

SECOND REGULAR SESSION

HOUSE BILL NO. 2040

93RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FLOOK (Sponsor), RICHARD, BROWN (50), DOUGHERTY,
POLLOCK, PEARCE, ERVIN, BOWMAN, CORCORAN AND NOLTE (Co-sponsors).

Read 1st time March 27, 2006 and copies ordered printed.

STEPHEN S. DAVIS, Chief Clerk

5586L.01I

AN ACT

To repeal sections 32.100, 32.105, 32.110, 32.115, 32.117, 32.120, 33.282, 99.845, 99.918, 99.960, 99.963, 99.975, 99.980, 99.1045, 99.1048, 99.1082, 99.1090, 99.1092, 100.255, 100.275, 100.281, 100.286, 100.297, 100.760, 135.403, 135.460, 135.700, 135.766, 135.800, 135.950, 135.967, 208.750, 208.755, 208.760, 208.765, 208.770, 208.775, 447.708, 620.495, 620.1100, 620.1103, 620.1878, 620.1881, and 620.1900, RSMo, and to enact in lieu thereof thirty-six new sections relating to economic development.

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

Section A. Sections 32.100, 32.105, 32.110, 32.115, 32.117, 32.120, 33.282, 99.845, 99.918, 99.960, 99.963, 99.975, 99.980, 99.1045, 99.1048, 99.1082, 99.1090, 99.1092, 100.255, 100.275, 100.281, 100.286, 100.297, 100.760, 135.403, 135.460, 135.700, 135.766, 135.800, 135.950, 135.967, 208.750, 208.755, 208.760, 208.765, 208.770, 208.775, 447.708, 620.495, 620.1100, 620.1103, 620.1878, 620.1881, and 620.1900, RSMo, are repealed and thirty-six new sections enacted in lieu thereof, to be known as sections 32.100, 32.105, 32.115, 33.282, 99.845, 99.918, 99.960, 99.963, 99.975, 99.980, 99.1045, 99.1048, 99.1082, 99.1090, 99.1092, 100.255, 100.275, 100.281, 100.286, 100.297, 100.760, 135.403, 135.440, 135.442, 135.444, 135.446, 135.448, 135.449, 135.700, 135.800, 135.950, 135.967, 447.708, 620.1878, 620.1881, and 620.1900, to read as follows:

32.100. Sections 32.100 to 32.125 shall be known and may be cited as the ["Neighborhood Assistance Act"] "**Affordable Housing Assistance Act**".

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

3 32.105. As used in sections 32.100 to 32.125, the following terms mean:

4 (1) "Affordable housing assistance activities", money, real or personal property, or
5 professional services expended or devoted to the construction, or rehabilitation of affordable
6 housing units;

7 (2) "Affordable housing unit", a residential unit generally occupied by persons and
8 families with incomes at or below the levels described in this subdivision and bearing a cost to
9 the occupant no greater than thirty percent of the maximum eligible household income for the
10 affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be
11 considered the amount of the gross monthly mortgage payment, including casualty insurance,
12 mortgage insurance, and taxes. In the case of rental units, the cost to the occupant shall be
13 considered the amount of the gross rent. The cost to the occupant shall include the cost of any
14 utilities, other than telephone. If any utilities are paid directly by the occupant, the maximum
15 cost that may be paid by the occupant is to be reduced by a utility allowance prescribed by the
16 commission. Persons or families are eligible occupants of affordable housing units if the
17 household combined, adjusted gross income as defined by the commission is equal to or less than
18 the following percentages of the median family income for the geographic area in which the
19 residential unit is located, or the median family income for the state of Missouri, whichever is
20 larger; ("geographic area" means the metropolitan area or county designated as an area by the
21 federal Department of Housing and Urban Development under Section 8 of the United States
22 Housing Act of 1937, as amended, for purposes of determining fair market rental rates):

Percent of State or		
Geographic Area Family		
	Size of Household	Median Income
26	One Person	35%
27	Two Persons	40%
28	Three Persons	45%
29	Four Persons	50%
30	Five Persons	54%
31	Six Persons	58%
32	Seven Persons	62%
33	Eight Persons	66%

34 (3) "Business firm", person, firm, a partner in a firm, corporation or a shareholder in an
35 S corporation doing business in the state of Missouri and subject to the state income tax imposed
36 by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation
37 franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying
38 an annual tax on its gross premium receipts in this state, or other financial institution paying

39 taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions
40 of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in
41 this state;

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

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

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

48 (7) "Defense industry contractor", a person, corporation or other entity which will be or
49 has been negatively impacted as a result of its status as a prime contractor of the Department of
50 Defense or as a second or third tier contractor. A "second tier contractor" means a person,
51 corporation or other entity which contracts to perform manufacturing, maintenance or repair
52 services for a prime contractor of the Department of Defense, and a "third tier contractor" means
53 a person, corporation or other entity which contracts with a person, corporation or other entity
54 which contracts with a prime contractor of the Department of Defense;

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

59 [(9)] (6) "Economic development", the acquisition, renovation, improvement, or the
60 furnishing or equipping of existing buildings and real estate [in distressed or blighted areas of
61 the state] when such acquisition, renovation, improvement, or the furnishing or equipping of the
62 business development projects will result in the creation or retention of jobs within the state; [or,
63 until June 30, 1996, a defense conversion pilot project located in a standard metropolitan
64 statistical area which contains a city with a population of at least three hundred fifty thousand
65 inhabitants, which will assist Missouri-based defense industry contractors in their conversion
66 from predominately defense-related contracting to nondefense-oriented manufacturing. Only
67 neighborhood organizations, as defined in subdivision (13) of this section, may apply to conduct
68 economic development projects. Prior to the approval of an economic development project, the
69 neighborhood organization shall enter into a contractual agreement with the department of
70 economic development. Credits approved for economic development projects may not exceed
71 four million dollars from within any one fiscal year's allocation, except that for fiscal years 2005,
72 2006, and 2007 credits approved for economic development projects shall not exceed six million
73 dollars. Neighborhood assistance program tax credits for economic development projects and

74 affordable housing assistance as defined in section 32.111 may be transferred, sold or assigned
75 by a notarized endorsement thereof naming the transferee;

76 (10)] (7) "Education", any type of scholastic instruction or scholarship assistance to an
77 individual who resides in the state of Missouri that enables the individual to prepare himself or
78 herself for better opportunities or community awareness activities rendered by a statewide
79 organization established for the purpose of archeological education and preservation;

80 [(11) "Homeless assistance pilot project", the program established pursuant to section
81 32.117;

82 (12) "Job training", any type of instruction to an individual who resides in the state of
83 Missouri that enables the individual to acquire vocational skills so that the individual can
84 become employable or be able to seek a higher grade of employment;

85 (13)] (8) "Neighborhood organization", any organization performing community services
86 or economic development activities in the state of Missouri and:

87 (a) Holding a ruling from the Internal Revenue Service of the United States Department
88 of the Treasury that the organization is exempt from income taxation pursuant to the provisions
89 of the Internal Revenue Code; or

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

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

94 [(14) "Physical revitalization", furnishing financial assistance, labor, material, or
95 technical advice to aid in the physical improvement or rehabilitation of any part or all of a
96 neighborhood area;

97 (15)] (9) "S corporation", a corporation described in Section 1361(a)(1) of the United
98 States Internal Revenue Code and not subject to the taxes imposed by section 143.071, RSMo,
99 by reason of section 143.471, RSMo;

100 [(16)] (10) "Workfare renovation project", any project initiated pursuant to sections
101 215.340 to 215.355, RSMo.

32.115. 1. The department of revenue shall grant a tax credit, to be applied in the
2 following order until used, against:

3 (1) The annual tax on gross premium receipts of insurance companies in chapter 148,
4 RSMo;

5 (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section
6 148.030, RSMo;

7 (3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030,
8 RSMo;

- 9 (4) The tax on other financial institutions in chapter 148, RSMo;
10 (5) The corporation franchise tax in chapter 147, RSMo;
11 (6) The state income tax in chapter 143, RSMo; and
12 (7) The annual tax on gross receipts of express companies in chapter 153, RSMo.

13 2. [For proposals approved pursuant to section 32.110:

14 (1) The amount of the tax credit shall not exceed fifty percent of the total amount
15 contributed during the taxable year by the business firm or, in the case of a financial institution,
16 where applicable, during the relevant income period in programs approved pursuant to section
17 32.110;

18 (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy
19 percent may be allowed for contributions to programs where activities fall within the scope of
20 special program priorities as defined with the approval of the governor in regulations
21 promulgated by the director of the department of economic development;

22 (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for
23 contributions to programs located in any community shall be equal to seventy percent of the total
24 amount contributed where such community is a city, town or village which has fifteen thousand
25 or less inhabitants as of the last decennial census and is located in a county which is either
26 located in:

27 (a) An area that is not part of a standard metropolitan statistical area;

28 (b) A standard metropolitan statistical area but such county has only one city, town or
29 village which has more than fifteen thousand inhabitants; or

30 (c) A standard metropolitan statistical area and a substantial number of persons in such
31 county derive their income from agriculture.

32

33 Such community may also be in an unincorporated area in such county as provided in
34 subdivision (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit
35 of the combined federal and state tax savings to the taxpayer exceed the amount contributed by
36 the taxpayer during the tax year;

37 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed,
38 shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000
39 and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit
40 allocation is committed, the tax credit allocation for such programs shall then be equal to fifty
41 percent credit of the total amount contributed. Regulations establishing special program
42 priorities are to be promulgated during the first month of each fiscal year and at such times
43 during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty
44 thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit

45 shall be approved for any bank, bank and trust company, insurance company, trust company,
46 national bank, savings association, or building and loan association for activities that are a part
47 of its normal course of business. Any tax credit not used in the period the contribution was made
48 may be carried over the next five succeeding calendar or fiscal years until the full credit has been
49 claimed. Except as otherwise provided for proposals approved pursuant to section 32.111,
50 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to
51 sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six
52 million shall be credits allowed pursuant to section 135.460, RSMo. If six million dollars in
53 credits are not approved, then the remaining credits may be used for programs approved pursuant
54 to sections 32.100 to 32.125;

55 (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be
56 limited if community services, crime prevention, education, job training, physical revitalization
57 or economic development, as defined by section 32.105, is rendered in an area defined by federal
58 or state law as an impoverished, economically distressed, or blighted area or as a neighborhood
59 experiencing problems endangering its existence as a viable and stable neighborhood, or if the
60 community services, crime prevention, education, job training, physical revitalization or
61 economic development is limited to impoverished persons] **The total amount of tax credit**
62 **granted for programs approved under sections 32.100 to 32.125 shall not exceed twenty-six**
63 **million dollars in any fiscal year, except as otherwise provided for proposals approved**
64 **under section 32.111 or 32.112. All tax credits authorized under the provisions of sections**
65 **32.100 to 32.125 may be used as a state match to secure additional federal funding.**

66 3. For proposals approved pursuant to section 32.111:

67 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount
68 invested in affordable housing assistance activities or market rate housing in distressed
69 communities as defined in section 135.530, RSMo, by a business firm. Whenever such
70 investment is made in the form of an equity investment or a loan, as opposed to a donation alone,
71 tax credits may be claimed only where the loan or equity investment is accompanied by a
72 donation which is eligible for federal income tax charitable deduction, and where the total value
73 of the tax credits herein plus the value of the federal income tax charitable deduction is less than
74 or equal to the value of the donation. Any tax credit not used in the period for which the credit
75 was approved may be carried over the next ten succeeding calendar or fiscal years until the full
76 credit has been allowed. If the affordable housing units or market rate housing units in distressed
77 communities for which a tax is claimed are within a larger structure, parts of which are not the
78 subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced
79 on a prorated basis in proportion to the ratio of the number of square feet devoted to the
80 affordable housing units or market rate housing units in distressed communities, for purposes of

81 determining the amount of the tax credit. The total amount of tax credit granted for programs
82 approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed
83 two million dollars, to be increased by no more than two million dollars each succeeding fiscal
84 year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year;

85 (2) For any year during the compliance period indicated in the land use restriction
86 agreement, the owner of the affordable housing rental units for which a credit is being claimed
87 shall certify to the commission that all tenants renting claimed units are income eligible for
88 affordable housing units and that the rentals for each claimed unit are in compliance with the
89 provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit
90 the records and accounts of the owner to verify such certification;

91 (3) In the case of owner-occupied affordable housing units, the qualifying owner
92 occupant shall, before the end of the first year in which credits are claimed, certify to the
93 commission that the occupant is income eligible during the preceding two years, and at the time
94 of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further
95 certify to the commission, before the end of the first year in which credits are claimed, that
96 during the compliance period indicated in the land use restriction agreement, the cost of the
97 affordable housing unit to the occupant for the claimed unit can reasonably be projected to be
98 in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant
99 acquiring the affordable housing unit during the compliance period indicated in the land use
100 restriction agreement shall make the same certification;

101 (4) If at any time during the compliance period the commission determines a project for
102 which a proposal has been approved is not in compliance with the applicable provisions of
103 sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one
104 hundred fifty days of notice to the owner either seek injunctive enforcement action against the
105 owner, or seek legal damages against the owner representing the value of the tax credits, or
106 foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and
107 paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax
108 credits allowed herein. The commission shall remit to the director of revenue the portion of the
109 legal damages collected or the sale proceeds representing the value of the tax credits. However,
110 except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for
111 tax credits shall not be revoked.

112 4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall
113 not exceed fifty-five percent of the total amount contributed to a neighborhood organization by
114 business firms. Any tax credit not used in the period for which the credit was approved may be
115 carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed.

116 The total amount of tax credit granted for programs approved pursuant to section 32.112 shall
117 not exceed one million dollars for each fiscal year.

118 5. The total amount of tax credits used for market rate housing in distressed communities
119 pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all
120 tax credits authorized pursuant to sections 32.111 and 32.112.

33.282. 1. Subject to appropriation the office of administration shall develop a tax
2 expenditure budget for submission to the general assembly in conjunction with the submission
3 of the state budget as required in section 33.280. The tax expenditure budget shall indicate, on
4 an annual basis, the reduction in revenue collections for each fiscal year as a result of each
5 deduction, exemption, credit or other tax preference as may be authorized by law, and shall
6 indicate, where appropriate, the tax source of each state-funded program. Periodically the tax
7 expenditure budget shall include a cost-benefit analysis of the following:

- 8 (1) The neighborhood assistance program, sections 32.100 to 32.125, RSMo;
- 9 (2) Tax increment financing, sections 99.800 to 99.865, RSMo;
- 10 (3) Export and infrastructure funding, sections 100.250 to 100.297, RSMo;
- 11 (4) Credit for new expanded business facility, sections 135.100 to 135.150, RSMo;
- 12 (5) Enterprise zones, sections 135.200 to 135.256, RSMo;
- 13 (6) Main street program, sections 251.470 to 251.485, RSMo;
- 14 (7) Economic development districts, sections 251.500 to 251.510, RSMo;
- 15 (8) Rural economic development, sections 620.155 to 620.165, RSMo;
- 16 (9) Export development, sections 620.170 to 620.174, RSMo; **and**
- 17 (10) [Small business incubator program, section 620.495, RSMo; and
- 18 (11)] Other programs as may be practical. Pursuant to the provisions of section 32.057,
19 RSMo, the department of revenue shall not release information as part of the tax expenditure
20 budget in a manner that would allow the identification of any individual taxpayer.

21 2. On or before October first of each year each state department authorized by law to
22 offer deductions, exemptions, credits or other tax preferences shall submit to the budget director
23 the estimated amount of such tax expenditures for the fiscal year beginning July first of the
24 following year and a cost/benefit analysis of such tax expenditures for the preceding fiscal year.
25 Such estimates and analysis shall be in the manner and form prescribed by the budget director
26 and shall be submitted by the budget director to the chairman of the senate appropriations
27 committee and the chairman of the house budget committee by January first of each year.

28 3. No new tax credits, except the senior citizens property tax credit as referenced in
29 chapter 135, RSMo, shall be issued or certified for any tax year beginning after July first of the
30 following year unless the estimate of such credits have been reviewed and approved by a
31 majority of the senate appropriations committee and the house budget committee.

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

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

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

36 provided for in section 163.031, RSMo, until such time as all redevelopment costs have been
37 paid as provided for in this section and section 99.850;

38 (b) Notwithstanding any provisions of this section to the contrary, for purposes of
39 determining the limitation on indebtedness of local government pursuant to article VI, section
40 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area
41 selected for redevelopment attributable to the increase above the total initial equalized assessed
42 valuation shall be included in the value of taxable tangible property as shown on the last
43 completed assessment for state or county purposes;

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

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

56 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
57 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
58 approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total
59 additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing
60 districts, which are generated by economic activities within the area of the redevelopment project
61 over the amount of such taxes generated by economic activities within the area of the
62 redevelopment project in the calendar year prior to the adoption of the redevelopment project by
63 ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales
64 or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant
65 to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of
66 taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant
67 to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid
68 by the local political subdivision collecting officer to the treasurer or other designated financial
69 officer of the municipality, who shall deposit such funds in a separate segregated account within
70 the special allocation fund. Any provision of an agreement, contract or covenant entered into
71 prior to July 12, 1990, between a municipality and any other political subdivision which provides

72 for an appropriation of other municipal revenues to the special allocation fund shall be and
73 remain enforceable.

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

89 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
90 redevelopment projects approved by ordinance and which have complied with subsections 4 to
91 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes
92 described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,
93 as defined in subsection 8 of this section, estimated for the businesses within the project area and
94 identified by the municipality in the application required by subsection 10 of this section, over
95 and above the amount of such taxes reported by businesses within the project area as identified
96 by the municipality in their application prior to the approval of the redevelopment project by
97 ordinance, while tax increment financing remains in effect, may be available for appropriation
98 by the general assembly as provided in subsection 10 of this section to the department of
99 economic development supplemental tax increment financing fund, from the general revenue
100 fund, for distribution to the treasurer or other designated financial officer of the municipality
101 with approved plans or projects.

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

105 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
106 financing fund shall be made unless an appropriation is made from the general revenue fund for
107 that purpose. No municipality shall commit any state revenues prior to an appropriation being

108 made for that project. For all redevelopment plans or projects adopted or approved after
109 December 23, 1997, appropriations from the new state revenues shall not be distributed from the
110 Missouri supplemental tax increment financing fund into the special allocation fund unless the
111 municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes
112 and fifty percent of economic activity taxes generated by the project shall be used for eligible
113 redevelopment project costs while tax increment financing remains in effect. This account shall
114 be separate from the account into which payments in lieu of taxes are deposited, and separate
115 from the account into which economic activity taxes are deposited.

116 7. In order for the redevelopment plan or project to be eligible to receive the revenue
117 described in subsection 4 of this section, the municipality shall comply with the requirements of
118 subsection 10 of this section prior to the time the project or plan is adopted or approved by
119 ordinance. The director of the department of economic development and the commissioner of
120 the office of administration may waive the requirement that the municipality's application be
121 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or
122 project's approval by ordinance.

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

124 (1) The incremental increase in the general revenue portion of state sales tax revenues
125 [received pursuant to section 144.020, RSMo] **in the redevelopment project area**, excluding
126 sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in
127 accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats
128 and outboard motors and future sales taxes earmarked by law. **The incremental increase shall**
129 **be calculated by first adding the state sales tax revenues generated in the redevelopment**
130 **project area in the calendar year prior to the adoption of an ordinance by the municipality**
131 **approving a redevelopment project and the state sales tax revenue generated by businesses**
132 **that have relocated into the project area from within the state in the calendar year prior**
133 **to their relocation. The resulting sum shall be subtracted from the current year's state**
134 **sales tax revenue generated in the redevelopment project area.** In no event shall the
135 incremental increase include any amounts attributable to retail sales **generated by businesses**
136 **that were not located in the project area in the calendar year prior to the adoption of an**
137 **ordinance by the municipality approving a redevelopment project**, unless the municipality
138 or authority has proven to the [Missouri development finance board and the] department of
139 economic development and [such entities have made a finding that the sales tax increment
140 attributable to retail sales is from new sources which did not exist in the state during the baseline
141 year. The incremental increase in the general revenue portion of state sales tax revenues for an
142 existing or relocated facility shall be the amount that current state sales tax revenue exceeds the
143 state sales tax revenue in the base year as stated in the redevelopment plan as provided in

subsection 10 of this section] **the department has made a finding that the retail sales do not consist of retail sales displaced from existing businesses within the state;** or

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

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

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

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

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

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

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

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

- 178 (c) The estimate of the incremental increase in the general revenue portion of state sales
179 tax revenue or the estimate for the state income tax withheld by the employer on behalf of new
180 employees expected to fill new jobs created within the redevelopment area after redevelopment;
- 181 (d) The official statement of any bond issue pursuant to this subsection after December
182 23, 1997;
- 183 (e) An affidavit that is signed by the developer or developers attesting that the provisions
184 of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area
185 would not be reasonably anticipated to be developed without the appropriation of the new state
186 revenues;
- 187 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal
188 impact on the state of Missouri; and
- 189 (g) The statement of election between the use of the incremental increase of the general
190 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
191 behalf of new employees who fill new jobs created in the redevelopment area;
- 192 (h) The name, street and mailing address, and phone number of the mayor or chief
193 executive officer of the municipality;
- 194 (i) The street address of the development site;
- 195 (j) The three-digit North American Industry Classification System number or numbers
196 characterizing the development project;
- 197 (k) The estimated development project costs;
- 198 (l) The anticipated sources of funds to pay such development project costs;
- 199 (m) Evidence of the commitments to finance such development project costs;
- 200 (n) The anticipated type and term of the sources of funds to pay such development
201 project costs;
- 202 (o) The anticipated type and terms of the obligations to be issued;
- 203 (p) The most recent equalized assessed valuation of the property within the development
204 project area;
- 205 (q) An estimate as to the equalized assessed valuation after the development project area
206 is developed in accordance with a development plan;
- 207 (r) The general land uses to apply in the development area;
- 208 (s) The total number of individuals employed in the development area, broken down by
209 full-time, part-time, and temporary positions;
- 210 (t) The total number of full-time equivalent positions in the development area;
- 211 (u) The current gross wages, state income tax withholdings, and federal income tax
212 withholdings for individuals employed in the development area;

- 213 (v) The total number of individuals employed in this state by the corporate parent of any
214 business benefiting from public expenditures in the development area, and all subsidiaries
215 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,
216 and temporary positions;
- 217 (w) The number of new jobs to be created by any business benefiting from public
218 expenditures in the development area, broken down by full-time, part-time, and temporary
219 positions;
- 220 (x) The average hourly wage to be paid to all current and new employees at the project
221 site, broken down by full-time, part-time, and temporary positions;
- 222 (y) For project sites located in a metropolitan statistical area, as defined by the federal
223 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees
224 in this state for the industries involved at the project, as established by the United States Bureau
225 of Labor Statistics;
- 226 (z) For project sites located outside of metropolitan statistical areas, the average weekly
227 wage paid to nonmanagerial employees in the county for industries involved at the project, as
228 established by the United States Department of Commerce;
- 229 (aa) A list of other community and economic benefits to result from the project;
- 230 (bb) A list of all development subsidies that any business benefiting from public
231 expenditures in the development area has previously received for the project, and the name of
232 any other granting body from which such subsidies are sought;
- 233 (cc) A list of all other public investments made or to be made by this state or units of
234 local government to support infrastructure or other needs generated by the project for which the
235 funding pursuant to this section is being sought;
- 236 (dd) A statement as to whether the development project may reduce employment at any
237 other site, within or without the state, resulting from automation, merger, acquisition, corporate
238 restructuring, relocation, or other business activity;
- 239 (ee) A statement as to whether or not the project involves the relocation of work from
240 another address and if so, the number of jobs to be relocated and the address from which they
241 are to be relocated;
- 242 (ff) A list of competing businesses in the county containing the development area and
243 in each contiguous county;
- 244 (gg) A market study for the development area;
- 245 (hh) A certification by the chief officer of the applicant as to the accuracy of the
246 development plan;
- 247 (2) The methodologies used in the application for determining the base year and
248 determining the estimate of the incremental increase in the general revenue portion of the state

sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;

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

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

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

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

284 13. Redevelopment project costs may include, at the prerogative of the state, the portion
285 of salaries and expenses of the department of economic development and the department of
286 revenue reasonably allocable to each redevelopment project approved for disbursements from
287 the Missouri supplemental tax increment financing fund for the ongoing administrative functions
288 associated with such redevelopment project. Such amounts shall be recovered from new state
289 revenues deposited into the Missouri supplemental tax increment financing fund created under
290 this section.

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

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

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

5 (2) "Baseline year", the calendar year prior to the adoption of an ordinance by the
6 municipality approving a development project; provided, however, if economic activity taxes or
7 state sales tax revenues, from businesses other than any out-of-state business or businesses
8 locating in the development project area, decrease in the development project area in the year
9 following the year in which the ordinance approving a development project is approved by a
10 municipality, the baseline year may, at the option of the municipality approving the development
11 project, be the year following the year of the adoption of the ordinance approving the
12 development project. When a development project area is located within a county for which
13 public and individual assistance has been requested by the governor pursuant to Section 401 of
14 the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq.,
15 for an emergency proclaimed by the governor pursuant to section 44.100, RSMo, due to a natural
16 disaster of major proportions that occurred after May 1, 2003, but prior to May 10, 2003, and the
17 development project area is a central business district that sustained severe damage as a result
18 of such natural disaster, as determined by the state emergency management agency, the baseline
19 year may, at the option of the municipality approving the development project, be the calendar
20 year in which the natural disaster occurred or the year following the year in which the natural

21 disaster occurred, provided that the municipality adopts an ordinance approving the development
22 project within one year after the occurrence of the natural disaster;

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

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

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

41 (6) "Conservation area", any improved area within the boundaries of a redevelopment
42 area located within the territorial limits of a municipality in which fifty percent or more of the
43 structures in the area have an age of thirty-five years or more, and such an area is not yet a
44 blighted area but is detrimental to the public health, safety, morals, or welfare and may become
45 a blighted area because of any one or more of the following factors: dilapidation; obsolescence;
46 deterioration; illegal use of individual structures; presence of structures below minimum code
47 standards; abandonment; excessive vacancies; overcrowding of structures and community
48 facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land
49 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of
50 community planning;

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

54 (a) It includes only those parcels of real property directly and substantially benefited by
55 the proposed development plan;

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

- 57 (c) It is located in the central business district;
- 58 (d) It has generally suffered from declining population or property taxes for the
59 twenty-year period immediately preceding the area's designation as a development area or has
60 structures in the area fifty percent or more of which have an age of thirty-five years or more;
- 61 (e) It is contiguous, provided, however that a development area may include up to three
62 noncontiguous areas selected for development projects, provided that each noncontiguous area
63 meets the requirements of paragraphs (a) to (g) herein;
- 64 (f) The development area shall not exceed ten percent of the entire area of the
65 municipality; and
- 66 (g) The development area shall not include any property that is located within the one
67 hundred year flood plain, as designated by the Federal Emergency Management Agency flood
68 delineation maps, unless such property is protected by a structure that is inspected and certified
69 by the United States Army Corps of Engineers.
- 70
- 71 This subdivision shall not apply to property within the one hundred year flood plain if the
72 buildings on the property have been or will be flood proofed in accordance with the Federal
73 Emergency Management Agency's standards for flood proofing and the property is located in a
74 home rule city with more than one hundred fifty-one thousand five hundred but fewer than one
75 hundred fifty-one thousand six hundred inhabitants. Only those buildings certified as being flood
76 proofed in accordance with the Federal Emergency Management Agency's standards for flood
77 proofing by the authority shall be eligible for the state sales tax increment and the state income
78 tax increment. Subject to the limitation set forth in this subdivision, the development area can
79 be enlarged or modified as provided in section 99.951;
- 80 (8) "Development plan", the comprehensive program of a municipality to reduce or
81 eliminate those conditions which qualified a development area as a blighted area or a
82 conservation area, and to thereby enhance the tax bases of the taxing districts which extend into
83 the development area through the reimbursement, payment, or other financing of development
84 project costs in accordance with sections 99.915 to 99.980 and through the exercise of the
85 powers set forth in sections 99.915 to 99.980. The development plan shall conform to the
86 requirements of section 99.942;
- 87 (9) "Development project", any development project within a development area which
88 constitutes a major initiative in furtherance of the objectives of the development plan, and any
89 such development project shall include a legal description of the area selected for such
90 development project;
- 91 (10) "Development project area", the area located within a development area selected
92 for a development project;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

170 (15) "Municipality", any city, village, incorporated town, or any county of this state
 171 established on or prior to January 1, 2001, or a census-designated place in any county designated
 172 by the county for purposes of sections 99.915 to 99.1060;

173 (16) "New job", any job defined as a new job pursuant to subdivision (11) of section
 174 100.710, RSMo;

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

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

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

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

187 (21) "Payment in lieu of taxes", those revenues from real property in each development
 188 project area, which taxing districts would have received had the municipality not adopted a
 189 development plan and the municipality not adopted development financing, and which would
 190 result from levies made after the time of the adoption of development financing during the time
 191 the current equalized value of real property in such development project area exceeds the total
 192 equalized value of real property in such development project area during the baseline year until
 193 development financing for such development project area expires or is terminated pursuant to
 194 sections 99.915 to 99.980;

195 (22) "Special allocation fund", the fund of the municipality or its authority required to
 196 be established pursuant to section 99.957 which special allocation fund shall contain at least four

197 separate segregated accounts into which payments in lieu of taxes are deposited in one account,
198 economic activity taxes are deposited in a second account, other net new revenues are deposited
199 in a third account, and other revenues, if any, received by the authority or the municipality for
200 the purpose of implementing a development plan or a development project are deposited in a
201 fourth account;

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

208 (24) "State sales tax increment", up to one-half of the incremental increase in the state
209 sales tax revenue in the [development] **redevelopment** project area. [In no event shall the
210 incremental increase include any amounts attributable to retail sales unless the Missouri
211 development finance board and the department of economic development are satisfied based on
212 information provided by the municipality or authority, and such entities have made a finding that
213 a substantial portion of all but a de minimus portion of the sales tax increment attributable to
214 retail sales is from new sources which did not exist in the state during the baseline year. The
215 incremental increase for an existing facility shall be the amount by which the state sales tax
216 revenue generated at the facility exceeds the state sales tax revenue generated at the facility in
217 the baseline year. The incremental increase in development project areas where the baseline year
218 is the year following the year in which the development project is approved by the municipality
219 pursuant to subdivision (2) of this section shall be the state sales tax revenue generated by
220 out-of-state businesses relocating into a development project area. The incremental increase for
221 a Missouri facility which relocates to a development project area shall be the amount by which
222 the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the
223 calendar year prior to relocation] **The incremental increase shall be calculated by first adding**
224 **the state sales tax revenues generated in the redevelopment project area in the calendar**
225 **year prior to the adoption of an ordinance by the municipality approving a redevelopment**
226 **project and the state sales tax revenue generated by businesses that have relocated into the**
227 **project area from within the state in the calendar year prior to their relocation. The**
228 **resulting sum shall be subtracted from the current year's state sales tax revenue generated**
229 **in the redevelopment project area. In no event shall the incremental increase include any**
230 **amounts attributable to retail sales generated by businesses that were not located in the**
231 **project area in the calendar year prior to the adoption of an ordinance by the municipality**
232 **approving a redevelopment project, unless the municipality or authority has proven to the**

department of economic development and the department has made a finding that the retail sales do not consist of retail sales displaced from existing businesses within the state;

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

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

(27) "Taxing districts", any political subdivision of this state having the power to levy taxes.

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

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

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

(3) The aggregate baseline year amount of state sales tax revenues and the aggregate baseline year amount of state income tax withheld on behalf of existing employees, reported by existing businesses within the development project area. Provisions of section 32.057, RSMo, notwithstanding, municipalities will provide this information to the department of revenue for

25 verification. The department of revenue will verify the information provided by the
26 municipalities within forty-five days of receiving a request for such verification from a
27 municipality;

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

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

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

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

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

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

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

55 4. At no time shall the annual amount of other net new revenues approved for
56 disbursements from the state supplemental downtown development fund **combined with other**
57 **net new revenues approved for disbursement from the state supplemental rural**
58 **development fund created under section 99.1048** exceed [one hundred eight] **fifty-eight**
59 million dollars.

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

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

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

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

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

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

93 11. The Missouri **department of economic** development [finance board] shall consider
94 parity based on population and geography of the state among the regions of the state in making
95 determinations on applications pursuant to this section.

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

(1) The [first one hundred fifty million dollars of] other net new revenues generated annually by the development projects, **up to the amount approved by the department of economic development;**

(2) Money received from costs charged pursuant to subsection 7 of section 99.960; and

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

2. Notwithstanding the provisions of section 144.700, RSMo, to the contrary, the department of revenue shall annually submit the [first one hundred fifty million of] other net new revenues generated by the development projects, **up to the amount approved by the department of economic development,** to the treasurer for deposit in the state supplemental downtown development fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

25 (12) A copy of the development plan;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (2) Identification of the existing businesses located within the development project area
17 and the development area;

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

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

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

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

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

36 (8) Any other information reasonably requested by the Missouri agricultural and small
37 business development authority.

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

40 3. The Missouri agricultural and small business development authority shall make a
41 determination regarding the application for a disbursement from the state supplemental rural
42 development fund and shall forward such determination to the director of the department of
43 economic development. In no event shall the amount of disbursements from the state
44 supplemental rural development fund approved for a project, in addition to any other state

45 economic development funding or other state incentives, exceed the projected state benefit of
46 the development project, as determined by the department of economic development through a
47 cost-benefit analysis. Any political subdivision located either wholly or partially within the
48 development area shall be permitted to submit information to the department of economic
49 development for consideration in its cost-benefit analysis. Upon approval of state supplemental
50 rural development financing, a certificate of approval shall be issued by the department of
51 economic development containing the terms and limitations of the disbursement.

52 4. At no time shall the annual amount of other net new revenues approved for
53 disbursements from the state supplemental rural development fund **combined with other net**
54 **new revenues approved from disbursement from the state supplemental downtown**
55 **development fund created under section 99.963** exceed [twelve] **fifty-eight** million dollars.

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

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

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

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

77 9. The Missouri agricultural and small business development authority shall promulgate
78 rules and regulations and publish forms to implement the provisions of this section and section
79 99.1048.

80 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
81 is created under the authority delegated in this section and section 99.1048 shall become
82 effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo,
83 and, if applicable, section 536.028, RSMo. This section, section 99.1048, and chapter 536,
84 RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to
85 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are
86 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
87 or adopted after August 28, 2003, shall be invalid and void.

 99.1048. 1. There is hereby established within the state treasury a special fund to be
2 known as the "State Supplemental Rural Development Fund", to be administered by the
3 department of economic development. Any unexpended balance and any interest in the fund at
4 the end of the biennium shall be exempt from the provisions of section 33.080, RSMo, relating
5 to the transfer of unexpended balances to the general revenue fund. The fund shall consist of:
6 (1) The [first twelve million dollars of] other net new revenues generated annually by
7 the development projects, **up to the amount approved by the department of economic**
8 **development;**

9 (2) Money received from fees charged pursuant to subsection 7 of section 99.1045; and
10 (3) Gifts, contributions, grants, or bequests received from federal, private, or other
11 sources.

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

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

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

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

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

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

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

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

 99.1082. As used in sections 99.1080 to 99.1092, unless the context clearly requires
2 otherwise, the following terms shall mean:

3 (1) "Baseline year", the calendar year prior to the adoption of an ordinance by the
4 municipality approving a redevelopment project; provided, however, if local sales tax revenues
5 or state sales tax revenues, from businesses other than any out-of-state business or businesses
6 locating in the redevelopment project area, decrease in the redevelopment project area in the year
7 following the year in which the ordinance approving a redevelopment project is approved by a
8 municipality, the baseline year may, at the option of the municipality approving the
9 redevelopment project, be the year following the year of the adoption of the ordinance approving
10 the redevelopment project. When a redevelopment project area is located within a county for
11 which public and individual assistance has been requested by the governor under Section 401
12 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121, et seq.,

13 for an emergency proclaimed by the governor under section 44.100, RSMo, due to a natural
14 disaster of major proportions and the redevelopment project area is a central business district that
15 sustained severe damage as a result of such natural disaster, as determined by the state
16 emergency management agency, the baseline year may, at the option of the municipality
17 approving the redevelopment project, be the calendar year in which the natural disaster occurred
18 or the year following the year in which the natural disaster occurred, provided that the
19 municipality adopts an ordinance approving the redevelopment project within one year after the
20 occurrence of the natural disaster;

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

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

35 (4) "Conservation area", any improved area within the boundaries of a redevelopment
36 area located within the territorial limits of a municipality in which fifty percent or more of the
37 structures in the area have an age of thirty-five years or more, and such an area is not yet a
38 blighted area but is detrimental to the public health, safety, morals, or welfare and may become
39 a blighted area because of any one or more of the following factors: dilapidation; obsolescence;
40 deterioration; illegal use of individual structures; presence of structures below minimum code
41 standards; abandonment; excessive vacancies; overcrowding of structures and community
42 facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land
43 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of
44 community planning;

45 (5) "Gambling establishment", an excursion gambling boat as defined in section 313.800,
46 RSMo, and any related business facility including any real property improvements which are
47 directly and solely related to such business facility, whose sole purpose is to provide goods or
48 services to an excursion gambling boat and whose majority ownership interest is held by a person

49 licensed to conduct gambling games on an excursion gambling boat or licensed to operate an
50 excursion gambling boat as provided in sections 313.800 to 313.850, RSMo;

51 (6) "Local sales tax increment", at least fifty percent of the **additional revenue from**
52 local sales [tax revenue from] taxes that are imposed by a municipality and its county, [and that
53 are generated by economic activities within a redevelopment area] over the amount of such
54 [taxes generated by economic activities within such a redevelopment area] **local sales tax**
55 **revenue** in the calendar year prior to the adoption of the ordinance designating such a
56 redevelopment area while financing under sections 99.1080 to 99.1092 remains in effect, but
57 excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by
58 transient guests of hotels and motels, licenses, fees, or special assessments; provided however,
59 the governing body of any county may, by resolution, exclude any portion of any countywide
60 sales tax of such county. For redevelopment projects or redevelopment plans approved after
61 August 28, 2005, if a retail establishment relocates within one year from one facility within the
62 same county and the governing body of the municipality finds that the retail establishment is a
63 direct beneficiary of tax increment financing, then for the purposes of this subdivision, the
64 [economic activity taxes] **local sales tax increment** generated by the retail establishment shall
65 equal the total additional **local sales tax** revenues [from economic activity taxes that are imposed
66 by a municipality or other taxing district] **generated** over the amount of [economic activity
67 taxes] **local sales tax revenues** generated by the retail establishment in the calendar year prior
68 to its relocation to the redevelopment area;

69 (7) "Local sales tax revenue", city sales tax revenues received under sections 94.500 to
70 94.550, RSMo, and county sales tax revenues received under sections 67.500 to 67.594, RSMo;

71 (8) "Major initiative", a development project within a central business district which
72 promotes tourism, cultural activities, arts, entertainment, education, research, arenas,
73 multipurpose facilities, libraries, ports, mass transit, museums, economic development, or
74 conventions for the municipality, and where the capital investment within the redevelopment
75 project area is:

76 (a) At least five million dollars for a project area within a city having a population of one
77 hundred thousand to one hundred ninety-nine thousand nine hundred and ninety-nine inhabitants;

78 (b) At least one million dollars for a project area within a city having a population of
79 fifty thousand to ninety-nine thousand nine hundred and ninety-nine inhabitants;

80 (c) At least five hundred thousand dollars for a project area within a city having a
81 population of ten thousand to forty-nine thousand nine hundred and ninety-nine inhabitants; or

82 (d) At least two hundred fifty thousand dollars for a project area within a city having a
83 population of one to nine thousand nine hundred and ninety-nine inhabitants;

84 (9) "Municipality", any city or county of this state having fewer than two hundred
85 thousand inhabitants;

86 (10) "Obligations", bonds, loans, debentures, notes, special certificates, or other
87 evidences of indebtedness issued by the municipality or authority, or other public entity
88 authorized to issue such obligations under sections 99.1080 to 99.1092 to carry out a
89 redevelopment project or to refund outstanding obligations;

90 (11) "Ordinance", an ordinance enacted by the governing body of any municipality;

91 (12) "Redevelopment area", an area designated by a municipality in respect to which the
92 municipality has made a finding that there exist conditions which cause the area to be classified
93 as a blighted area or a conservation area, which area shall have the following characteristics:

94 (a) It can be renovated through one or more redevelopment projects;

95 (b) It is located in the central business district;

96 (c) The redevelopment area shall not exceed ten percent of the entire geographic area of
97 the municipality.

98

99 Subject to the limitation set forth in this subdivision, the redevelopment area can be enlarged or
100 modified as provided in section 99.1088;

101 (13) "Redevelopment plan", the comprehensive program of a municipality to reduce or
102 eliminate those conditions which qualify a redevelopment area as a blighted area or a
103 conservation area, and to thereby enhance the tax bases of the taxing districts which extend into
104 the redevelopment area through the reimbursement, payment, or other financing of
105 redevelopment project costs in accordance with sections 99.1080 to 99.1092 and through
106 application for and administration of downtown revitalization preservation program financing
107 under sections 99.1080 to 99.1092;

108 (14) "Redevelopment project", any redevelopment project within a redevelopment area
109 which constitutes a major initiative in furtherance of the objectives of the redevelopment plan,
110 and any such redevelopment project shall include a legal description of the area selected for such
111 redevelopment project;

112 (15) "Redevelopment project area", the area located within a redevelopment area selected
113 for a redevelopment project;

114 (16) "Redevelopment project costs" include such costs to the redevelopment plan or a
115 redevelopment project, as applicable, which are expended on public property, buildings, or
116 rights-of-way for public purposes to provide infrastructure to support a redevelopment project,
117 including facades. Such costs shall only be allowed as an initial expense which, to be
118 recoverable, must be included in the costs of a redevelopment plan or redevelopment project,

119 except in circumstances of plan amendments approved by the department of economic
120 development. Such infrastructure costs include, but are not limited to, the following:

- 121 (a) Costs of studies, appraisals, surveys, plans, and specifications;
- 122 (b) Professional service costs, including, but not limited to, architectural, engineering,
123 legal, marketing, financial, planning, or special services;
- 124 (c) Property assembly costs, including, but not limited to, acquisition of land and other
125 property, real or personal, or rights or interests therein, demolition of buildings, and the clearing
126 and grading of land;
- 127 (d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public
128 buildings and fixtures;
- 129 (e) Costs of construction of public works or improvements;
- 130 (f) Financing costs, including, but not limited to, all necessary expenses related to the
131 issuance of obligations issued to finance all or any portion of the infrastructure costs of one or
132 more redevelopment projects, and which may include capitalized interest on any such obligations
133 and reasonable reserves related to any such obligations;
- 134 (g) All or a portion of a taxing district's capital costs resulting from any redevelopment
135 project necessarily incurred or to be incurred in furtherance of the objectives of the
136 redevelopment plan, to the extent the municipality by written agreement accepts and approves
137 such infrastructure costs;
- 138 (h) Payments to taxing districts on a pro rata basis to partially reimburse taxes diverted
139 by approval of a redevelopment project when all debt is retired;
- 140 (i) State government costs, including, but not limited to, the reasonable costs incurred
141 by the department of economic development and the department of revenue in evaluating an
142 application for and administering downtown revitalization preservation financing for a
143 redevelopment project;

144 (17) "State sales tax increment", up to one-half of the incremental increase in the state
145 sales tax revenue in the redevelopment project area provided the local taxing jurisdictions
146 commit one-half of their local sales tax **increment** to paying for redevelopment project costs.
147 [The incremental increase shall be the amount by which the state sales tax revenue generated at
148 the facility or within the redevelopment project area exceeds the state sales tax revenue generated
149 at the facility or within the redevelopment project area in the baseline year. For redevelopment
150 projects or redevelopment plans approved after August 28, 2005, if a retail establishment
151 relocates within one year from one facility to another facility within the same county and the
152 governing body of the municipality finds that the retail establishment is a direct beneficiary of
153 tax increment financing, then for the purposes of this subdivision, the economic activity taxes
154 generated by the retail establishment shall equal the total additional revenues from economic

activity taxes that are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to the relocation to the redevelopment area] **The incremental increase shall be calculated by first adding the state sales tax revenues generated in the redevelopment project area in the calendar year prior to the adoption of an ordinance by the municipality approving a redevelopment project and the state sales tax revenue generated by businesses that have relocated into the project area from within the state in the calendar year prior to their relocation. The resulting sum shall be subtracted from the current year's state sales tax revenue generated in the redevelopment project area. However, in no event shall the incremental increase include any amounts attributable to retail sales generated by businesses that were not located in the project area in the calendar year prior to the adoption of an ordinance by the municipality approving a redevelopment project, unless the municipality or authority has proven to the department of economic development and the department has made a finding that the retail sales do not consist of retail sales displaced from existing businesses within the state;**

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

(19) "Taxing district's capital costs", those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from a redevelopment project;

(20) "Taxing districts", any political subdivision of this state having the power to levy taxes.

99.1090. 1. A municipality shall submit an application to the department of economic development for review and determination as to approval of the disbursement of the project costs of one or more redevelopment projects from the downtown revitalization preservation fund. The department of economic development shall forward the application to the commissioner of the office of administration for approval. In no event shall any approval authorize a disbursement of one or more redevelopment projects from the downtown revitalization preservation fund which exceeds the allowable amount of [other net new revenues] **state sales tax increment** derived from the redevelopment area. An application submitted to the department of economic development shall contain the following, in addition to the items set forth in section 99.1086:

(1) An estimate that one hundred percent of the local sales tax increment deposited to the special allocation fund must and will be used to pay redevelopment project costs or

12 obligations issued to finance redevelopment project costs to achieve the objectives of the
13 redevelopment plan;

14 (2) Identification of the existing businesses located within the redevelopment project
15 area and the redevelopment area;

16 (3) The aggregate baseline year amount of state sales tax revenues reported by existing
17 businesses within the redevelopment project area. Provisions of section 32.057, RSMo,
18 notwithstanding, municipalities will provide this information to the department of revenue for
19 verification. The department of revenue will verify the information provided by the
20 municipalities within forty-five days of receiving a request for such verification from a
21 municipality;

22 (4) An estimate of the state sales tax increment within the redevelopment project area
23 after redevelopment. The department of economic development shall have the discretion to
24 exempt smaller projects from this requirement;

25 (5) An affidavit that is signed by the developer or developers attesting that the provision
26 of subdivision (2) of subsection 2 of section 99.1086 has been met;

27 (6) The [amounts and types] **amount** of [other net new revenues] **state sales tax**
28 **increment** sought by the applicant to be disbursed from the downtown revitalization preservation
29 fund over the term of the redevelopment plan;

30 (7) The methodologies and underlying assumptions used in determining the estimate of
31 the state sales tax increment; and

32 (8) Any other information reasonably requested by the department of economic
33 development.

34 2. The department of economic development shall make all reasonable efforts to process
35 applications within a reasonable amount of time.

36 3. The department of economic development shall make a determination regarding the
37 application for a certificate allowing disbursements from the downtown revitalization
38 preservation fund and shall forward such determination to the commissioner of the office of
39 administration. In no event shall the amount of disbursements from the downtown revitalization
40 preservation fund approved for a project, in addition to any other state economic redevelopment
41 funding or other state incentives, exceed the projected state benefit of the redevelopment project,
42 as determined by the department of economic development through a cost-benefit analysis. Any
43 political subdivision located either wholly or partially within the redevelopment area shall be
44 permitted to submit information to the department of economic development for consideration
45 in its cost-benefit analysis. Upon approval of downtown revitalization preservation financing,
46 a certificate of approval shall be issued by the department of economic development containing
47 the terms and limitations of the disbursement.

48 4. At no time shall the annual amount of [other net new revenues] **state sales tax**
49 **increment** approved for disbursements from the downtown revitalization preservation fund
50 exceed fifteen million dollars.

51 5. Redevelopment projects receiving disbursements from the downtown revitalization
52 preservation fund shall be limited to receiving such disbursements for twenty-five years. The
53 approved term notwithstanding, downtown revitalization preservation financing shall terminate
54 when redevelopment financing for a redevelopment project is terminated by a municipality.

55 6. The municipality shall deposit payments received from the downtown revitalization
56 preservation redevelopment fund in a separate segregated account for other net new revenues
57 within the special allocation fund.

58 7. Redevelopment project costs may include, at the prerogative of the state, the portion
59 of salaries and expenses of the department of economic development and the department of
60 revenue reasonably allocable to each redevelopment project approved for disbursements from
61 the downtown revitalization preservation fund for the ongoing administrative functions
62 associated with such redevelopment project. Such amounts shall be recovered from new state
63 revenues deposited into the downtown revitalization preservation fund created under section
64 99.1092.

65 8. A redevelopment project approved for downtown revitalization preservation financing
66 shall not thereafter elect to receive tax increment financing under the real property tax increment
67 allocation redevelopment act, sections 99.800 to 99.865, and continue to receive downtown
68 revitalization financing under sections 99.1080 to 99.1092.

69 9. The department of economic development may establish the procedures and standards
70 for the determination and approval of applications by the promulgation of rules and publish
71 forms to implement the provisions of this section and section 99.1092.

72 10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that
73 is created under the authority delegated in this section and section 99.1092 shall become
74 effective only if it complies with and is subject to all of the provisions of chapter 536, RSMo,
75 and, if applicable, section 536.028, RSMo. This section, section 99.1092, and chapter 536,
76 RSMo, are nonseverable and if any of the powers vested with the general assembly under chapter
77 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule are
78 subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed
79 or adopted after August 28, 2005, shall be invalid and void.

 99.1092. 1. There is hereby established within the state treasury a special fund to be
2 known as the "Downtown Revitalization Preservation Fund", to be administered by the
3 department of economic development. Any unexpended balance and any interest in the fund at

the end of the biennium shall be exempt from the provisions of section 33.080, RSMo, relating to the transfer of unexpended balances to the general revenue fund. The fund shall consist of:

(1) The first fifteen million dollars of [other net new revenues] **state sales tax increment** generated annually by the redevelopment projects;

(2) Money received from costs charged under subsection 7 of section 99.1090; and

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

2. Notwithstanding the provisions of section 144.700, RSMo, to the contrary, the department of revenue shall annually submit the first fifteen million dollars of [other net new revenues] **state sales tax increment** generated by the redevelopment projects to the treasurer for deposit in the downtown revitalization preservation fund.

3. The department of economic development shall annually disburse funds from the downtown revitalization preservation fund in amounts determined under the certificates of approval for projects, providing that the amounts of [other net new revenues] **state sales tax increment** generated from the redevelopment area have been verified and all of the conditions of sections 99.1080 to 99.1092 are met. If the revenues appropriated from the downtown revitalization preservation fund are not sufficient to equal the amounts determined to be disbursed under such certificates of approval, the department of economic development shall disburse the revenues on a pro rata basis to all such projects and other costs approved under section 99.1090.

4. In no event shall the amounts distributed to a project from the downtown revitalization preservation fund exceed the lesser of the amount of the certificates of approval for projects or the actual [other net new revenues] **state sales tax increment** generated by the projects.

5. The department of economic development shall not disburse any moneys from the downtown revitalization preservation fund for any project which has not complied with the annual reporting requirements determined by the department of economic development.

6. Money in the downtown revitalization preservation fund may be spent for the reasonable and necessary costs associated with the administration of the program authorized under sections 99.1080 to 99.1092.

7. No municipality shall obligate or commit the expenditure of disbursements received from the downtown revitalization preservation fund prior to receiving a certificate of approval for the redevelopment project generating [other net new revenues] **state sales tax increment**. In addition, no municipality shall commence work on a redevelopment project prior to receiving a certificate of approval for the redevelopment project.

8. Taxpayers in any redevelopment area who are required to remit sales taxes under chapter 144, RSMo, shall provide additional information to the department of revenue in a form

40 prescribed by the department by rule. Such information shall include, but shall not be limited
41 to, information upon which [other net new revenues] **state sales tax increment** can be calculated
42 and sales tax generated in the redevelopment area by such taxpayer in the baseline year and
43 during the time period related to the sales tax remittance.

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

100.255. As used in sections 100.250 to 100.297, the following terms mean:

- 2 (1) "Board", the Missouri development finance board created by section 100.265;
- 3 (2) "Borrower", any person, partnership, public or private corporation, association,
4 development agency or any other entity eligible for funding under sections 100.250 to 100.297;
- 5 (3) "Development agency", any of the following:
 - 6 (a) A port authority established pursuant to chapter 68, RSMo;
 - 7 (b) The bi-state development agencies established pursuant to sections 70.370 to
8 [70.440] **70.441**, RSMo, and sections 238.010 to 238.100, RSMo;
 - 9 (c) A land clearance for redevelopment authority established pursuant to sections 99.300
10 to 99.660, RSMo;
 - 11 (d) A county, city, incorporated town or village or other political subdivision or public
12 body of this state;
 - 13 (e) A planned industrial expansion authority established pursuant to sections 100.300
14 to 100.620;
 - 15 (f) An industrial development corporation established pursuant to sections 349.010 to
16 349.105, RSMo;
 - 17 (g) A real property tax increment financing commission established pursuant to sections
18 99.800 to 99.865, RSMo;
 - 19 (h) Any other governmental, quasi-governmental or quasi-public corporation or entity
20 created by state law or by resolution adopted by the governing body of a development agency
21 otherwise described in paragraphs (a) through (g) of this subdivision;
 - 22 (4) "Development and reserve fund", the industrial development and reserve fund
23 established pursuant to section 100.260;

24 (5) "Export finance fund", the Missouri export finance fund established pursuant to
25 section 100.260;

26 (6) "Export trade activities" includes, but is not limited to, consulting, international
27 market research, advertising, marketing, insurance, product research and design, legal assistance,
28 transportation, including trade documentation and freight forwarding, communication, and
29 processing of foreign orders to and for exporters and foreign purchases and warehousing, when
30 undertaken to export or facilitate the export of goods or services produced or assembled in this
31 state;

32 (7) "Guarantee fund", the industrial development guarantee fund established by section
33 100.260;

34 (8) "Infrastructure development fund", the infrastructure development fund established
35 under section 100.263;

36 (9) "Infrastructure facilities", the highways, streets, bridges, water supply and distribution
37 systems, mass transportation facilities and equipment, telecommunication facilities, jails and
38 prisons, sewers and sewage treatment facilities, wastewater treatment facilities, airports,
39 railroads, reservoirs, dams and waterways in this state, acquisition of blighted real estate and the
40 improvements thereon, demolition of existing structures and preparation of sites in anticipation
41 of development, public facilities, and any other improvements provided by any form of
42 government or development agency;

43 (10) "Jobs now fund", the jobs now fund established under section 100.260;

44 (11) "Jobs now projects", the purchase, construction, extension, and improvement of real
45 estate, plants, buildings, structures, or facilities, whether or not now in existence, used or to be
46 used primarily as infrastructure facilities or public facilities. When any entity provides a certified
47 design or operation plan which is demonstrably less than the usual and customary average
48 industry determination of cost for installation, construction, purchasing, extension, and
49 improvement of real estate, manufacturing facilities, buildings, structures or facilities, including
50 public facilities, then the entity or company providing such service may receive payment in an
51 amount equal to the usual and customary fee for such project plus additional compensation equal
52 to two times the percentage by which the cost of such aforementioned criteria of such facility is
53 less than the usual and customary average industrial determination of cost for installation,
54 construction, materials, extension and improvement of real estate, manufacturing facilities,
55 buildings, structures, or facilities, including public facilities. Such entity shall also pay to such
56 company providing such aforementioned service compensation equal to twenty-five percent of
57 the amount of any annual operational costs which are lower than the customary average industry
58 determination of cost for operation for such facility, procedure, or service for a period of time
59 equal to one-fourth the design lifetime of such entity or five years whichever is less;

60 (12) "Participating lender", a lender authorized by the board to participate with the board
61 in the making of a loan or to make loans the repayment of which is secured by the development
62 and reserve fund;

63 (13) "Project", the purchase, construction, extension, and improvement of real estate,
64 plants, buildings, structures or facilities, whether or not now in existence, used or to be used
65 primarily as a factory, assembly plant, manufacturing plant, fabricating plant, distribution center,
66 warehouse building, office building, port terminal or facility, transportation and transfer facility,
67 industrial plant, processing plant, commercial or agricultural facility, nursing or retirement
68 facility or combination thereof, recreational facility, cultural facility, public facilities, job training
69 or other vocational training facility, infrastructure facility, video-audio telecommunication
70 conferencing facility, office building, facility for the prevention, reduction, disposal or control
71 of pollution, sewage or solid waste, facility for conducting export trade activities, or research and
72 development building in connection with any of the facilities defined as a project in this
73 subdivision. The term "project" shall also include any improvements, including, but not limited
74 to, road or rail construction, alteration or relocation, and construction of facilities to provide
75 utility service for any of the facilities defined as a project under this subdivision, along with any
76 fixtures, equipment, and machinery, and any demolition and relocation expenses used in
77 connection with any such projects and any capital used to promote and facilitate such facilities
78 and notes payable from anticipated revenue issued by any development agency;

79 (14) "Public facility", any facility or improvements available for use by the general
80 public including facilities for which user or other fees are charged on a nondiscriminatory basis;

81 **(15) "Taxpayer", any individual, corporation, partnership, limited liability**
82 **company, trust, or association which files a return with the Internal Revenue Service or**
83 **the department of revenue.**

100.275. 1. The board may at any time issue revenue bonds for the purpose of paying
2 any part of the cost of any project or projects, or part thereof, and for the purpose of refunding
3 any of its bonds or the bonds of any development agency. Every issue of its bonds shall be
4 payable out of the revenues of the board which may be pledged for such payment, without
5 preference or priority of the first bonds issued, subject to any agreement with the holders of any
6 other bonds or pledging any specified revenues. The bonds shall be authorized by resolution of
7 the board, shall bear such date or dates, and shall mature at such time or times, but not in excess
8 of [thirty] **forty** years, as the resolution of the board shall specify. The bonds shall be in such
9 denominations, bear interest at such rates, be in such form, either coupon or registered, be issued
10 in such manner, be payable in such place or places and be subject to redemption as such
11 resolution may provide. The bonds of the board may be sold at public or private sale, as the
12 board may specify, at such price or prices as the board shall determine, but at not less than

13 ninety-five percent of the principal amount thereof, and at such interest rate as the board shall
14 determine, notwithstanding the provisions of section 108.170, RSMo.

15 2. The board may issue notes payable from the proceeds of bonds to be issued in the
16 future or from such other sources as the board may specify as in the case of bonds. Such notes
17 shall mature in not more than five years and shall be sold at public or private sale, as the board
18 may specify, at not less than ninety-five percent of the principal amount thereof and at such
19 interest rate as the board shall determine, notwithstanding the provisions of section 108.170,
20 RSMo. The other details with respect to such notes shall be determined by the board as in the
21 case of bonds.

22 3. The state shall not be liable on any notes or bonds of the board. Such notes or bonds
23 shall not be a debt of the state and shall contain on the faces thereof a statement to such effect.

24 4. No member of the board nor any person authorized to execute notes or bonds of the
25 board shall be liable personally on such notes or bonds or shall be subject to any personal
26 liability or accountability by reason of the issuance thereof.

27 5. The notes and bonds of the board are securities in which all public bodies and political
28 subdivisions of this state; all insurance companies and associations and all other persons carrying
29 on an insurance business; all banks, trust companies, saving associations, savings and loan
30 associations, credit unions, and investment companies; all administrators, guardians, executors,
31 trustees, and other fiduciaries; and all other persons who now or may hereafter be authorized to
32 invest in notes and bonds or other obligations of this state may properly and legally invest funds,
33 including capital, in their control or belonging to them.

34 6. The board shall not be required to pay any taxes or any assessments whatsoever to this
35 state, any political subdivision of this state, or any other governmental agency of this state. The
36 notes and bonds of the board, and the income therefrom, shall, at all times, be exempt from any
37 taxes and any assessments, except for estate taxes, gift taxes, and taxes on transfers.

38 7. Nothing contained in sections 100.250 to 100.297 shall be deemed to constitute a use
39 of state funds or credit in violation of the provisions of article III, sections 37, 38(a) and 39, of
40 the Missouri Constitution.

41 8. The board shall have the power to contract with any development agency to perform
42 any governmental service, activity or undertaking which the contracting development agency is
43 authorized by law to perform or to issue any bonds or notes which the contracting development
44 agency is authorized by law to issue. Any such contract shall be authorized by the governing
45 body of the development agency and by the board and shall state the purpose of the contract and
46 the powers and duties of the parties thereunder. Any bonds or notes issued by the board on
47 behalf of a development agency shall be entitled to the same security as if such bonds or notes
48 were issued directly by the development agency. In addition to any other security for such bonds

49 or notes, the board may secure such bonds, notes or other indebtedness in the manner described
50 in section 100.297.

51 **9. Any proceedings involving the validity or enforceability of any security for any**
52 **bond or note issued by the board, including any proceedings relating to any security**
53 **provided by any development agency in connection with any loan, lease, or financing**
54 **agreement executed by the board, shall be conclusively deemed to have been completed by**
55 **the development agency in accordance with the laws under which such proceedings were**
56 **authorized notwithstanding any technical or other defects or omissions in such**
57 **proceedings, and such proceedings shall not be subject to legal challenge on and after the**
58 **date the board issues bonds or notes on behalf of such development agency unless such**
59 **challenge is brought within ninety days following the completion of the proceedings of the**
60 **development agency or such shorter period as may be prescribed in any law authorizing**
61 **such proceedings. Notwithstanding any provision of law to the contrary, the security for**
62 **any bond or note issued by the board may include a pledge of payments in lieu of taxes or**
63 **a pledge or appropriation of economic activity tax revenues generated within a**
64 **redevelopment area designated by any development agency under the provisions of sections**
65 **99.800 to 99.865, RSMo, whether or not the infrastructure facilities to be financed with the**
66 **proceeds of bonds or notes issued by the board are located within the boundaries of said**
67 **redevelopment area generating such taxes or revenues.**

100.281. 1. A request for a loan from the development and reserve fund, the
2 infrastructure development fund or the export finance fund to fund export trade activities or to
3 carry out a project shall be in the form of an application for the project to the board, which
4 application shall be in such form as the board may specify. After reviewing the application and
5 such other information as the board may require, the board may grant all or a part of the loan
6 request, provided the board determines that:

- 7 (1) The project will be a benefit to the economy or infrastructure of the state; **and**
8 (2) The project will generate sufficient revenues or the borrower will otherwise have
9 sufficient revenues available to enable the borrower to repay the loan to the development and
10 reserve fund, the infrastructure development fund or the export finance fund, along with any
11 interest to be charged[; and
12 (3) In the case of an infrastructure facility project, the loan will not exceed ten million
13 dollars].

14 2. Notwithstanding any other provision of law to the contrary, all development agencies,
15 as defined in section 100.255, shall have the power to borrow funds from the board for any
16 project, to contract with the board, and to furnish a security interest in any of their revenues or

17 properties to the board to secure a loan from the board and to issue notes in evidence thereof
18 upon such terms as such development agencies shall determine.

19 3. When the board issues bonds to provide loans for more than one infrastructure project,
20 the board shall make a reasonable effort to sell the bonds to a purchaser that represents a group
21 consisting of more than one underwriter.

100.286. 1. Within the discretion of the board, the development and reserve fund, the
2 infrastructure development fund or the export finance fund may be pledged to secure the payment
3 of any bonds or notes issued by the board, or to secure the payment of any loan made by the
4 board or a participating lender which loan:

- 5 (1) Is requested to finance any project or export trade activity;
- 6 (2) Is requested by a borrower who is demonstrated to be financially responsible;
- 7 (3) Can reasonably be expected to provide a benefit to the economy of this state;
- 8 (4) Is otherwise secured by a mortgage or deed of trust on real or personal property or
9 other security satisfactory to the board; provided that loans to finance export trade activities may
10 be secured by export accounts receivable or inventories of exportable goods satisfactory to the
11 board;
- 12 (5) Does not exceed five million dollars;
- 13 (6) Does not have a term longer than five years if such loan is made to finance export
14 trade activities; and
- 15 (7) Is, when used to finance export trade activities, made to small or medium size
16 businesses or agricultural businesses, as may be defined by the board.

17 2. The board shall prescribe standards for the evaluation of the financial condition,
18 business history, and qualifications of each borrower and the terms and conditions of loans which
19 may be secured, and may require each application to include a financial report and evaluation
20 by an independent certified public accounting firm, in addition to such examination and
21 evaluation as may be conducted by any participating lender.

22 3. Each application for a loan secured by the development and reserve fund, the
23 infrastructure development fund or the export finance fund shall be reviewed in the first instance
24 by any participating lender to whom the application was submitted. If satisfied that the standards
25 prescribed by the board are met and that the loan is otherwise eligible to be secured by the
26 development and reserve fund, the infrastructure development fund or the export finance fund,
27 the participating lender shall certify the same and forward the application for final approval to
28 the board.

29 4. The securing of any loans by the development and reserve fund, the infrastructure
30 development fund or the export finance fund shall be conditioned upon approval of the

31 application by the board, and receipt of an annual reserve participation fee, as prescribed by the
32 board, submitted by or on behalf of the borrower.

33 5. The securing of any loan by the export finance fund for export trade activities shall
34 be conditioned upon the board's compliance with any applicable treaties and international
35 agreements, such as the general agreement on tariffs and trade and the subsidies code, to which
36 the United States is then a party.

37 6. Any taxpayer shall be entitled to a tax credit against any tax otherwise due under the
38 provisions of chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
39 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in the amount of fifty percent of
40 any amount contributed in money or property by the taxpayer to the development and reserve
41 fund, the infrastructure development fund or the export finance fund during the taxpayer's tax
42 year, provided, however, the total tax credits awarded in any calendar year beginning after
43 January 1, 1994, shall not be the greater of [ten] **twenty** million dollars or five percent of the
44 average growth in general revenue receipts in the preceding three fiscal years. This limit may
45 be exceeded only upon joint agreement by the commissioner of administration, the director of
46 the department of economic development, and the director of the department of revenue that such
47 action is essential to ensure retention or attraction of investment in Missouri. If the board
48 receives, as a contribution, real property, the contributor at such contributor's own expense shall
49 have two independent appraisals conducted by appraisers certified by the Master Appraisal
50 Institute. Both appraisals shall be submitted to the board, and the tax credit certified by the board
51 to the contributor shall be based upon the value of the lower of the two appraisals. The board
52 shall not certify the tax credit until the property is deeded to the board. Such credit shall not
53 apply to reserve participation fees paid by borrowers under sections 100.250 to 100.297. The
54 portion of earned tax credits which exceeds the taxpayer's tax liability may be carried forward
55 for up to five years.

56 7. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign,
57 exchange, convey or otherwise transfer tax credits allowed in subsection 6 of this section under
58 the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer,
59 hereinafter the assignor for the purpose of this subsection, may sell, assign, exchange or
60 otherwise transfer earned tax credits:

61 (1) For no less than seventy-five percent of the par value of such credits; and

62 (2) In an amount not to exceed one hundred percent of annual earned credits.

63

64 The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection,
65 may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise
66 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to

67 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo. Unused credits in the hands of the
68 assignee may be carried forward for up to five years, provided all such credits shall be claimed
69 within ten years following the tax years in which the contribution was made. The assignor shall
70 enter into a written agreement with the assignee establishing the terms and conditions of the
71 agreement and shall perfect such transfer by notifying the board in writing within thirty calendar
72 days following the effective day of the transfer and shall provide any information as may be
73 required by the board to administer and carry out the provisions of this section. Notwithstanding
74 any other provision of law to the contrary, the amount received by the assignor of such tax credit
75 shall be taxable as income of the assignor, and the excess of the par value of such credit over the
76 amount paid by the assignee for such credit shall be taxable as income of the assignee.

100.297. 1. The board may authorize a tax credit, as described in this section, to the
2 owner of any revenue bonds or notes issued by the board pursuant to the provisions of sections
3 100.250 to 100.297, for infrastructure facilities as defined in subdivision (9) of section 100.255,
4 if, prior to the issuance of such bonds or notes, the board determines that:

5 (1) The availability of such tax credit is a material inducement to the undertaking of the
6 project in the state of Missouri and to the sale of the bonds or notes;

7 (2) The loan with respect to the project is adequately secured by a first deed of trust or
8 mortgage or comparable lien, or other security satisfactory to the board.

9 2. Upon making the determinations specified in subsection 1 of this section, the board
10 may declare that each owner of an issue of revenue bonds or notes shall be entitled, in lieu of any
11 other deduction with respect to such bonds or notes, to a tax credit against any tax otherwise due
12 by such owner pursuant to the provisions of chapter 143, RSMo, excluding withholding tax
13 imposed by sections 143.191 to 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in
14 the amount of one hundred percent of the unpaid principal of and unpaid interest on such bonds
15 or notes held by such owner in the taxable year of such owner following the calendar year of the
16 default of the loan by the borrower with respect to the project. The occurrence of a default shall
17 be governed by documents authorizing the issuance of the bonds. The tax credit allowed
18 pursuant to this section shall be available to the original owners of the bonds or notes or any
19 subsequent owner or owners thereof. Once an owner is entitled to a claim, any such tax credits
20 shall be transferable as provided in subsection 7 of section 100.286. Notwithstanding any
21 provision of Missouri law to the contrary, any portion of the tax credit to which any owner of a
22 revenue bond or note is entitled pursuant to this section which exceeds the total income tax
23 liability of such owner of a revenue bond or note shall be carried forward and allowed as a credit
24 against any future taxes imposed on such owner within the next ten years pursuant to the
25 provisions of chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to
26 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo. The eligibility of the owner of any

27 revenue bond or note issued pursuant to the provisions of sections 100.250 to 100.297 for the
28 tax credit provided by this section shall be expressly stated on the face of each such bond or note.
29 The tax credit allowed pursuant to this section shall also be available to any financial institution
30 or guarantor which executes any credit facility as security for bonds issued pursuant to this
31 section to the same extent as if such financial institution or guarantor was an owner of the bonds
32 or notes, provided however, in such case the tax credits provided by this section shall be
33 available immediately following any default of the loan by the borrower with respect to the
34 project. In addition to reimbursing the financial institution or guarantor for claims relating to
35 unpaid principal and interest, such claim may include payment of any unpaid fees imposed by
36 such financial institution or guarantor for use of the credit facility.

37 3. The aggregate principal amount of revenue bonds or notes outstanding at any time
38 with respect to which the tax credit provided in this section shall be available shall not exceed
39 [fifty] **seventy-five** million dollars.

100.760. After receipt of an application, the board may, with the approval of the
2 department, enter into an agreement with an eligible industry for a credit pursuant to sections
3 100.700 to 100.850 if the board determines that all of the following conditions exist:

4 (1) The applicant's project will create new jobs that were not jobs previously performed
5 by employees of the applicant in Missouri;

6 (2) The applicant's project is economically sound and will benefit the people of Missouri
7 by increasing opportunities for employment and strengthening the economy of Missouri;

8 (3) Significant local incentives with respect to the project or eligible industry have been
9 committed, which incentives may consist of:

10 (a) Cash or in-kind incentives derived from any nonstate source, including incentives
11 provided by the affected political subdivisions, private industry and/or local chambers of
12 commerce or similar such organizations; and/or

13 (b) Relief from local taxes, in either case as acceptable to the board;

14 (4) Receiving the credit is a major factor in the applicant's decision to go forward with
15 the project and not receiving the credit will result in the applicant not creating new jobs in
16 Missouri;

17 (5) Awarding the credit will result in an overall positive fiscal impact to the state[;

18 (6) There is at least one other state that the applicant verifies is being considered for the
19 project; and

20 (7) A significant disparity is identified, using best available data in the projected costs
21 for the applicant's project compared to the costs in the competing state, including the impact of
22 the competing state's incentive programs. The competing state's incentive program shall include
23 state, local, private and federal funds].

135.403. 1. Any investor who makes a qualified investment in a Missouri small business shall be entitled to receive a tax credit equal to forty percent of the amount of the investment or, in the case of a qualified investment in a Missouri small business in a distressed community as defined by section 135.530, a credit equal to sixty percent of the amount of the investment, and any investor who makes a qualified investment in a community bank or a community development corporation shall be entitled to receive a tax credit equal to fifty percent of the amount of the investment if the investment is made in a community bank or community development corporation for direct investment. The total amount of tax credits available for qualified investments in Missouri small businesses shall not exceed thirteen million dollars and at least four million dollars of the amount authorized by this section and certified by the department of economic development shall be for investment in Missouri small businesses in distressed communities. Authorization for all or any part of this four-million-dollar amount shall in no way restrict the eligibility of Missouri small businesses in distressed communities, as defined in section 135.530, for the remaining amounts authorized within this section. No more than twenty percent of the tax credits available each year for investments in community banks or community development corporations for direct investment shall be certified for any one project, as defined in section 135.400. The tax credit shall be evidenced by a tax credit certificate in accordance with the provisions of sections 135.400 to 135.430 and may be used to satisfy the state tax liability of the owner of the certificate that becomes due in the tax year in which the qualified investment is made, or in any of the ten tax years thereafter. When the qualified small business is in a distressed community, as defined in section 135.530, the tax credit may also be used to satisfy the state tax liability of the owner of the certificate that was due during each of the previous three years in addition to the year in which the investment is made and any of the ten years thereafter. No investor may receive a tax credit pursuant to sections 135.400 to 135.430 unless that person presents a tax credit certificate to the department of revenue for payment of such state tax liability. The department of revenue shall grant tax credits in the same order as established by subsection 1 of section 32.115, RSMo. Subject to the provisions of sections 135.400 to 135.430, certificates of tax credit issued in accordance with these sections may be transferred, sold or assigned by notarized endorsement thereof which names the transferee.

2. Five hundred thousand dollars in tax credits shall be available annually from the total amount of tax credits [authorized by section 32.110, RSMo, and subdivision (4) of subsection 2 of section 32.115, RSMo,] as a result of investments in community banks or community development corporations. Aggregate investments eligible for tax credits in any one Missouri small business shall not be more than one million dollars. Aggregate investments eligible for

36 tax credits in any one Missouri small business shall not be less than five thousand dollars as of
37 the date of issuance of the first tax credit certificate for investment in that business.

38 3. This section and section 620.1039, RSMo, shall become effective January 1, 2001.

135.440. As used in sections 135.440 to 135.448, the following words and terms
2 **mean:**

3 (1) "Business firm", person, firm, a partner in a firm, corporation or a shareholder
4 in an S corporation doing business in the state of Missouri and subject to the state income
5 tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual
6 corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance
7 company paying an annual tax on its gross premium receipts in this state, or other
8 financial institution paying taxes to the state of Missouri or any political subdivision of this
9 state under the provisions of chapter 148, RSMo;

10 (2) "Community development", new construction or rehabilitation of buildings or
11 properties and community services that have a measurable impact on the local or state
12 economy;

13 (3) "Economic development", the acquisition, renovation, improvement, or the
14 furnishing or equipping of existing buildings and real estate when such acquisition,
15 renovation, improvement, or the furnishing or equipping of such buildings and real estate
16 will result in the creation or retention of jobs within the state;

17 (4) "Education", includes programs which encourage Missouri residents who are
18 high school dropouts to either reenter and graduate from high school or earn a graduate
19 equivalency degree, and scholarship assistance in the areas of math and science to residents
20 of the state of Missouri attending schools located in the state;

21 (5) "Incubator", a program in which small units of space may be leased by a tenant
22 and in which management maintains or provides access to business development services
23 for use by tenants or a program without infrastructure in which participants avail
24 themselves of business development services to assist in the growth of their start-up small
25 businesses;

26 (6) "In-kind contribution", a donation of nonmonetary property or services;

27 (7) "Job training", any type of instruction to an individual who resides in the state
28 of Missouri that enables the individual to acquire vocational skills so that the individual
29 can become employable or be able to seek a higher grade of employment;

30 (8) "Local government", any Missouri county, city, town, or village;

31 (9) "Local sponsor" or "sponsor", an organization which enters into a written
32 agreement with the department of economic development to establish, operate, and

33 administer a small business incubator program or to provide funding to an organization
34 which operates such a program;

35 (10) "Not-for-profit organization", a corporation incorporated in the state of
36 Missouri under the provisions of chapter 355, RSMo, or any organization that has obtained
37 an exemption from the payment of federal income taxes as provided in section 501(c)(3) of
38 the Internal Revenue Code of 1986, as amended;

39 (11) "Participant", a sole proprietorship, business partnership or corporation
40 operating a business for profit through which the owner avails himself or herself of
41 business development services in an incubator program;

42 (12) "Physical revitalization", furnishing financial assistance, labor, material, or
43 technical advice to aid in the physical improvement or rehabilitation of any part or all of
44 a neighborhood area;

45 (13) "Program participant", any local government, not-for-profit organization, or
46 school approved by the director of the department of economic development to participate
47 in the community assistance program;

48 (14) "Quality job", an employed position in which the employee works an average
49 of at least thirty-five hours per week for an employer that offers health insurance and at
50 a wage that meets or exceeds the county average wage;

51 (15) "Rural community project", a project located in any community where such
52 community is a city, town, or village which has fifteen thousand or fewer inhabitants as of
53 the last decennial census and is located in a county which is either located in:

54 (a) An area that is not part of a standard metropolitan statistical area; or

55 (b) A standard metropolitan statistical area but such county has only one city,
56 town, or village which has more than fifteen thousand inhabitants;

57 (16) "S corporation", a corporation described in section 1361(a)(1) of the Internal
58 Revenue Code of 1986, as amended, and not subject to the taxes imposed by section
59 143.071, RSMo, by reason of section 143.471, RSMo;

60 (17) "School", any public elementary or high school, as those terms are defined in
61 section 160.011, RSMo, located within the state of Missouri, and any institution of
62 postsecondary education, including universities, colleges, vocational and technical schools,
63 located within the state of Missouri;

64 (18) "Taxpayer", corporations, as defined in section 143.441, RSMo, individuals,
65 sole proprietorships, partnerships, and S corporations;

66 (19) "Tenant", a sole proprietorship, business partnership, or corporation
67 operating a business for profit and leasing or otherwise occupying space in an incubator;

68 (20) "Youth development", projects serving youths ages twenty-one and under,
69 including but not limited to, high school degree completion, employment, and youth
70 activity centers.

 135.442. 1. This section shall be known and may be cited as the "Community
2 Assistance Program".

3 2. The tax credits allowed under the community assistance program shall be in an
4 amount equal to:

5 (1) Thirty percent of the contribution for in-kind contributions;

6 (2) Fifty percent of the contribution for monetary contributions; or

7 (3) Seventy percent of the contribution for monetary contributions to a rural
8 community project.

9 3. Program participants shall administer projects including but not limited to the
10 areas of community development, education, physical revitalization, job training, and
11 youth development.

12 4. The department of economic development shall give priority to program
13 participants whose projects benefit a community or region with a demonstrated need for
14 public investment in its infrastructure which may include, but not be limited to, local
15 information on:

16 (1) Median household income;

17 (2) Unemployment or stresses resulting from rapid employment growth;

18 (3) Other labor demographics;

19 (4) Educational attainment or education expansion opportunities;

20 (5) Population loss or rapid population growth;

21 (6) Underemployment;

22 (7) Depletion of natural resources;

23 (8) Job loss or company closure, or company expansion or attraction;

24 (9) Tax or fee revenue circumstances; or

25 (10) Other statistics that adequately portray the circumstances of the community
26 or region.

 135.444. 1. This section shall be known as the "Small Business Incubators Act".

2 2. There is hereby established under the direction of the department of economic
3 development a loan, loan guarantee, and grant program for the establishment, operation,
4 and administration of small business incubators, to be known as the "Small Business
5 Incubator Program". A local sponsor may submit an application to the department of
6 economic development to obtain a loan, loan guarantee, or grant to establish an incubator.
7 Each application shall:

8 (1) Demonstrate that a program exists that can be transformed into an incubator
9 at a specified cost;

10 (2) Demonstrate the ability to directly provide or arrange for the provision of
11 business development services for tenants and participants of the incubator. These services
12 shall include, but need not be limited to, financial consulting assistance, management and
13 marketing assistance, business education, and physical services;

14 (3) Demonstrate a potential for sustained use of the incubator program by eligible
15 tenants and participants through a market study or other means;

16 (4) Demonstrate the ability to manage and operate the incubator program;

17 (5) Include such other information as the department of economic development
18 may require through its guidelines.

19 3. The department of economic development shall review and accept applications
20 based on the following criteria:

21 (1) Ability of the local sponsor to carry out the provisions of this section;

22 (2) Economic impact of the incubator on the community;

23 (3) Conformance with areawide and local economic development plans, if such
24 exist;

25 (4) Location of the incubator, in order to encourage geographic distribution of
26 incubators across the state.

27 4. Loans, loan guarantees, and grants shall be administered in the following
28 manner:

29 (1) Loans awarded or guaranteed and grants awarded shall be used only for the
30 acquisition and leasing of land and existing buildings, the rehabilitation of buildings or
31 other facilities, construction of new facilities, the purchase of equipment and furnishings
32 which are necessary for the creation and operation of the incubator, and business
33 development services including, but not limited to, business management advising and
34 business education;

35 (2) Loans, loan guarantees, and grants shall not exceed fifty percent of total eligible
36 project costs;

37 (3) Payment of interest and principal on loans may be deferred at the discretion of
38 the department of economic development.

39 5. A local sponsor, or the organization receiving assistance through the local
40 sponsor, shall have the following responsibilities and duties in establishing and operating
41 an incubator with assistance from the small business incubator program:

42 (1) Secure title on a facility for the program or a lease of a facility for the program;

43 (2) Manage the physical development of the incubator program, including the
44 provision of common conference or meeting space;

45 (3) Furnish and equip the program to provide business services to the tenants and
46 participants;

47 (4) Market the program and secure eligible tenants and participants;

48 (5) Provide financial consulting, marketing, and management assistance services
49 or arrange for the provision of these services for tenants and participants of the incubator,
50 including assistance in accessing private financial markets;

51 (6) Set rental and service fees;

52 (7) Encourage the sharing of ideas between tenants and participants and otherwise
53 aid the tenants and participants in an innovative manner while they are within the
54 incubator;

55 (8) Establish policies and criteria for the acceptance of tenants and participants
56 into the incubator and for the termination of occupancy of tenants so as to maximize the
57 opportunity to succeed for the greatest number of tenants, consistent with those specified
58 in this section.

59 6. The department of economic development:

60 (1) May adopt such rules, statements of policy, procedures, forms and guidelines
61 as may be necessary for the implementation of this section;

62 (2) May make loans, loan guarantees, and grants to local sponsors for incubators;

63 (3) Shall ensure that local sponsors receiving loans, loan guarantees or grants meet
64 the conditions of this section;

65 (4) Shall receive and evaluate annual reports from local sponsors. Such annual
66 reports shall include, but need not be limited to, a financial statement for the incubator,
67 evidence that all tenants and participants in the program are eligible under the terms of
68 this section, and a list of companies in the incubator.

69 7. The department of economic development is also hereby authorized to review
70 any previous loans made under this program and, where appropriate in the department's
71 judgment, convert such loans to grant status.

72 8. On or before January first of each year, the department of economic
73 development shall provide a report to the governor, the chief clerk of the house of
74 representatives, and the secretary of the senate which shall include, but need not be limited
75 to:

76 (1) The number of applications for incubators submitted to the department;

77 (2) The number of applications for incubators approved by the department;

78 (3) The number of incubators created through the small business incubator
79 program;

80 (4) The number of tenants and participants engaged in each incubator;

81 (5) The number of jobs provided by each incubator and tenants and participant of
82 each incubator;

83 (6) The occupancy rate of each incubator;

84 (7) The number of firms still operating in the state after leaving incubators and the
85 number of jobs they have provided.

