

HCS HB 135 -- BUSINESS USE INCENTIVES FOR LARGE-SCALE DEVELOPMENT PROGRAM

SPONSOR: Richard

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Job Creation and Economic Development by a vote of 18 to 0.

This substitute authorizes certain development agencies or a corporation, limited liability company, or partnership that is formed on behalf of the development agency to act as an eligible industry as it relates to the Business Use Incentives for Large-Scale Development (BUILD) Program.

The substitute requires that \$950,000 of the \$15 million in tax credits authorized annually for BUILD be reserved for an approved project in the City of Kansas City.

If no essential industry projects have been approved by the Department of Economic Development by December 31, 2005, current law requires that portions of the BUILD Program expire on January 1, 2006. The substitute removes that expiration date.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPONENTS: Supporters say that the bill will make it easier for large-scale projects to utilize the BUILD program. The current program allows a secondary entity to buy BUILD bonds, but there are problems with the current caps. The bill corrects these problems. BUILD was used by the City of St. Joseph for the Sara Lee and Triumph Foods facilities.

Testifying for the bill were Representatives Richard, Rucker, and Wildberger; Department of Economic Development; Missouri Chamber of Commerce and Industry; Missouri Development Finance Board; and St. Joseph Area Legislative Coalition.

OPPONENTS: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst