estimated net state fiscal impact (direct and indirect
5 new state taxes derived from the project), the number of new jobs created or
6 jobs retained, the average wages of each project, and the types of qualified
7 companies using the program.

620.1900. 1. The department of economic development may charge a fee
2 to the recipient of any tax credits issued by the department, in an amount up
3 to two and one-half percent of the amount of tax credits issued. The fee shall
4 be paid by the recipient upon the issuance of the tax credits. However, no fee
5 shall be charged for the tax credits issued under sections 135.460, RSMo, or
6 208.770, RSMo, or under sections 32.100 to 32.125, RSMo, if issued for
7 community services, crime prevention, education, job training, or physical
8 revitalization.

9 2. All fees received by the department of economic development under
10 this section shall be deposited solely to the credit of the economic
11 development advancement fund, created under subsection 3 of this section.

12 3. There is hereby created in the state treasury the "Economic
13 Development Advancement Fund", which shall consist of money collected
14 under this section. The state treasurer shall be custodian of the fund and
15 shall approve disbursements from the fund in accordance with sections 30.170
16 and 30.180, RSMo. Upon appropriation, money in the fund shall be used solely
17 for the administration of this section. Notwithstanding the provisions of
18 section 33.080, RSMo, to the contrary, any moneys remaining in the fund at
19 the end of the biennium shall not revert to the credit of the general revenue
20 fund. The state treasurer shall invest moneys in the fund in the same manner
21 as other funds are invested. Any interest and moneys earned on such
22 investments shall be credited to the fund.

23 4. Such fund shall consist of any fees charged under subsection 1 of

24 **this section, any gifts, contributions, grants, or bequests received from**
25 **federal, private, or other sources, fees or administrative charges from private**
26 **activity bond allocations, moneys transferred or paid to the department in**
27 **return for goods or services provided by the department, and any**
28 **appropriations to the fund.**

29 **5. At least fifty percent of the fees and other moneys deposited in the**
30 **fund shall be appropriated for marketing, technical assistance, and training,**
31 **contracts for specialized economic development services, and new initiatives**
32 **and pilot programming to address economic trends. The remainder may be**
33 **appropriated toward the costs of staffing and operating expenses for the**
34 **program activities of the department of economic development, and for**
35 **accountability functions.**

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

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

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

28 4. Certificates issued pursuant to this section shall not be deemed
29 to be an indebtedness of the state or the board or of any political
30 subdivision of the state.]

Section B. Because immediate action is necessary to prevent the imposition of
2 state sales tax on retail sales of clothing, school supplies, and personal computers, the
3 repeal and reenactment of section 144.049 of this act is deemed necessary for the
4 immediate preservation of the public health, welfare, peace, and safety, and is hereby
5 declared to be an emergency act within the meaning of the constitution, and the repeal
6 and reenactment of section 144.049 of this act shall be in full force and effect July 1,
7 2005, or upon its passage and approval, whichever later occurs.

✓