86 9. There is hereby established in the state treasury a special fund to be known as
87 the "Missouri Small Business Incubators Fund", which shall consist of all moneys which
88 may be appropriated to it by the general assembly, and also any gifts, contributions,
89 grants, or bequests received from federal, private, or other sources. Moneys for loans, loan
90 guarantees, and grants under the small business incubator program may be obtained from
91 appropriations made by the general assembly from the Missouri small business incubators
92 fund. Any moneys remaining in the Missouri small business incubators fund at the end of
93 any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080,
94 RSMo, but shall remain in the Missouri small business incubators fund.

95 10. A taxpayer shall be entitled to a tax credit under this section in an amount equal
96 to fifty percent of any amount contributed by the taxpayer to the Missouri small business
97 incubators fund during the taxpayer's tax year or any contribution by the taxpayer to a
98 local sponsor after the local sponsor's application has been accepted and approved by the
99 department of economic development.

 135.446. 1. This section may be cited as the "Development Tax Credit Program".

2 2. Any business firm may apply to the department of economic development to
3 conduct economic development projects. The department of economic development shall
4 approve applications on an individual case-by-case basis, giving priority to manufacturing,
5 processing or assembly, corporate headquarters, services in interstate commerce, and
6 warehouse or distribution business projects proposing wages above the average for the
7 area and which provide health benefits. Credits approved for an economic development
8 project shall be limited to the least of ten thousand dollars per quality job created or
9 retained, fifty percent of the purchase price of new capital improvements or equipment,
10 five hundred thousand dollars per project, or the least amount needed to cause the project
11 to occur. Credits approved for all economic development projects authorized under this
12 section shall not exceed six million dollars in any one fiscal year.

 135.448. 1. A taxpayer shall be allowed a tax credit against the tax otherwise due
2 under chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to

3 143.265, RSMo, chapter 147, or 148, RSMo, for contributions under sections 135.442 to
4 135.446.

5 2. The tax credits allowed by sections 135.442 to 135.446 shall be claimed by the
6 taxpayer to offset the taxes that become due in the taxpayer's tax period in which the
7 contribution was made. Any tax credit not used in such tax period may be carried over the
8 next five succeeding tax periods.

9 3. Notwithstanding any provision of law to the contrary, any taxpayer, for the
10 purpose of this subsection referred to as assignor, may assign, sell, or transfer, in whole or
11 in part, the tax credits issued under sections 135.442 to 135.446 to any other taxpayer, for
12 the purpose of this subsection referred to as assignee, for no less than seventy-five percent
13 of the par value of such credits and in an amount not to exceed one hundred percent of
14 annual earned credits. To perfect the transfer, the assignor shall provide written notice
15 to the department of economic development of the assignor's intent to transfer the tax
16 credits to the assignee, the date the transfer is effective, the assignee's name, address, and
17 the assignee's tax period, and the amount of tax credits to be transferred.

18 4. The department of economic development may adopt such rules, statements of
19 policy, procedures, forms, and guidelines as may be necessary to carry out the provisions
20 of sections 135.442 to 135.446. Any rule or portion of a rule, as that term is defined in
21 section 536.010, RSMo, that is created under the authority delegated in this section shall
22 become effective only if it complies with and is subject to all of the provisions of chapter
23 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536,
24 RSMo, are nonseverable and if any of the powers vested with the general assembly under
25 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule
26 are subsequently held unconstitutional, then the grant of rulemaking authority and any
27 rule proposed or adopted after August 28, 2006, shall be invalid and void.

28 5. The total amount of tax credits granted under the community assistance program
29 and the small business incubator program shall not exceed twenty-six million dollars for
30 state fiscal year 2008 and any subsequent fiscal years. Of that amount, up to six million
31 dollars shall be allocated to youth development and up to eight million dollars shall be
32 allocated to rural community projects.

33 6. In the event that a program participant, in the case of a community assistance
34 program project, a local sponsor, in the case of a small business incubator program
35 project, or a business firm, in the case of development tax credit program project, fails to
36 complete a project authorized under sections 135.440 to 135.446, or otherwise fails to abide
37 by the conditions of participation in such three programs as set forth by statute, rule, or
38 agreement, the department of economic development may terminate participation in the

39 program, require refund of donations, and require repayment to the state of Missouri in
40 an amount equivalent to the amount of tax credits for project donations that have already
41 been redeemed.

135.449. For all tax years beginning on or after January 1, 2007, no tax credits shall
2 be approved, awarded, or issued to any person or entity claiming any tax credit under
3 section 135.460, sections 208.750 to 208.775, RSMo, and section 620.495, RSMo. If an
4 organization has been allocated credits for contribution-based credits prior to January 1,
5 2007, the organization may issue such credits prior to January 1, 2011, for qualified
6 contributions.

135.700. For all tax years beginning on or after January 1, 1999, a grape grower or wine
2 producer shall be allowed a tax credit against the state tax liability incurred pursuant to chapter
3 143, RSMo, exclusive of the provisions relating to the withholding of tax as provided in sections
4 143.191 to 143.265, RSMo, in an amount equal to twenty-five percent of the purchase price of
5 all new equipment and materials used directly in the growing of grapes or the production of wine
6 in the state. [Each] Activities qualifying the grower or producer for the tax credit under this
7 section shall be preapproved by the Missouri agriculture and small business development
8 authority based on established priority criteria. Once approved, the grower or producer
9 shall apply to the [department of economic development] Missouri agriculture and small
10 business development authority and specify the total amount of such new equipment and
11 materials purchased during the calendar year. The [department of economic development]
12 Missouri agriculture and small business development authority shall certify to the
13 department of revenue the amount of such tax credit to which a grape grower or wine producer
14 is entitled pursuant to this section. The provisions of this section notwithstanding, a grower or
15 producer may only apply for and receive the credit authorized by this section for five tax periods.
16 Tax credits authorized by this section may be transferred, sold, or assigned by filing a
17 notarized endorsement thereof with the Missouri agriculture and small business
18 development authority that names the transferee, the amount of tax credit transferred, and
19 the value received for the credit, as well as any other information reasonably requested by
20 the Missouri agriculture and small business development authority. Tax credits issued
21 under this section shall not exceed five hundred thousand dollars per calendar year.

135.800. 1. The provisions of sections 135.800 to 135.830 shall be known and may be
2 cited as the "Tax Credit Accountability Act of 2004".

3 2. As used in sections 135.800 to 135.830, the following terms mean:

4 (1) "Administering agency", the state agency or department charged with administering
5 a particular tax credit program, as set forth by the program's enacting statute; where no
6 department or agency is set forth, the department of revenue;

7 (2) "Agricultural tax credits", the agricultural product utilization contributor tax credit
8 created pursuant to section 348.430, RSMo, the new generation cooperative incentive tax credit
9 created pursuant to section 348.432, RSMo, and the wine and grape production tax credit created
10 pursuant to section 135.700;

11 (3) "All tax credit programs", the tax credit programs included in the definitions of
12 agricultural tax credits, business recruitment tax credits, community development tax credits,
13 domestic and social tax credits, entrepreneurial tax credits, environmental tax credits, housing
14 tax credits, redevelopment tax credits, and training and educational tax credits;

15 (4) "Business recruitment tax credits", the business facility tax credit created pursuant
16 to sections 135.110 to 135.150 and section 135.258, the enterprise zone tax benefits created
17 pursuant to sections 135.200 to 135.270, the business use incentives for large-scale development
18 programs created pursuant to sections 100.700 to 100.850, RSMo, the development tax credits
19 created pursuant to [sections 32.100 to 32.125, RSMo] **section 135.446**, the rebuilding
20 communities tax credit created pursuant to section 135.535, and the film production tax credit
21 created pursuant to section 135.750;

22 (5) "Community development tax credits", [the neighborhood assistance tax credit
23 created pursuant to sections 32.100 to 32.125, RSMo, the family development account tax credit
24 created pursuant to sections 208.750 to 208.775, RSMo] **the community tax credit created**
25 **under section 135.442**, the dry fire hydrant tax credit created pursuant to section 320.093,
26 RSMo, and the transportation development tax credit created pursuant to section 135.545;

27 (6) "Domestic and social tax credits", [the youth opportunities tax credit created pursuant
28 to section 135.460 and sections 620.1100 to 620.1103, RSMo,] the shelter for victims of
29 domestic violence created pursuant to section 135.550, the senior citizen or disabled person
30 property tax credit created pursuant to sections 135.010 to 135.035, the special needs adoption
31 tax credit created pursuant to sections 135.325 to 135.339, the maternity home tax credit created
32 pursuant to section 135.600, and the shared care tax credit created pursuant to section 660.055,
33 RSMo;

34 (7) "Entrepreneurial tax credits", the capital tax credit created pursuant to sections
35 135.400 to 135.429, the certified capital company tax credit created pursuant to sections 135.500
36 to 135.529, the seed capital tax credit created pursuant to sections 348.300 to 348.318, RSMo,
37 the new enterprise creation tax credit created pursuant to sections 620.635 to 620.653, RSMo,
38 the research tax credit created pursuant to section 620.1039, RSMo, the small business incubator
39 tax credit created pursuant to section [620.495, RSMo, the guarantee fee tax credit created
40 pursuant to section 135.766] **135.444**, and the new generation cooperative tax credit created
41 pursuant to sections 32.105 to 32.125, RSMo;

42 (8) "Environmental tax credits", the charcoal producer tax credit created pursuant to
43 section 135.313, the wood energy tax credit created pursuant to sections 135.300 to 135.311, and
44 the manufacturing and recycling flexible cellulose casing tax credit created pursuant to section
45 260.285, RSMo;

46 (9) "Housing tax credits", the neighborhood preservation tax credit created pursuant to
47 sections 135.475 to 135.487, the low-income housing tax credit created pursuant to sections
48 135.350 to 135.363, and the affordable housing tax credit created pursuant to sections 32.105 to
49 32.125, RSMo;

50 (10) "Recipient", the individual or entity who is the original applicant for and who
51 receives proceeds from a tax credit program directly from the administering agency, the person
52 or entity responsible for the reporting requirements established in section 135.805;

53 (11) "Redevelopment tax credits", the historic preservation tax credit created pursuant
54 to sections 253.545 to 253.561, RSMo, the brownfield redevelopment program tax credit created
55 pursuant to sections 447.700 to 447.718, RSMo, the community development corporations tax
56 credit created pursuant to sections 135.400 to 135.430, the infrastructure tax credit created
57 pursuant to subsection 6 of section 100.286, RSMo, the bond guarantee tax credit created
58 pursuant to section 100.297, RSMo, and the disabled access tax credit created pursuant to section
59 135.490;

60 (12) "Training and educational tax credits", the community college new jobs tax credit
61 created pursuant to sections 178.892 to 178.896, RSMo, the skills development account tax
62 credit created pursuant to sections 620.1400 to 620.1460, RSMo, the mature worker tax credit
63 created pursuant to section 620.1560, RSMo, and the sponsorship and mentoring tax credit
64 created pursuant to section 135.348.

135.950. The following terms, whenever used in sections 135.950 to 135.970 mean:

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

8 (2) "Board", an enhanced enterprise zone board established pursuant to section 135.957;

9 (3) "Commencement of commercial operations" shall be deemed to occur during the first
10 taxable year for which the new business facility is first put into use by the taxpayer in the
11 enhanced business enterprise in which the taxpayer intends to use the new business facility;

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

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

14 (6) "Employee", [a person employed by the enhanced business enterprise on:

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

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

18 (c) A seasonal basis, provided such person performs such duties for at least eighty
19 percent of the season customary for the position in which such person is employed] **a person**
20 **that is scheduled to work an average of at least thirty-five hours per week for a twelve-**
21 **month period;**

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

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

26 (b) Will have an impact on industry cluster development, as identified by the governing
27 authority in its application for designation of an enhanced enterprise zone and approved by the
28 department; but excluding gambling establishments (NAICS industry group 7132), retail trade
29 (NAICS sectors 44 and 45) and food and drinking places (NAICS subsector 722). Service
30 industries may be eligible only if a majority of its annual revenues will be derived from services
31 provided out of the state;

32 (8) "Existing business facility", any facility in this state which was employed by the
33 taxpayer claiming the credit in the operation of an enhanced business enterprise immediately
34 prior to an expansion, acquisition, addition, or replacement;

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

39 (10) **"Facility base employment", the greater of the number of full-time employees**
40 **located at the facility on the date of the notice of intent, or for the twelve-month period**
41 **prior to the date of the notice of intent, the average number of employees located at the**
42 **facility or in the event the project facility has not been in operation for a full twelve-month**
43 **period, the average number of employees for the number of months the facility has been**
44 **in operation prior to the date of the notice of intent;**

45 (11) **"Facility base payroll", the total amount of taxable wages paid by the**
46 **enhanced business enterprise to employees of the enhanced business enterprise located at**
47 **the facility in the twelve months prior to the notice of intent, not including the payroll of**
48 **owners of the enhanced business enterprise unless the enhanced business enterprise is**
49 **participating in an employee stock ownership plan. For the purposes of calculating the**

50 **benefits under this program, the amount of base payroll shall increase each year based on**
51 **the Consumer Price Index, or other comparable measure, as determined by the**
52 **department;**

53 (12) "Governing authority", the body holding primary legislative authority over a county
54 or incorporated municipality;

55 [(11)] (13) "NAICS", the 1997 edition of the North American Industry Classification
56 System as prepared by the Executive Office of the President, Office of Management and Budget.
57 Any NAICS sector, subsector, industry group or industry identified in this section shall include
58 its corresponding classification in subsequent federal industry classification systems;

59 [(12)] (14) "New business facility", a facility that satisfies the following requirements:

60 (a) Such facility is employed by the taxpayer in the operation of an enhanced business
61 enterprise. Such facility shall not be considered a new business facility in the hands of the
62 taxpayer if the taxpayer's only activity with respect to such facility is to lease it to another person
63 or persons. If the taxpayer employs only a portion of such facility in the operation of an
64 enhanced business enterprise, and leases another portion of such facility to another person or
65 persons or does not otherwise use such other portions in the operation of an enhanced business
66 enterprise, the portion employed by the taxpayer in the operation of an enhanced business
67 enterprise shall be considered a new business facility, if the requirements of paragraphs (b), (c),
68 and (d) of this subdivision are satisfied;

69 (b) Such facility is acquired by, or leased to, the taxpayer after December 31, 2004. A
70 facility shall be deemed to have been acquired by, or leased to, the taxpayer after December 31,
71 2004, if the transfer of title to the taxpayer, the transfer of possession pursuant to a binding
72 contract to transfer title to the taxpayer, or the commencement of the term of the lease to the
73 taxpayer occurs after December 31, 2004;

74 (c) If such facility was acquired by the taxpayer from another taxpayer and such facility
75 was employed immediately prior to the acquisition by another taxpayer in the operation of an
76 enhanced business enterprise, the operation of the same or a substantially similar enhanced
77 business enterprise is not continued by the taxpayer at such facility; and

78 (d) Such facility is not a replacement business facility, as defined in subdivision [(16)]
79 (22) of this section;

80 [(13)] (15) "New business facility employee", an employee of the taxpayer in the
81 operation of a new business facility during the taxable year for which the credit allowed by
82 section 135.967 is claimed, except that truck drivers and rail and barge vehicle operators and
83 other operators of rolling stock for hire shall not constitute new business facility employees;

84 [(14)] (16) "New business facility investment", the value of real and depreciable tangible
85 personal property, acquired by the taxpayer as part of the new business facility, which is used by

86 the taxpayer in the operation of the new business facility, during the taxable year for which the
87 credit allowed by 135.967 is claimed, except that trucks, truck-trailers, truck semitrailers, rail
88 vehicles, barge vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges,
89 tunnels, and rail yards and spurs shall not constitute new business facility investments. The total
90 value of such property during such taxable year shall be:

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

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

101 **(17) "New job", the number of employees located at the facility that exceeds the**
102 **facility base employment less any decrease in the number of employees at related facilities**
103 **below the related facility base employment. No job that was created prior to the date of**
104 **the notice of intent shall be deemed a new job;**

105 **(18) "Notice of intent", a form developed by the department, completed by the**
106 **enhanced business enterprise, and submitted to the department which states the enhanced**
107 **business enterprise's intent to hire new jobs and request benefits under this program;**

108 **(19) "Related facility", a facility operated by the enhanced business enterprise or**
109 **a related company located in this state that is directly related to the operations of the**
110 **project facility;**

111 **(20) "Related facility base employment", the greater of:**

112 **(a) The number of employees located at all related facilities on the date of the notice**
113 **of intent; or**

114 **(b) For the twelve-month period prior to the date of the notice of intent, the average**
115 **number of employees located at all related facilities of the enhanced business enterprise or**
116 **a related company located in this state;**

117 **(21) "Related taxpayer":**

118 **(a) A corporation, partnership, trust, or association controlled by the taxpayer;**

119 **(b) An individual, corporation, partnership, trust, or association in control of the**
120 **taxpayer; or**

121 (c) A corporation, partnership, trust or association controlled by an individual,
122 corporation, partnership, trust or association in control of the taxpayer. "Control of a
123 corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty
124 percent of the total combined voting power of all classes of stock entitled to vote, "control of a
125 partnership or association" shall mean ownership of at least fifty percent of the capital or profits
126 interest in such partnership or association, and "control of a trust" shall mean ownership, directly
127 or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such
128 trust; ownership shall be determined as provided in Section 318 of the Internal Revenue Code
129 of 1986, as amended;

130 [(16)] (22) "Replacement business facility", a facility otherwise described in subdivision
131 (12) of this section, hereafter referred to in this subdivision as "new facility", which replaces
132 another facility, hereafter referred to in this subdivision as "old facility", located within the state,
133 which the taxpayer or a related taxpayer previously operated but discontinued operating on or
134 before the close of the first taxable year for which the credit allowed by this section is claimed.
135 A new facility shall be deemed to replace an old facility if the following conditions are met:

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

139 (b) The old facility was employed by the taxpayer or a related taxpayer in the operation
140 of an enhanced business enterprise and the taxpayer continues the operation of the same or
141 substantially similar enhanced business enterprise at the new facility.

142

143 Notwithstanding the preceding provisions of this subdivision, a facility shall not be considered
144 a replacement business facility if the taxpayer's new business facility investment, as computed
145 in subdivision (14) of this section, in the new facility during the tax period for which the credits
146 allowed in section 135.967 are claimed exceed one million dollars and if the total number of
147 employees at the new facility exceeds the total number of employees at the old facility by at least
148 two;

149 [(17)] (23) "Same or substantially similar enhanced business enterprise", an enhanced
150 business enterprise in which the nature of the products produced or sold, or activities conducted,
151 are similar in character and use or are produced, sold, performed, or conducted in the same or
152 similar manner as in another enhanced business enterprise.

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

4 withholding tax imposed by sections 143.191 to 143.265, RSMo. No taxpayer shall receive
5 multiple ten-year periods for subsequent expansions at the same facility.

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

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

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

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

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

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

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

22 (a) A credit of four hundred dollars for each new business facility employee employed
23 within an enhanced enterprise zone;

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

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

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

31 5. Prior to January 1, 2007, in no event shall the department authorize more than four
32 million dollars annually to be issued for all enhanced business enterprises. After December 31,
33 2006, in no event shall the department authorize more than seven million dollars annually to be
34 issued for all enhanced business enterprises.

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

37 (1) The taxpayer's new business facility investment in the expansion during the tax
38 period in which the credits allowed in this section are claimed exceeds one hundred thousand
39 dollars and if the number of new business facility employees engaged or maintained in

40 employment at the expansion facility for the taxable year for which credit is claimed equals or
41 exceeds two, and the total number of employees at the facility after the expansion is at least two
42 greater than the total number of employees before the expansion; and

43 (2) The taxpayer's investment in the expansion and in the original facility prior to
44 expansion shall be determined in the manner provided in subdivision (12) of section 135.950.

45 7. The number of new business facility employees during any taxable year shall be
46 determined by dividing by twelve the sum of the number of individuals employed on the last
47 business day of each month of such taxable year. If the new business facility is in operation for
48 less than the entire taxable year, the number of new business facility employees shall be
49 determined by dividing the sum of the number of individuals employed on the last business day
50 of each full calendar month during the portion of such taxable year during which the new
51 business facility was in operation by the number of full calendar months during such period. For
52 the purpose of computing the credit allowed by this section in the case of a facility which
53 qualifies as a new business facility under subsection 6 of this section, and in the case of a new
54 business facility which satisfies the requirements of paragraph (c) of subdivision (12) of section
55 135.950, or subdivision [(16)] **(22)** of section 135.950, the number of new business facility
56 employees at such facility shall be reduced by the average number of individuals employed,
57 computed as provided in this subsection, at the facility during the taxable year immediately
58 preceding the taxable year in which such expansion, acquisition, or replacement occurred and
59 shall further be reduced by the number of individuals employed by the taxpayer or related
60 taxpayer that was subsequently transferred to the new business facility from another Missouri
61 facility and for which credits authorized in this section are not being earned, whether such credits
62 are earned because of an expansion, acquisition, relocation, or the establishment of a new
63 facility.

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

71 9. For the purpose of computing the credit allowed by this section in the case of a facility
72 which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case
73 of a new business facility which satisfies the requirements of paragraph (c) of subdivision (12)
74 of section 135.950 or subdivision [(16)] **(22)** of section 135.950, the amount of the taxpayer's
75 new business facility investment in such facility shall be reduced by the average amount,

76 computed as provided in subdivision (12) of section 135.950 for new business facility
77 investment, of the investment of the taxpayer, or related taxpayer immediately preceding such
78 expansion or replacement or at the time of acquisition. Furthermore, the amount of the
79 taxpayer's new business facility investment shall also be reduced by the amount of investment
80 employed by the taxpayer or related taxpayer which was subsequently transferred to the new
81 business facility from another Missouri facility and for which credits authorized in this section
82 are not being earned, whether such credits are earned because of an expansion, acquisition,
83 relocation, or the establishment of a new facility.

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

87 11. Credits may not be carried forward but shall be claimed for the taxable year during
88 which commencement of commercial operations occurs at such new business facility, and for
89 each of the nine succeeding taxable years for which the credit is issued. 12. Certificates of
90 tax credit authorized by this section may be transferred, sold, or assigned by filing a notarized
91 endorsement thereof with the department that names the transferee, the amount of tax credit
92 transferred, and the value received for the credit, as well as any other information reasonably
93 requested by the department. The sale price cannot be less than seventy-five percent of the par
94 value of such credits.

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

97 **14. Prior to the issuance of any tax credits, the department shall verify through the**
98 **department of revenue that the tax credit applicant does not owe any delinquent income,**
99 **sales, or use taxes, or interest or penalties on such taxes, and through the department of**
100 **insurance that the applicant does not owe any delinquent insurance taxes. Such**
101 **delinquency shall not affect the authorization of the application for such tax credits, except**
102 **that the amount of credits issued shall be reduced by the applicant's tax delinquency. If**
103 **the department of revenue or the department of insurance concludes that a taxpayer is**
104 **delinquent after June fifteenth but before July first of any year, and the application of tax**
105 **credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then**
106 **the taxpayer shall be granted thirty days to satisfy the deficiency in which interest,**
107 **penalties, and additions to tax shall be tolled. After applying all available credits towards**
108 **a tax delinquency, the administering agency shall notify the appropriate department, and**
109 **that department shall update the amount of outstanding delinquent tax owed by the**
110 **applicant. If any credits remain after satisfying all insurance, income, sales, and use tax**

111 **delinquencies, the remaining credits shall be issued to the applicant, subject to the**
112 **restrictions of other provisions of the law.**

447.708. 1. For eligible projects, the director of the department of economic
2 development, with notice to the directors of the departments of natural resources and revenue,
3 and subject to the other provisions of sections 447.700 to 447.718, may not create a new
4 enterprise zone but may decide that a prospective operator of a facility being remedied and
5 renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions
6 pursuant to sections 135.100 to 135.150, RSMo, and sections 135.200 to 135.257, RSMo. The
7 tax credits allowed pursuant to this subsection shall be used to offset the tax imposed by chapter
8 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the
9 tax otherwise imposed by chapter 147, RSMo, or the tax otherwise imposed by chapter 148,
10 RSMo. For purposes of this subsection:

11 (1) For receipt of the ad valorem tax abatement pursuant to section 135.215, RSMo, the
12 eligible project must create at least ten new jobs or retain businesses which supply at least
13 twenty-five existing jobs. The city, or county if the eligible project is not located in a city, must
14 provide ad valorem tax abatement of at least fifty percent for a period not less than ten years and
15 not more than twenty-five years;

16 (2) For receipt of the income tax exemption pursuant to section 135.220, RSMo, and tax
17 credit for new or expanded business facilities pursuant to sections 135.100 to 135.150, and
18 135.225, RSMo, the eligible project must create at least ten new jobs or retain businesses which
19 supply at least twenty-five existing jobs, or combination thereof. For purposes of sections
20 447.700 to 447.718, the tax credits described in section 135.225, RSMo, are modified as follows:
21 the tax credit shall be four hundred dollars per employee per year, an additional four hundred
22 dollars per year for each employee exceeding the minimum employment thresholds of ten and
23 twenty-five jobs for new and existing businesses, respectively, an additional four hundred dollars
24 per year for each person who is "a person difficult to employ" as defined by section 135.240,
25 RSMo, and investment tax credits at the same amounts and levels as provided in subdivision (4)
26 of subsection 1 of section 135.225, RSMo;

27 (3) For eligibility to receive the income tax refund pursuant to section 135.245, RSMo,
28 the eligible project must create at least ten new jobs or retain businesses which supply at least
29 twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of
30 section 135.245, RSMo, for application and use of the refund and the eligibility requirements of
31 this section;

32 (4) The eligible project operates in compliance with applicable environmental laws and
33 regulations, including permitting and registration requirements, of this state as well as the federal
34 and local requirements;

35 (5) The eligible project operator shall file such reports as may be required by the director
36 of economic development or the director's designee;

37 (6) The taxpayer may claim the state tax credits authorized by this subsection and the
38 state income exemption for a period not in excess of ten consecutive tax years. For the purpose
39 of this section, "taxpayer" means an individual proprietorship, partnership or corporation
40 described in section 143.441 or 143.471, RSMo, who operates an eligible project. The director
41 shall determine the number of years the taxpayer may claim the state tax credits and the state
42 income exemption based on the projected net state economic benefits attributed to the eligible
43 project;

44 (7) For the purpose of meeting the new job requirement prescribed in subdivisions (1),
45 (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and
46 maintained during the taxpayer's tax period for which the credits are earned, in the case of an
47 eligible project that does not replace a similar facility in Missouri. "New job" means a person
48 who was not previously employed by the taxpayer or related taxpayer within the twelve-month
49 period immediately preceding the time the person was employed by that taxpayer to work at, or
50 in connection with, the eligible project on a full-time basis. "Full-time basis" means the
51 employee works an average of at least thirty-five hours per week during the taxpayer's tax period
52 for which the tax credits are earned. For the purposes of this section, "related taxpayer" has the
53 same meaning as defined in subdivision (9) of section 135.100, RSMo;

54 (8) For the purpose of meeting the existing job retention requirement, if the eligible
55 project replaces a similar facility that closed elsewhere in Missouri prior to the end of the
56 taxpayer's tax period in which the tax credits are earned, it shall be required that at least
57 twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time
58 basis during the taxpayer's tax period for which the credits are earned. "Retained job" means a
59 person who was previously employed by the taxpayer or related taxpayer, at a facility similar to
60 the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer's tax period
61 in which the tax credits are earned, within the tax period immediately preceding the time the
62 person was employed by the taxpayer to work at, or in connection with, the eligible project on
63 a full-time basis. "Full-time basis" means the employee works an average of at least thirty-five
64 hours per week during the taxpayer's tax period for which the tax credits are earned;

65 (9) In the case where an eligible project replaces a similar facility that closed elsewhere
66 in Missouri prior to the end of the taxpayer's tax period in which the tax credits are earned, the
67 owner and operator of the eligible project shall provide the director with a written statement
68 explaining the reason for discontinuing operations at the closed facility. The statement shall
69 include a comparison of the activities performed at the closed facility prior to the date the facility
70 ceased operating, to the activities performed at the eligible project, and a detailed account

71 describing the need and rationale for relocating to the eligible project. If the director finds the
72 relocation to the eligible project significantly impaired the economic stability of the area in
73 which the closed facility was located, and that such move was detrimental to the overall
74 economic development efforts of the state, the director may deny the taxpayer's request to claim
75 tax benefits;

76 (10) Notwithstanding any provision of law to the contrary, for the purpose of this
77 section, the number of new jobs created and maintained, the number of existing jobs retained,
78 and the value of new qualified investment used at the eligible project during any tax year shall
79 be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals
80 employed at the eligible project, or in the case of new qualified investment, the value of new
81 qualified investment used at the eligible project, on the last business day of each full calendar
82 month of the tax year. If the eligible project is in operation for less than the entire tax year, the
83 number of new jobs created and maintained, the number of existing jobs retained, and the value
84 of new qualified investment created at the eligible project during any tax year shall be
85 determined by dividing the sum of the number of individuals employed at the eligible project,
86 or in the case of new qualified investment, the value of new qualified investment used at the
87 eligible project, on the last business day of each full calendar month during the portion of the tax
88 year during which the eligible project was in operation, by the number of full calendar months
89 during such period;

90 (11) For the purpose of this section, "new qualified investment" means new business
91 facility investment as defined and as determined in subdivision (7) of section 135.100, RSMo,
92 which is used at and in connection with the eligible project. "New qualified investment" shall
93 not include small tools, supplies and inventory. "Small tools" means tools that are portable and
94 can be hand held.

95 2. The determination of the director of economic development pursuant to subsection
96 1 of this section, shall not affect requirements for the prospective purchaser to obtain the
97 approval of the granting of real property tax abatement by the municipal or county government
98 where the eligible project is located.

99 3. (1) The director of the department of economic development, with the approval of
100 the director of the department of natural resources, may, in addition to the tax credits allowed
101 in subsection 1 of this section, grant a remediation tax credit to the applicant for up to one
102 hundred percent of the costs of materials, supplies, equipment, labor, professional engineering,
103 consulting and architectural fees, permitting fees and expenses, demolition, asbestos abatement,
104 and direct utility charges for performing the voluntary remediation activities for the preexisting
105 hazardous substance contamination and releases, including, but not limited to, the costs of
106 performing operation and maintenance of the remediation equipment at the property beyond the

year in which the systems and equipment are built and installed at the eligible project and the costs of performing the voluntary remediation activities over a period not in excess of four tax years following the taxpayer's tax year in which the system and equipment were first put into use at the eligible project, provided the remediation activities are the subject of a plan submitted to, and approved by, the director of natural resources pursuant to sections 260.565 to 260.575, RSMo. **The tax credit may also include up to one hundred percent of the costs of demolition that are not directly part of the remediation activities, provided that the demolition is either on the property where the voluntary remediation activities are occurring or an adjacent property, the demolition is necessary to accomplish the planned use of the facility where the remediation activities are occurring, and the demolition is part of a redevelopment plan approved by the municipal or county government and the department of economic development.**

(2) [The director of the department of economic development, with the approval of the director of the department of natural resources, may, in addition to the tax credits otherwise allowed in this section, grant a demolition tax credit to the applicant for up to one hundred percent of the costs of demolition that are not part of the voluntary remediation activities, provided that the demolition is either on the property where the voluntary remediation activities are occurring or on any adjacent property, and that the demolition is part of a redevelopment plan approved by the municipal or county government and the department of economic development.

(3) The amount of remediation [and demolition] tax credits issued shall be limited to the least amount necessary to cause the project to occur, as determined by the director of the department of economic development.

[(4)] (3) The director may, with the approval of the director of natural resources, extend the tax credits allowed for performing voluntary remediation maintenance activities, in increments of three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed in this subsection shall be used to offset the tax imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax otherwise imposed by chapter 147, RSMo, or the tax otherwise imposed by chapter 148, RSMo. The remediation [and demolition] tax credit may be taken in the same tax year in which the tax credits are received or may be taken over a period not to exceed twenty years.

[(5)] (4) The project facility shall be projected to create at least ten new jobs or at least twenty-five retained jobs, or a combination thereof, as determined by the department of economic development, to be eligible for tax credits pursuant to this section.

[(6)] (5) No more than seventy-five percent of earned remediation tax credits may be issued when the remediation costs were paid, and the remaining percentage may be issued when the department of natural resources issues a "Letter of Completion" letter or covenant not to sue

143 following completion of the voluntary remediation activities. It shall not include any costs
144 associated with ongoing operational environmental compliance of the facility or remediation
145 costs arising out of spills, leaks, or other releases arising out of the ongoing business operations
146 of the facility.

147 4. In the exercise of the sound discretion of the director of the department of economic
148 development or the director's designee, the tax credits and exemptions described in this section
149 may be terminated, suspended or revoked, if the eligible project fails to continue to meet the
150 conditions set forth in this section. In making such a determination, the director shall consider
151 the severity of the condition violation, actions taken to correct the violation, the frequency of any
152 condition violations and whether the actions exhibit a pattern of conduct by the eligible facility
153 owner and operator. The director shall also consider changes in general economic conditions and
154 the recommendation of the director of the department of natural resources, or his or her designee,
155 concerning the severity, scope, nature, frequency and extent of any violations of the
156 environmental compliance conditions. The taxpayer or person claiming the tax credits or
157 exemptions may appeal the decision regarding termination, suspension or revocation of any tax
158 credit or exemption in accordance with the procedures outlined in subsections 4 to 6 of section
159 135.250, RSMo. The director of the department of economic development shall notify the
160 directors of the departments of natural resources and revenue of the termination, suspension or
161 revocation of any tax credits as determined in this section or pursuant to the provisions of section
162 447.716.

163 5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax
164 credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection
165 1 of this section and the tax credits otherwise allowed in section 135.110, RSMo, or the tax
166 credits, exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and
167 135.245, RSMo, respectively, for the same facility for the same tax period.

168 6. The total amount of the tax credits allowed in subsection 1 of this section may not
169 exceed the greater of:

170 (1) That portion of the taxpayer's income attributed to the eligible project; or

171 (2) One hundred percent of the total business' income tax if the eligible facility does not
172 replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer's tax
173 period in which the tax credits are earned, and further provided the taxpayer does not operate any
174 other facilities besides the eligible project in Missouri; fifty percent of the total business' income
175 tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the
176 end of the taxpayer's tax period in which the credits are earned, and further provided the taxpayer
177 does not operate any other facilities besides the eligible project in Missouri; or twenty-five
178 percent of the total business income if the taxpayer operates, in addition to the eligible facility,

179 any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible
180 project in Missouri be allowed to offset more than twenty-five percent of the taxpayer's business
181 income in any tax period. That portion of the taxpayer's income attributed to the eligible project
182 as referenced in subdivision (1) of this subsection, for which the credits allowed in sections
183 135.110 and 135.225, RSMo, and subsection 3 of this section, may apply, shall be determined
184 in the same manner as prescribed in subdivision (6) of section 135.100, RSMo. That portion of
185 the taxpayer's franchise tax attributed to the eligible project for which the remediation tax credit
186 may offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision
187 (6) of section 135.100, RSMo.

188 7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of
189 subsection 1 of this section shall be required to file all applicable tax credit applications, forms
190 and schedules prescribed by the director during the taxpayer's tax period immediately after the
191 tax period in which the eligible project was first put into use. Otherwise, the taxpayer's right to
192 claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax
193 credits shall not be carried forward but shall be initially claimed for the tax period during which
194 the eligible project was first capable of being used, and during any applicable subsequent tax
195 periods.

196 8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section
197 shall be required to file all applicable tax credit applications, forms and schedules prescribed by
198 the director during the taxpayer's tax period immediately after the tax period in which the eligible
199 project was first put into use, or during the taxpayer's tax period immediately after the tax period
200 in which the voluntary remediation activities were performed.

201 9. The recipient of remediation tax credits, for the purpose of this subsection referred to
202 as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed
203 in subsection 3 of this section, to any other person, for the purpose of this subsection referred to
204 as assignee. To perfect the transfer, the assignor shall provide written notice to the director of
205 the assignor's intent to transfer the tax credits to the assignee, the date the transfer is effective,
206 the assignee's name, address and the assignee's tax period and the amount of tax credits to be
207 transferred. The number of tax periods during which the assignee may subsequently claim the
208 tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor
209 previously claimed the credits before the transfer occurred.

210 10. In the case where an operator and assignor of an eligible project has been certified
211 to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and
212 sells or otherwise transfers title of the eligible project to another taxpayer or assignee who
213 continues the same or substantially similar operations at the eligible project, the director shall
214 allow the assignee to claim the credits for a period of time to be determined by the director;

215 except that, the total number of tax periods the tax credits may be earned by the assignor and the
216 assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice
217 to the director of the assignor's intent to transfer the tax credits to the assignee, the date the
218 transfer is effective, the assignee's name, address, and the assignee's tax period, and the amount
219 of tax credits to be transferred.

220 11. For the purpose of the state tax benefits described in this section, in the case of a
221 corporation described in section 143.471, RSMo, or partnership, in computing Missouri's tax
222 liability, such state benefits shall be allowed to the following:

223 (1) The shareholders of the corporation described in section 143.471, RSMo;

224 (2) The partners of the partnership.

225

226 The credit provided in this subsection shall be apportioned to the entities described in
227 subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last
228 day of the taxpayer's tax period.

229 620.1878. For the purposes of sections 620.1875 to 620.1890, the following terms shall
230 mean:

231 (1) **"Approval", a document submitted by the department to the qualified company**
232 **that states the benefits that may be provided by this program;**

233 (2) "Average wage", the new payroll divided by the number of new jobs;

234 [(2)] (3) "Commencement of operations", the starting date for the qualified company's
235 first new employee, which must be no later than twelve months from the date of the [proposal]
236 **approval;**

237 [(3)] (4) "County average wage", the average wages in each county as determined by the
238 department for the most recently completed full calendar year. However, if the computed county
239 average wage is above the statewide average wage, the statewide average wage shall be deemed
240 the county average wage for such county **for the purpose of determining eligibility. The**
241 **actual county average wage, and not the statewide average, shall be used for the purposes**
242 **of determining if a company qualifies for a wage bonus for meeting one hundred twenty**
243 **percent or one hundred forty percent of the county average wage.** The department shall
244 publish the county average wage for each county at least annually. **Notwithstanding this**
245 **subdivision to the contrary, for any qualified company that in conjunction with their**
246 **project is relocating employees from a Missouri county with a higher county average wage,**
247 **the company shall obtain the endorsement of the governing body of the community from**
248 **which jobs are being relocated, or the county average wage for their project shall be the**
249 **county average wage for the county from which employees are being relocated;**

250 [(4)] (5) "Department", the Missouri department of economic development;

251 [(5)] (6) "Director", the director of the department of economic development;

252 [(6)] (7) "Employee", a person employed by a qualified company;

253 [(7) "Full-time equivalent employees", employees of the qualified company converted
254 to reflect an equivalent of the number of full-time, year-round employees. The method for
255 converting part-time and seasonal employees into an equivalent number of full-time, year-round
256 employees shall be published in a rule promulgated by the department as authorized in section
257 620.1884;]

258 (8) "Full-time[, year-round] employee", an employee of the **qualified** company that
259 [works] **is scheduled to work** an average of at least thirty-five hours per week for a
260 twelve-month period, and one for which the qualified company offers health insurance and pays
261 at least fifty percent of such insurance premiums;

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

264 (10) "Local incentives", the present value of the dollar amount of direct benefit received
265 by a qualified company for a project facility from one or more local political subdivisions, but
266 shall not include loans or other funds provided to the qualified company that must be repaid by
267 the qualified company to the political subdivision;

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

272 (12) "New direct local revenue", the present value of the dollar amount of direct net new
273 tax revenues of the local political subdivisions likely to be produced by the project over a
274 ten-year period as calculated by the department and net new utility revenues, provided the local
275 incentives include a discount or other direct incentives from utilities owned or operated by the
276 political subdivision;

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

279 (14) "New job", the number of full-time, year-round employees located at the project
280 facility that exceeds the project facility base employment less any decrease in the number of
281 full-time equivalent employees at related facilities below the related facility base employment.
282 **No job that was created prior to the date of the notice of intent shall be deemed a new job;**

283 (15) "New payroll", [the amount of wages paid by a qualified company to employees in
284 new jobs] **the amount of taxable wages of full-time employees, excluding owners, located**
285 **at the project facility that exceeds the project facility base payroll. If full-time employment**
286 **at related facilities is below the related facility base employment, any decrease in payroll**

287 **for full-time employees at the related facilities below the related facility base payroll shall**
288 **also be subtracted to determine new payroll;**

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

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

294 (18) "Program", the Missouri quality jobs program provided in sections 620.1875 to
295 620.1890;

296 (19) "Project facility", the building used by a qualified company at which the new jobs
297 and new investment will be located. A project facility may include separate buildings that are
298 located within one mile of each other such that their purpose and operations are interrelated;

299 (20) "Project facility base employment", **the greater of the number of full-time**
300 **employees located at the project facility on the date of the notice of intent or** for the
301 twelve-month period prior to the date of the [proposal] **notice of intent**, the average number of
302 full-time [equivalent] employees located at the project facility. In the event the project facility
303 has not been in operation for a full twelve-month period, [project facility base employment is]
304 the average number of full-time [equivalent] employees for the number of months the project
305 facility has been in operation prior to the date of the [proposal] **notice of intent;**

306 (21) **"Project facility base payroll", the total amount of taxable wages paid by the**
307 **qualified company to full-time employees of the qualified company located at the project**
308 **facility in the twelve months prior to the notice of intent, not including the payroll of**
309 **owners of the qualified company unless the qualified company is participating in an**
310 **employee stock ownership plan. For the purposes of calculating the benefits under this**
311 **program, the amount of base payroll shall increase each year based on the Consumer Price**
312 **Index, or other comparable measure, as determined by the department;**

313 (22) "Project period", the time period that the benefits are provided to a qualified
314 company;

315 [(22) "Proposal", a document submitted by the department to the qualified company that
316 states the benefits that may be provided by this program. The effective date of such proposal
317 cannot be prior to the commencement of operations. The proposal shall not offer benefits
318 regarding any jobs created prior to its effective date unless the proposal is for a job retention
319 project;]

320 (23) "Qualified company", a firm, partnership, joint venture, association, private or
321 public corporation whether organized for profit or not, or headquarters of such entity registered
322 to do business in Missouri that is the owner or operator of a project facility, **offers health**

323 **insurance to all full-time employees of all facilities located in this state, and pays at least**
324 **fifty percent of such insurance premiums.** For the purposes of sections 620.1875 to 620.1890,
325 the term "qualified company" shall not include:

- 326 (a) Gambling establishments (NAICS industry group 7132);
- 327 (b) Retail trade establishments (NAICS sectors 44 and 45);
- 328 (c) Food and drinking places (NAICS subsector 722);
- 329 (d) Utilities [regulated by the Missouri public service commission] **services including**
330 **but not limited to electric, gas, water, sewer, cable, and telephone;**
- 331 (e) Any company that is delinquent in the payment of any nonprotested taxes or any
332 other amounts due the state or federal government or any other political subdivision of this state;
333 [or]
- 334 (f) Any company that has filed for or has publicly announced its intention to file for
335 bankruptcy protection;
- 336 (g) **Educational services (NAIC sector 61);**
- 337 (h) **Religious organizations (NAIC industry group 8131); or**
- 338 (i) **Public administration (NAIC sector 92);**

339 (24) "Related company" means:

- 340 (a) A corporation, partnership, trust, or association controlled by the qualified company;
- 341 (b) An individual, corporation, partnership, trust, or association in control of the
342 qualified company; or
- 343 (c) Corporations, partnerships, trusts or associations controlled by an individual,
344 corporation, partnership, trust or association in control of the qualified company. As used in this
345 subdivision, ["]control of a corporation["] shall mean ownership, directly or indirectly, of stock
346 possessing at least fifty percent of the total combined voting power of all classes of stock entitled
347 to vote, ["]control of a partnership or association["] shall mean ownership of at least fifty percent
348 of the capital or profits interest in such partnership or association, ["]control of a trust["] shall
349 mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the
350 principal or income of such trust, and ownership shall be determined as provided in Section 318
351 of the Internal Revenue Code of 1986, as amended;

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

354 (26) "Related facility base employment", **the greater of the number of full-time**
355 **employees located at all related facilities on the date of the notice of intent or** for the
356 twelve-month period prior to the date of the [proposal] **notice of intent**, the average number of
357 full-time [equivalent] employees located at all related facilities of the qualified company or a
358 related company located in this state;

(27) "Related facility base payroll", the total amount of taxable wages paid by the qualified company to full-time employees of the qualified company located at a related facility in the twelve months prior to the filing of the notice of intent, not including the payroll of owners of the qualified company unless the qualified company is participating in an employee stock ownership plan. For the purposes of calculating the benefits under this program, the amount of related facility base payroll shall increase each year based on the consumer price index, or other comparable measure, as determined by the department;

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

[(28)] (29) "Small and expanding business project", a qualified company that within two years of the date of the [proposal] **approval** creates a minimum of twenty new jobs if the project facility is located in a rural area or a minimum of forty new jobs if the project facility is not located in a rural area and creates fewer than one hundred new jobs regardless of the location of the project facility;

[(29)] (30) "Tax credits", tax credits issued by the department to offset the state income taxes imposed by chapter 143 **and 148**, RSMo, or which may be sold or refunded as provided for in this program;

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

[(31)] (32) "Withholding tax", the state tax imposed by sections 143.191 to 143.265, RSMo. **For purposes of this program, the withholding tax shall be computed using a schedule, as determined by the department based on average wages.**

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

11 company provides the department with the required reporting and is in proper compliance for this
12 program or other state programs. A qualified company may elect to file a notice of intent to start
13 a new project period concurrent with an existing project period if the minimum thresholds are
14 achieved and the qualified company provides the department with the required reporting and is
15 in proper compliance for this program and other state programs; however, the qualified company
16 may not receive any further benefit under the original [proposal] **approval** for jobs created after
17 the date of the new notice of intent, and any jobs created before the new notice of intent may not
18 be included as new jobs for the purpose of benefit calculation in relation to the new [proposal]
19 **approval**.

20 2. Notwithstanding any provision of law to the contrary, any qualified company that is
21 awarded benefits under this program may not [also] **simultaneously** receive tax credits or
22 exemptions under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535,
23 or sections 135.900 to 135.906, RSMo[, for the same new jobs at the project facility]. The
24 benefits available to the company under any other state programs for which the company is
25 eligible and which utilize withholding tax from the new jobs of the company must first be
26 credited to the other state program before the withholding retention level applicable under the
27 Missouri quality jobs act will begin to accrue. These other state programs include, but are not
28 limited to, the new jobs training program under sections 178.892 to 178.896, RSMo, the job
29 retention program under sections 178.760 to 178.764, RSMo, the real property tax increment
30 allocation redevelopment act, sections 99.800 to 99.865, RSMo, or the Missouri downtown and
31 rural economic stimulus act under sections 99.915 to 99.980, RSMo. If any qualified company
32 also participates in the new jobs training program in sections 178.892 to 178.896, RSMo, the
33 company shall retain no withholding tax, but the department shall issue a refundable tax credit
34 for the full amount of benefit allowed under this subdivision.

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

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

45 (2) Technology business projects: in exchange for the consideration provided by the new
46 tax revenues and other economic stimulus that will be generated by the new jobs created by the

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

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

83 the company, in the event the withholding tax is not sufficient to provide the entire amount of
84 benefit due to the qualified company under this subdivision. The calendar year annual maximum
85 amount of tax credits that may be issued to any qualified company for a project or combination
86 of projects is seven hundred fifty thousand dollars. The calendar year annual maximum amount
87 of tax credit that may be issued to any qualified company for a project or combination of projects
88 may be increased up to one million dollars **if the number of new jobs will exceed five hundred**
89 **and** if such action is proposed by the department and approved by the quality jobs advisory task
90 force established in section 620.1887; provided, however, until such time as the initial at-large
91 members of the quality jobs advisory task force are appointed, this determination shall be made
92 by the director of the department of economic development. In considering such a request, the
93 task force shall rely on economic modeling and other information supplied by the department
94 when requesting the increased limit on behalf of the project;

95 (4) Job retention projects: a qualified company may receive a tax credit for the retention
96 of jobs in this state, provided the qualified company and the project meets all of the following
97 conditions:

98 (a) For each of the twenty-four months preceding the year in which application for the
99 program is made the qualified company must have maintained at least one thousand full-time[,
100 year-round] employees at the employer's site in the state at which the jobs are based, and the
101 average wage of such employees must meet or exceed the county average wage;

102 (b) The qualified company retained at the project facility the level of full-time[,
103 year-round] employees that existed in the taxable year immediately preceding the year in which
104 application for the program is made;

105 (c) The qualified company is considered to have a significant statewide effect on the
106 economy, and has been determined to represent a substantial risk of relocation from the state by
107 the quality jobs advisory task force established in section 620.1887; provided, however, until
108 such time as the initial at-large members of the quality jobs advisory task force are appointed,
109 this determination shall be made by the director of the department of economic development;

110 (d) The qualified company in the project facility will cause to be invested a minimum
111 of seventy million dollars in new investment prior to the end of two years or will cause to be
112 invested a minimum of thirty million dollars in new investment prior to the end of two years and
113 maintain an annual payroll of at least seventy million dollars during each of the years for which
114 a credit is claimed; and

115 (e) The local taxing entities shall provide local incentives of at least fifty percent of the
116 new direct local revenues created by the project over a ten-year period.

117

118 The quality jobs advisory task force may recommend to the department of economic
119 development that appropriate penalties be applied to the company for violating the agreement.
120 The amount of the job retention credit granted may be equal to up to fifty percent of the amount
121 of withholding tax generated by the full-time[, year-round] jobs at the project facility for a period
122 of five years. The calendar year annual maximum amount of tax credit that may be issued to any
123 qualified company for a job retention project or combination of job retention projects shall be
124 seven hundred fifty thousand dollars per year, but the maximum amount may be increased up to
125 one million dollars if such action is proposed by the department and approved by the quality jobs
126 advisory task force established in section 620.1887; provided, however, until such time as the
127 initial at-large members of the quality jobs advisory task force are appointed, this determination
128 shall be made by the director of the department of economic development. In considering such
129 a request, the task force shall rely on economic modeling and other information supplied by the
130 department when requesting the increased limit on behalf of the job retention project. In no
131 event shall the total amount of all tax credits issued for the entire job retention program under
132 this subdivision exceed three million dollars annually. Notwithstanding the above, no tax credits
133 shall be issued for job retention projects approved by the department after August 30, 2007.

134 4. The qualified company shall provide an annual report of the number of jobs and such
135 other information as may be required by the department to document the basis for the benefits
136 of this program. The department may withhold the approval of any benefits until it is satisfied
137 that proper documentation has been provided, and shall reduce the benefits to reflect any
138 reduction in full-time[, year-round] employees **or new payroll. Upon approval by the**
139 **department, the qualified company may begin the retention of the withholding taxes when**
140 **it reaches the minimum number of new jobs and the average wage exceeds the county**
141 **average wage. Tax credits, if any, may be issued upon satisfaction by the department that**
142 **the qualified company has exceeded the county average wage and the minimum number**
143 **of new jobs. In such annual report, if the average wage is below the county average wage,**
144 **the qualified company has not maintained the employee insurance as required, or if the**
145 **number of new jobs is below the minimum, the qualified company shall not receive tax**
146 **credits or retain the withholding tax for the balance of the benefit period. In the case of**
147 **a qualified company that initially filed a notice of intent and received an approval from the**
148 **department for high impact benefits, and the minimum number of new jobs in an annual**
149 **report is below the minimum for high impact projects, the company shall not receive tax**
150 **credits for the balance of the benefit period, but may continue to retain the withholding**
151 **taxes if it otherwise meets the requirements of a small and expanding business under this**
152 **program.**

153 5. The maximum calendar year annual tax credits issued for the entire program shall not
154 exceed [twelve] **twenty-four** million dollars. [Notwithstanding any provision of law to the
155 contrary, the maximum annual tax credits authorized under section 135.535, RSMo, are hereby
156 reduced from ten million dollars to eight million dollars, with the balance of two million dollars
157 transferred to this program.] There shall be no limit on the amount of withholding taxes that may
158 be retained by approved companies under this program.

159 6. The department shall allocate the annual tax credits based on the date of the [proposal]
160 **approval**, reserving such tax credits based on the department's best estimate of new jobs and
161 new payroll of the project, and the other factors in the determination of benefits of this program.
162 However, the annual issuance of tax credits is subject to the annual verification of the actual new
163 payroll. The allocation of tax credits for the period assigned to a project shall expire if, within
164 two years from the date of commencement of operations, or [proposal] **approval** if applicable,
165 the minimum thresholds have not been achieved. The qualified company may retain authorized
166 amounts from the withholding tax under this section once the minimum new jobs thresholds are
167 met for the duration of the project period. No benefits shall be provided under this program until
168 the qualified company meets the minimum new jobs thresholds. In the event the qualified
169 company does not meet the minimum new job threshold, the qualified company may submit a
170 new notice of intent or the department may provide a new [proposal] **approval** for a new project
171 of the qualified company at the project facility or other facilities.

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

175 8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148,
176 RSMo, and may not be carried forward but shall be claimed within one year of the close of the
177 taxable year for which they were issued.

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

182 10. **Prior to the issuance of any tax credits, the department shall verify through the**
183 **department of revenue that the tax credit applicant does not owe any delinquent income,**
184 **sales, or use taxes, or interest or penalties on such taxes, and through the department of**
185 **insurance that the applicant does not owe any delinquent insurance taxes. Such**
186 **delinquency shall not affect the authorization of the application for such tax credits, except**
187 **that the amount of credits issued shall be reduced by the applicant's tax delinquency. If**
188 **the department of revenue or the department of insurance concludes that a taxpayer is**

189 **delinquent after June fifteenth but before July first of any year, and the application of tax**
190 **credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then**
191 **the taxpayer shall be granted thirty days to satisfy the deficiency in which interest,**
192 **penalties, and additions to tax shall be tolled. After applying all available credits towards**
193 **a tax delinquency, the administering agency shall notify the appropriate department, and**
194 **that department shall update the amount of outstanding delinquent tax owed by the**
195 **applicant. If any credits remain after satisfying all insurance, income, sales, and use tax**
196 **delinquencies, the remaining credits shall be issued to the applicant, subject to the**
197 **restrictions of other provisions of the law.**

198 **11.** The director of revenue shall issue a refund to the qualified company to the extent
199 that the amount of credits allowed in this section exceeds the amount of the qualified company's
200 income tax.

201 [11.] **12.** An employee of a qualified company will receive full credit for the amount of
202 tax withheld as provided in section 143.221, RSMo.

203 [12.] **13.** If any provision of sections 620.1875 to 620.1890 or application thereof to any
204 person or circumstance is held invalid, the invalidity shall not affect other provisions or
205 application of these sections which can be given effect without the invalid provisions or
206 application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared
207 severable.

620.1900. 1. The department of economic development may charge a fee to the recipient
2 of any tax credits issued by the department, in an amount up to two and one-half percent of the
3 amount of tax credits issued. The fee shall be paid by the recipient upon the issuance of the tax
4 credits. However, no fee shall be charged for the tax credits issued under section [135.460]
5 **135.442**, RSMo, [or section 208.770, RSMo,] or under sections 32.100 to 32.125, RSMo[, if
6 issued for community services, crime prevention, education, job training, or physical
7 revitalization].

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

11 3. There is hereby created in the state treasury the "Economic Development
12 Advancement Fund", which shall consist of money collected under this section. The state
13 treasurer shall be custodian of the fund and shall approve disbursements from the fund in
14 accordance with sections 30.170 and 30.180, RSMo. Upon appropriation, money in the fund
15 shall be used solely for the administration of this section. Notwithstanding the provisions of
16 section 33.080, RSMo, to the contrary, any moneys remaining in the fund at the end of the
17 biennium shall not revert to the credit of the general revenue fund. The state treasurer shall

18 invest moneys in the fund in the same manner as other funds are invested. Any interest and
19 moneys earned on such investments shall be credited to the fund.

20 4. Such fund shall consist of any fees charged under subsection 1 of this section, any
21 gifts, contributions, grants, or bequests received from federal, private, or other sources, fees or
22 administrative charges from private activity bond allocations, moneys transferred or paid to the
23 department in return for goods or services provided by the department, and any appropriations
24 to the fund.

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

30

2 [32.110. Any business firm which engages in the activities of providing
3 physical revitalization, economic development, job training or education for
4 individuals, community services, or crime prevention in the state of Missouri
5 shall receive a tax credit as provided in section 32.115 if the director of the
6 department of economic development annually approves the proposal of the
7 business firm; except that, no proposal shall be approved which does not have the
8 endorsement of the agency of local government within the area in which the
9 business firm is engaging in such activities which has adopted an overall
10 community or neighborhood development plan that the proposal is consistent
11 with such plan. The proposal shall set forth the program to be conducted, the
12 neighborhood area to be served, why the program is needed, the estimated
13 amount to be contributed to the program and the plans for implementing the
14 program. If, in the opinion of the director of the department of economic
15 development, a business firm's contribution can more consistently with the
16 purposes of sections 32.100 to 32.125 be made through contributions to a
17 neighborhood organization as defined in subdivision (13) of section 32.105, tax
18 credits may be allowed as provided in section 32.115. The director of the
19 department of economic development is hereby authorized to promulgate rules
20 and regulations for establishing criteria for evaluating such proposals by business
21 firms for approval or disapproval and for establishing priorities for approval or
22 disapproval of such proposals by business firms with the assistance and approval
23 of the director of the department of revenue. The total amount of tax credit
24 granted for programs approved pursuant to sections 32.100 to 32.125 shall not
25 exceed fourteen million dollars in fiscal year 1999 and twenty-six million dollars
26 in fiscal year 2000, and any subsequent fiscal year, except as otherwise provided
27 for proposals approved pursuant to section 32.111, 32.112 or 32.117. All tax
28 credits authorized pursuant to the provisions of sections 32.100 to 32.125 may
be used as a state match to secure additional federal funding.]

2 [32.117. 1. Any business firm which engages in the activity of providing
3 a homeless assistance project for low-income persons in the state of Missouri
4 shall receive a tax credit as provided in section 32.115, if the division of
5 community development within the department of economic development
6 annually approves the proposal of the business firm. The proposal shall only be
7 approved if the project is located in a city with a population of four hundred
8 thousand or more inhabitants which is located in more than one county and which
9 serves a mix of rural and urban counties.

10 2. For purposes of this section "low-income persons" shall mean families
11 or persons with incomes of fifty percent or less of median income adjusted for
12 family size as allowed by the Department of Housing and Urban Development
(HUD) under section 8.

13 3. The purpose of a homeless assistance project shall be to serve
14 low-income families or persons who are experiencing economic crisis caused by
15 one or more of the following:

- 16 (1) Loss of employment;
- 17 (2) Medical disability or emergency;
- 18 (3) Loss or delay of some form of public assistance benefits;
- 19 (4) Natural disaster;
- 20 (5) Substantial change in household composition;
- 21 (6) Victimization by criminal activity;
- 22 (7) Illegal action by a landlord;
- 23 (8) Displacement by government or private action; or
- 24 (9) Some other condition which constitutes a hardship.

25 4. The amount of the tax credit shall not exceed fifty-five percent of the
26 value of the proposal benefits, which shall include one or more of the following
27 types of benefits to low-income persons in order to be eligible:

- 28 (1) Payment of rent or mortgage for not more than three months during
29 any twelve-month period;
- 30 (2) Payment to a landlord of a rent deposit or a security deposit for not
31 more than two months during any twelve-month period;
- 32 (3) Case management services which shall include support services such
33 as child care, education resource assistance, job resource assistance, counseling,
34 and resource and referral;
- 35 (4) Outreach services to low-income persons to prevent homelessness;
- 36 (5) Transitional housing facilities with support services.

37 5. The homeless assistance program shall give priority to the following
38 types of low-income families or individuals:

- 39 (1) Families with minor children who are in imminent danger of removal
40 from the family because of a lack of suitable housing accommodation;
- 41 (2) Single parent household;
- 42 (3) Other households with children;

43 (4) Households with a disabled household member or a household
44 member who is at least sixty-five years of age;

45 (5) All other households.

46 6. The organization implementing a homeless assistance program
47 pursuant to this section shall make annual reports identifying the goal of the
48 program, the number of recipients served, the type of services rendered, and
49 moneys expended to provide the program. The program report shall be submitted
50 to the governor, speaker of the house of representatives and the president pro tem
51 of the senate. These reports shall also be available to the general public upon
52 request.

53 7. For each of the fiscal years beginning on July 1, 1991, and July 1,
54 1992, one million dollars in tax credits may be allowed to be used for the
55 homeless assistance pilot project, pursuant to this section.]
56

2 [32.120. The decision of the director of the department of economic
3 development to approve or disapprove a proposal pursuant to section 32.110 shall
4 be in writing, and if he approves the proposal, he shall state the maximum credit
5 allowable to the business firm. A copy of the decision of the director of the
6 department of economic development shall be transmitted to the director of
7 revenue and to the governor.]

2 [135.460. 1. Section 135.460 and sections 620.1100 and 620.1103,
3 RSMo, shall be known and may be cited as the "Youth Opportunities and
4 Violence Prevention Act".

5 2. As used in this section, the term "taxpayer" shall include corporations
6 as defined in section 143.441 or 143.471, RSMo, and individuals, individual
7 proprietorships and partnerships.

8 3. A taxpayer shall be allowed a tax credit against the tax otherwise due
9 pursuant to chapter 143, RSMo, excluding withholding tax imposed by sections
10 143.191 to 143.265, RSMo, chapter 147, RSMo, chapter 148, RSMo, or chapter
11 153, RSMo, in an amount equal to thirty percent for property contributions and
12 fifty percent for monetary contributions of the amount such taxpayer contributed
13 to the programs described in subsection 5 of this section, not to exceed two
14 hundred thousand dollars per taxable year, per taxpayer; except as otherwise
15 provided in subdivision (5) of subsection 5 of this section. The department of
16 economic development shall prescribe the method for claiming the tax credits
17 allowed in this section. No rule or portion of a rule promulgated under the
18 authority of this section shall become effective unless it has been promulgated
19 pursuant to the provisions of chapter 536, RSMo. All rulemaking authority
20 delegated prior to June 27, 1997, is of no force and effect and repealed; however,
21 nothing in this section shall be interpreted to repeal or affect the validity of any
22 rule filed or adopted prior to June 27, 1997, if such rule complied with the
provisions of chapter 536, RSMo. The provisions of this section and chapter

536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the taxes that become due in the taxpayer's tax period in which the contribution was made. Any tax credit not used in such tax period may be carried over the next five succeeding tax periods.

5. The tax credit allowed by this section may only be claimed for monetary or property contributions to public or private programs authorized to participate pursuant to this section by the department of economic development and may be claimed for the development, establishment, implementation, operation, and expansion of the following activities and programs:

(1) An adopt-a-school program. Components of the adopt-a-school program shall include donations for school activities, seminars, and functions; school-business employment programs; and the donation of property and equipment of the corporation to the school;

(2) Expansion of programs to encourage school dropouts to reenter and complete high school or to complete a graduate equivalency degree program;

(3) Employment programs. Such programs shall initially, but not exclusively, target unemployed youth living in poverty and youth living in areas with a high incidence of crime;

(4) New or existing youth clubs or associations;

(5) Employment/internship/apprenticeship programs in business or trades for persons less than twenty years of age, in which case the tax credit claimed pursuant to this section shall be equal to one-half of the amount paid to the intern or apprentice in that tax year, except that such credit shall not exceed ten thousand dollars per person;

(6) Mentor and role model programs;

(7) Drug and alcohol abuse prevention training programs for youth;

(8) Donation of property or equipment of the taxpayer to schools, including schools which primarily educate children who have been expelled from other schools, or donation of the same to municipalities, or not-for-profit corporations or other not-for-profit organizations which offer programs dedicated to youth violence prevention as authorized by the department;

(9) Not-for-profit, private or public youth activity centers;

(10) Nonviolent conflict resolution and mediation programs;

(11) Youth outreach and counseling programs.

6. Any program authorized in subsection 5 of this section shall, at least annually, submit a report to the department of economic development outlining the purpose and objectives of such program, the number of youth served, the

specific activities provided pursuant to such program, the duration of such program and recorded youth attendance where applicable.

7. The department of economic development shall, at least annually submit a report to the Missouri general assembly listing the organizations participating, services offered and the number of youth served as the result of the implementation of this section.

8. The tax credit allowed by this section shall apply to all taxable years beginning after December 31, 1995.

9. For the purposes of the credits described in this section, in the case of a corporation described in section 143.471, RSMo, partnership, limited liability company described in section 347.015, RSMo, cooperative, marketing enterprise, or partnership, in computing Missouri's tax liability, such credits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471, RSMo;

(2) The partners of the partnership;

(3) The members of the limited liability company; and

(4) Individual members of the cooperative or marketing enterprise.

Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer's tax period.]

[135.766. An eligible small business, as defined in Section 44 of the Internal Revenue Code, shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to any amount paid by the eligible small business to the United States Small Business Administration as a guaranty fee pursuant to obtaining Small Business Administration guaranteed financing and to programs administered by the United States Department of Agriculture for rural development or farm service agencies.]

[208.750. 1. Sections 208.750 to 208.775 shall be known and may be cited as the "Family Development Account Program".

2. For purposes of sections 208.750 to 208.775, the following terms mean:

(1) "Account holder", a person who is the owner of a family development account;

(2) "Community-based organization", any religious or charitable association formed pursuant to chapter 352, RSMo, that is approved by the director of the department of economic development to implement the family development account program;

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

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

(5) "Family development account", a financial instrument established pursuant to section 208.760;

(6) "Family development account reserve fund", the fund created by an approved community-based organization for the purposes of funding the costs incurred in the administration of the program and for providing matching funds for moneys in family development accounts;

(7) "Federal poverty level", the most recent poverty income guidelines published in the calendar year by the United States Department of Health and Human Services;

(8) "Financial institution", any bank, trust company, savings bank, credit union or savings and loan association as defined in chapter 362, 369 or 370, RSMo, and with an office in Missouri which is approved by the director for participation in the program;

(9) "Program", the Missouri family development account program established in sections 208.750 to 208.775;

(10) "Program contributor", a person or entity who makes a contribution to a family development account reserve fund and is not the account holder.]

[208.755. 1. There is hereby established within the department of economic development a program to be known as the "Family Development Account Program". The program shall provide eligible families and individuals with an opportunity to establish special savings accounts for moneys which may be used by such families and individuals for education, home ownership or small business capitalization.

2. The department shall solicit proposals from community-based organizations seeking to administer the accounts on a not-for-profit basis. Community-based organization proposals shall include:

(1) A requirement that the individual account holder or the family of an account holder match the contributions of a community-based organization member by contributing cash;

(2) A process for including account holders in decision making regarding the investment of funds in the accounts;

(3) Specifications of the population or populations targeted for priority participation in the program;

(4) A requirement that the individual account holder or the family of an account holder attend economic literacy seminars;

(5) A process for including economic literacy seminars in the family development account program; and

(6) A process for regular evaluation and review of family development accounts to ensure program compliance by account holders.

3. In reviewing the proposals of community-based organizations, the department shall consider the following factors:

(1) The not-for-profit status of such organization;

- 26 (2) The fiscal accountability of the community-based organization;
27 (3) The ability of the community-based organization to provide or raise
28 moneys for matching contributions;
29 (4) The ability of the community-based organization to establish and
30 administer a reserve fund account which shall receive all contributions from
31 program contributors; and
32 (5) The significance and quality of proposed auxiliary services, including
33 economic literacy seminars, and their relationship to the goals of the family
34 development account program.
- 35 4. No more than twenty percent of all funds in the reserve fund account
36 may be used for administrative costs of the program in each of the first two years
37 of the program, and no more than fifteen percent of such funds may be used for
38 administrative costs for any subsequent year. Funds deposited by account holders
39 shall not be used for administrative costs.
- 40 5. The department shall promulgate rules and regulations to implement
41 and administer the provisions of sections 208.750 to 208.775. No rule or portion
42 of a rule promulgated pursuant to the authority of sections 208.750 to 208.775
43 shall become effective unless it has been promulgated pursuant to the provisions
44 of chapter 536, RSMo.]
45

- 2 [208.760. 1. A family or individual whose household income is less than
3 or equal to two hundred percent of the federal poverty level may open a family
4 development account for the purpose of accumulating and withdrawing moneys
5 for specified expenditures. The account holder may withdraw moneys from the
6 account on the approval of the community-based organization, without penalty,
7 for any of the following expenditures:
8 (1) Educational costs for any family member at an accredited institution
9 of higher education;
10 (2) Job training costs for any family member eighteen years of age or
11 older, at an accredited or licensed training program;
12 (3) Purchase of a primary residence;
13 (4) Major repairs or improvements to a primary residence; or
14 (5) Start-up capitalization of a small business for any family member
15 eighteen years of age or older.
- 16 2. Financial institutions approved by the department shall be permitted
17 to establish family development accounts pursuant to sections 208.750 to
18 208.775. The financial institution shall certify to the department, on forms
19 prescribed by the department and accompanied by any documentation required
20 by the department, that such accounts have been established pursuant to the
21 provisions of sections 208.750 to 208.775 and that deposits have been made on
22 behalf of the account holder.
- 23 3. A financial institution establishing a family development account
shall:

- 24 (1) Keep the account in the name of the account holder;
25 (2) Permit deposits to be made in the account by the following, subject
26 to the indicated conditions:
27 (a) The account holder; or
28 (b) A community-based organization on behalf of the account holder.
29 Such a deposit may include moneys to match the account holder's deposits, up to
30 a three-to-one match rate;
31 (3) Require the account to earn at least the market rate of interest; and
32 (4) Permit the account holder to withdraw moneys from the account for
33 any of the purposes listed in subsection 1 of this section.
34 4. The total of all deposits by the account holder into a family
35 development account in a calendar year shall not exceed two thousand dollars.
36 The total balance in a family development account shall not exceed fifty thousand
37 dollars.]
38

2 [208.765. 1. Account holders who withdraw moneys from a family
3 development account not in accordance with subsection 1 of section 208.760
4 shall forfeit all matching moneys in the account. 2. All moneys forfeited by
5 an account holder pursuant to subsection 1 of this section shall be returned to the
6 family development account reserve fund of the community-based organization.

7 3. In the event of an account holder's death, the account may be
8 transferred to the ownership of a contingent beneficiary. An account holder shall
9 name contingent beneficiaries at the time the account is established and may
10 change such beneficiaries at any time. If the named beneficiary is deceased or
11 otherwise cannot accept the transfer, the moneys shall be transferred to the family
12 development account reserve fund of the community-based organization.]

2 [208.770. 1. Moneys deposited in or withdrawn pursuant to subsection
3 1 of section 208.760 from a family development account by an account holder are
4 exempted from taxation pursuant to chapter 143, RSMo, excluding withholding
5 tax imposed by sections 143.191 to 143.265, RSMo, and chapter 147, 148 or 153,
6 RSMo, provided, however, that any money withdrawn for an unapproved use
7 should be subject to tax as required by law.

8 2. Interest earned by a family development account is exempted from
9 taxation pursuant to chapter 143, RSMo.

10 3. Any funds in a family development account, including accrued
11 interest, shall be disregarded when determining eligibility to receive, or the
12 amount of, any public assistance or benefits.

13 4. A program contributor shall be allowed a credit against the tax
14 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections
15 143.191 to 143.265, RSMo, and chapter 147, 148 or 153, RSMo, pursuant to
sections 208.750 to 208.775. Contributions up to fifty thousand dollars per

16 program contributor are eligible for the tax credit which shall not exceed fifty
17 percent of the contribution amount.

18 5. The department of economic development shall verify all tax credit
19 claims by contributors. The administrator of the community-based organization,
20 with the cooperation of the participating financial institutions, shall submit the
21 names of contributors and the total amount each contributor contributes to a
22 family development account reserve fund for the calendar year. The director
23 shall determine the date by which such information shall be submitted to the
24 department by the local administrator. The department shall submit verification
25 of qualified tax credits pursuant to sections 208.750 to 208.775 to the department
26 of revenue.

27 6. The total tax credits authorized pursuant to sections 208.750 to
28 208.775 shall not exceed four million dollars in any fiscal year.]
29

[208.775. Subject to appropriations and to the provisions of chapter 34,
2 RSMo, the department shall annually award up to one hundred thousand dollars
3 for an independent evaluation of the program. Based on this program evaluation,
4 the department shall provide a comprehensive report on the program to the
5 speaker of the house and the president pro tem of the senate by March first of
6 each year, beginning in 2000.]
7

[620.495. 1. This section shall be known as the "Small Business
2 Incubators Act".

3 2. As used in this section, unless the context clearly indicates otherwise,
4 the following words and phrases shall mean:

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

6 (2) "Incubator", a program in which small units of space may be leased
7 by a tenant and in which management maintains or provides access to business
8 development services for use by tenants or a program without infrastructure in
9 which participants avail themselves of business development services to assist
10 in the growth of their start-up small businesses;

11 (3) "Local sponsor" or "sponsor", an organization which enters into a
12 written agreement with the department to establish, operate and administer a
13 small business incubator program or to provide funding to an organization which
14 operates such a program;

15 (4) "Participant", a sole proprietorship, business partnership or
16 corporation operating a business for profit through which the owner avails
17 himself or herself of business development services in an incubator program;

18 (5) "Tenant", a sole proprietorship, business partnership or corporation
19 operating a business for profit and leasing or otherwise occupying space in an
20 incubator.

21 3. There is hereby established under the direction of the department a
22 loan, loan guarantee and grant program for the establishment, operation and

administration of small business incubators, to be known as the "Small Business Incubator Program". A local sponsor may submit an application to the department to obtain a loan, loan guarantee or grant to establish an incubator. Each application shall:

(1) Demonstrate that a program exists that can be transformed into an incubator at a specified cost;

(2) Demonstrate the ability to directly provide or arrange for the provision of business development services for tenants and participants of the incubator. These services shall include, but need not be limited to, financial consulting assistance, management and marketing assistance, business education, and physical services;

(3) Demonstrate a potential for sustained use of the incubator program by eligible tenants and participants, through a market study or other means;

(4) Demonstrate the ability to manage and operate the incubator program;

(5) Include such other information as the department may require through its guidelines.

4. The department shall review and accept applications based on the following criteria:

(1) Ability of the local sponsor to carry out the provisions of this section;

(2) Economic impact of the incubator on the community;

(3) Conformance with areawide and local economic development plans, if such exist;

(4) Location of the incubator, in order to encourage geographic distribution of incubators across the state.

5. Loans, loan guarantees and grants shall be administered in the following manner:

(1) Loans awarded or guaranteed and grants awarded shall be used only for the acquisition and leasing of land and existing buildings, the rehabilitation of buildings or other facilities, construction of new facilities, the purchase of equipment and furnishings which are necessary for the creation and operation of the incubator, and business development services including, but not limited to, business management advising and business education;

(2) Loans, loan guarantees and grants may not exceed fifty percent of total eligible project costs;

(3) Payment of interest and principal on loans may be deferred at the discretion of the department.

6. A local sponsor, or the organization receiving assistance through the local sponsor, shall have the following responsibilities and duties in establishing and operating an incubator with assistance from the small business incubator program:

(1) Secure title on a facility for the program or a lease of a facility for the program;

65 (2) Manage the physical development of the incubator program,
66 including the provision of common conference or meeting space;

67 (3) Furnish and equip the program to provide business services to the
68 tenants and participants;

69 (4) Market the program and secure eligible tenants and participants;

70 (5) Provide financial consulting, marketing and management assistance
71 services or arrange for the provision of these services for tenants and participants
72 of the incubator, including assistance in accessing private financial markets;

73 (6) Set rental and service fees;

74 (7) Encourage the sharing of ideas between tenants and participants and
75 otherwise aid the tenants and participants in an innovative manner while they are
76 within the incubator;

77 (8) Establish policies and criteria for the acceptance of tenants and
78 participants into the incubator and for the termination of occupancy of tenants so
79 as to maximize the opportunity to succeed for the greatest number of tenants,
80 consistent with those specified in this section.

81 7. The department:

82 (1) May adopt such rules, statements of policy, procedures, forms and
83 guidelines as may be necessary for the implementation of this section;

84 (2) May make loans, loan guarantees and grants to local sponsors for
85 incubators;

86 (3) Shall ensure that local sponsors receiving loans, loan guarantees or
87 grants meet the conditions of this section;

88 (4) Shall receive and evaluate annual reports from local sponsors. Such
89 annual reports shall include, but need not be limited to, a financial statement for
90 the incubator, evidence that all tenants and participants in the program are
91 eligible under the terms of this section, and a list of companies in the incubator.

92 8. The department of economic development is also hereby authorized
93 to review any previous loans made under this program and, where appropriate in
94 the department's judgment, convert such loans to grant status.

95 9. On or before January first of each year, the department shall provide
96 a report to the governor, the chief clerk of the house of representatives and the
97 secretary of the senate which shall include, but need not be limited to:

98 (1) The number of applications for incubators submitted to the
99 department;

100 (2) The number of applications for incubators approved by the
101 department;

102 (3) The number of incubators created through the small business
103 incubator program;

104 (4) The number of tenants and participants engaged in each incubator;

105 (5) The number of jobs provided by each incubator and tenants and
106 participant of each incubator;

107 (6) The occupancy rate of each incubator;

(7) The number of firms still operating in the state after leaving incubators and the number of jobs they have provided.

10. There is hereby established in the state treasury a special fund to be known as the "Missouri Small Business Incubators Fund", which shall consist of all moneys which may be appropriated to it by the general assembly, and also any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys for loans, loan guarantees and grants under the small business incubator program may be obtained from appropriations made by the general assembly from the Missouri small business incubators fund. Any moneys remaining in the Missouri small business incubators fund at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080, RSMo, but shall remain in the Missouri small business incubators fund.

11. For any taxable year beginning after December 31, 1989, a taxpayer shall be entitled to a tax credit against any tax otherwise due under the provisions of chapter 143, RSMo, or chapter 147, RSMo, or chapter 148, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, in the amount of fifty percent of any amount contributed by the taxpayer to the Missouri small business incubators fund during the taxpayer's tax year or any contribution by the taxpayer to a local sponsor after the local sponsor's application has been accepted and approved by the department. The tax credit allowed by this subsection shall be claimed by the taxpayer at the time he files his return and shall be applied against the income tax liability imposed by chapter 143, RSMo, or chapter 147, RSMo, or chapter 148, RSMo, after all other credits provided by law have been applied. That portion of earned tax credits which exceeds the taxpayer's tax liability may be carried forward for up to five years. The aggregate of all tax credits authorized under this section shall not exceed five hundred thousand dollars in any taxable year.

12. Notwithstanding any provision of Missouri law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 11 of this section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the assignor for the purpose of this subsection, may sell, assign, exchange or otherwise transfer earned tax credits:

(1) For no less than seventy-five percent of the par value of such credits; and

(2) In an amount not to exceed one hundred percent of annual earned credits.

The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection, may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by chapter 143, RSMo, or chapter 147, RSMo, or chapter 148, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo. Unused credits in the hands of the assignee may be

151 carried forward for up to five years. The assignor shall enter into a written
152 agreement with the assignee establishing the terms and conditions of the
153 agreement and shall perfect such transfer by notifying the department of
154 economic development in writing within thirty calendar days following the
155 effective day of the transfer and shall provide any information as may be required
156 by the department of economic development to administer and carry out the
157 provisions of this section. The director of the department of economic
158 development shall prescribe the method for submitting applications for claiming
159 the tax credit allowed under subsection 11 of this section and shall, if the
160 application is approved, certify to the director of revenue that the taxpayer
161 claiming the credit has satisfied all the requirements specified in this section and
162 is eligible to claim the credit.]
163

2 [620.1100. 1. The "Youth Opportunities and Violence Prevention
3 Program" is hereby established in the division of community and economic
4 development of the department of economic development to broaden and
5 strengthen opportunities for positive development and participation in community
6 life for youth, and to discourage such persons from engaging in criminal and
7 violent behavior. For the purposes of section 135.460, RSMo, this section and
8 section 620.1103, the term "advisory committee" shall mean an advisory
9 committee to the division of community and economic development established
10 pursuant to this section composed of ten members of the public. The ten
11 members of the advisory committee shall include members of the private sector
12 with expertise in youth programs, and at least one person under the age of
13 twenty-one. Such members shall be appointed for two-year terms by the director
14 of the department of economic development.

15 2. The "Youth Opportunities and Violence Prevention Fund" is hereby
16 established in the state treasury and shall be administered by the department of
17 economic development. The department may accept for deposit into the fund any
18 grants, bequests, gifts, devises, contributions, appropriations, federal funds, and
19 any other funds from whatever source derived. Moneys in the fund shall be used
20 solely for purposes provided in section 135.460, RSMo, this section and section
21 620.1103. Any unexpended balance in the fund at the end of a fiscal year shall
22 be exempt from the provisions of section 33.080, RSMo, relating to the transfer
23 of unexpended balances to the general revenue fund.

24 3. The department of economic development in conjunction with the
25 advisory committee shall establish program criteria and evaluation methods for
26 tax credits claimed pursuant to section 135.460, RSMo. Such criteria and
27 evaluation methods shall measure program effectiveness and outcomes, and shall
28 give priority to local, neighborhood, community-based programs. The
29 department shall monitor and evaluate all programs funded pursuant to section
30 135.460, RSMo, this section and section 620.1103. Such programs shall provide
a priority for applications from areas of the state which have statistically higher

31 incidence of crime, violence and poverty and such programs shall be funded
32 before the programs which have applied from areas which do not exhibit crime,
33 violence, and poverty to the same degree. The committee shall focus and support
34 specific programs designed to generate self-esteem and a positive self-reliance
35 in youth and which abate youth violence.

36 4. The department shall develop and operate a database which lists all
37 participating and related programs. The database shall include indexes and cross
38 references and shall be accessible by the public by computer-modem connection.
39 The division of data processing and telecommunications of the office of
40 administration and the department of economic development shall cooperate with
41 the advisory committee in the development and operation of the program.]
42

2 [620.1103. 1. Notwithstanding any provision of law to the contrary, the
3 department may in its discretion assign moneys from the youth opportunities and
4 violence prevention fund to any entity designated by the department, for
5 programs designated in section 135.460, RSMo, section 620.1100 and this
6 section, including, but not limited to, schools, state agencies, political
7 subdivisions and agencies thereof, not-for-profit corporations or not-for-profit
8 organizations, the Missouri youth conservation corps, community action
9 agencies, caring community programs, or any other entity or program such as any
10 early childhood program, including, but not limited to, the parents as teachers
11 program or similar programs; provided that, such assignment of funds does not
12 exceed fifteen percent of the total value of the fund, and provided further that no
13 more than ten percent of such funds assigned shall be used for administrative
14 purposes.

15 2. Any entity receiving funds pursuant to the youth opportunities and
16 violence prevention act shall sign an agreement to utilize such funds for the
17 programs designated in section 135.460, RSMo, section 620.1100 and this
18 section. The state auditor may conduct an audit to monitor the utilization of
19 funds assigned by the department. If an entity uses funds for purposes other than
20 for the programs designated in section 135.460, RSMo, section 620.1100 and this
21 section, the department shall require the entity to repay such funds to the
department.]

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