

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 2040**  
**93RD GENERAL ASSEMBLY**

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Reported from the Committee on Job Creation and Economic Development April 6, 2006 with recommendation that House Committee Substitute for House Bill No. 2040 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

5586L.03C

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**AN ACT**

To repeal sections 32.100, 32.111, 32.105, 32.110, 32.115, 32.117, 32.120, 33.282, 41.655, 41.1010, 42.007, 84.240, 99.845, 99.847, 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, 135.400, 135.403, 135.460, 135.700, 135.766, 135.800, 135.903, 135.950, 135.967, 160.053, 168.021, 208.750, 208.755, 208.760, 208.765, 208.770, 208.775, 290.140, 290.152, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.266, 348.271, 348.272, 348.275, 447.708, 620.030, 620.495, 620.500, 620.503, 620.521, 620.523, 620.527, 620.528, 620.529, 620.530, 620.537, 620.1003, 620.1007, 620.1100, 620.1103, 620.1878, 620.1881, and 620.1900, RSMo, and to enact in lieu thereof eighty-nine new sections relating to economic development projects.

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

Section A. Sections 32.100, 32.111, 32.105, 32.110, 32.115, 32.117, 32.120, 33.282,  
2 41.655, 41.1010, 42.007, 84.240, 99.845, 99.847, 99.918, 99.960, 99.963, 99.975, 99.980,  
3 99.1045, 99.1048, 99.1082, 99.1090, 99.1092, 100.255, 100.275, 100.281, 100.286, 100.297,  
4 100.760, 135.400, 135.403, 135.460, 135.700, 135.766, 135.800, 135.903, 135.950, 135.967,  
5 160.053, 168.021, 208.750, 208.755, 208.760, 208.765, 208.770, 208.775, 290.140, 290.152,  
6 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.266, 348.271, 348.272,  
7 348.275, 447.708, 620.030, 620.495, 620.500, 620.503, 620.521, 620.523, 620.527, 620.528,  
8 620.529, 620.530, 620.537, 620.1003, 620.1007, 620.1100, 620.1103, 620.1878, 620.1881, and

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.

9 620.1900, RSMo, are repealed and eighty-nine new sections enacted in lieu thereof, to be known  
10 as sections 26.700, 32.100, 32.105, 32.111, 32.115, 33.282, 41.655, 41.1010, 42.007, 99.845,  
11 99.847, 99.918, 99.960, 99.963, 99.975, 99.980, 99.1045, 99.1048, 99.1082, 99.1090, 99.1092,  
12 99.1100, 99.1102, 99.1104, 99.1106, 99.1108, 99.1110, 99.1112, 99.1114, 99.1116, 99.1118,  
13 99.1120, 99.1122, 99.1124, 99.1126, 99.1128, 99.1130, 100.255, 100.275, 100.281, 100.286,  
14 100.297, 100.760, 135.400, 135.403, 135.440, 135.442, 135.444, 135.446, 135.448, 135.449,  
15 135.566, 135.662, 135.700, 135.800, 135.903, 135.950, 135.967, 135.1170, 144.054, 160.053,  
16 168.021, 290.140, 290.152, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264,  
17 348.266, 348.271, 348.273, 348.274, 348.275, 447.708, 620.030, 620.500, 620.503, 620.517,  
18 620.1003, 620.1007, 620.1878, 620.1881, 620.1892, 620.1900, 1, and 2, to read as follows:

**26.700. 1. There shall be established in the office of the lieutenant governor "The  
2 Small-Business Advocacy Program". Subject to appropriations, the lieutenant governor  
3 shall employ personnel to administer the program.**

**4 2. The duties of the personnel administering the program under subsection 1 of this  
5 section shall be to:**

**6 (1) Serve as the central clearinghouse for providing small-business information to  
7 the citizens of the state;**

**8 (2) Be accessible to the public through one telephone number to field questions or  
9 complaints about state government by small-business owners;**

**10 (3) Ensure attendance at all legislative committee hearings that affect small  
11 business or relate to regulatory fairness;**

**12 (4) Serve as an information resource for the Missouri small-business development  
13 centers, the Missouri enterprise center, and the Missouri innovation centers;**

**14 (5) Serve as a point of contact for the executive branch;**

**15 (6) Work with the small-business advocate at the small-business administration to  
16 share information about state and federal issues; and**

**17 (7) Coordinate small-business activities and issues with the various business  
18 associations.**

**19 3. Under section 23.253, RSMo, of the Missouri sunset act:**

**20 (1) The provisions of the new program authorized under this section shall  
21 automatically sunset six years after the effective date of this section unless reauthorized by  
22 an act of the general assembly; and**

**23 (2) If such program is reauthorized, the program authorized under this section  
24 shall automatically sunset twelve years after the effective date of the reauthorization of this  
25 section; and**

26           **(3) This section shall terminate on September first of the calendar year immediately**  
 27 **following the calendar year in which the program authorized under this section is sunset.**

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

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

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

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

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

32           (3) "Business firm", person, firm, a partner in a firm, corporation or a shareholder in an  
33 S corporation doing business in the state of Missouri and subject to the state income tax imposed  
34 by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation  
35 franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying  
36 an annual tax on its gross premium receipts in this state, or other financial institution paying  
37 taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions  
38 of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in  
39 this state;

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

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

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

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

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

57           [(9) "Economic development", the acquisition, renovation, improvement, or the  
58 furnishing or equipping of existing buildings and real estate in distressed or blighted areas of the  
59 state when such acquisition, renovation, improvement, or the furnishing or equipping of the  
60 business development projects will result in the creation or retention of jobs within the state; or,  
61 until June 30, 1996, a defense conversion pilot project located in a standard metropolitan  
62 statistical area which contains a city with a population of at least three hundred fifty thousand  
63 inhabitants, which will assist Missouri-based defense industry contractors in their conversion  
64 from predominately defense-related contracting to nondefense-oriented manufacturing. Only  
65 neighborhood organizations, as defined in subdivision (13) of this section, may apply to conduct  
66 economic development projects. Prior to the approval of an economic development project, the  
67 neighborhood organization shall enter into a contractual agreement with the department of

68 economic development. Credits approved for economic development projects may not exceed  
69 four million dollars from within any one fiscal year's allocation, except that for fiscal years 2005,  
70 2006, and 2007 credits approved for economic development projects shall not exceed six million  
71 dollars. Neighborhood assistance program tax credits for economic development projects and  
72 affordable housing assistance as defined in section 32.111 may be transferred, sold or assigned  
73 by a notarized endorsement thereof naming the transferee;

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

78 (11) "Homeless assistance pilot project", the program established pursuant to section  
79 32.117;

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

83 (13)] (6) "Neighborhood organization", any organization performing community services  
84 or economic development activities in the state of Missouri and:

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

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

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

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

95 (15)] (7) "S corporation", a corporation described in Section 1361(a)(1) of the United  
96 States Internal Revenue Code and not subject to the taxes imposed by section 143.071, RSMo,  
97 by reason of section 143.471, RSMo;

98 [(16)] (8) "Workfare renovation project", any project initiated pursuant to sections  
99 215.340 to 215.355, RSMo.

32.111. Any business firm which engages in providing affordable housing assistance  
2 activities or market rate housing in distressed communities as defined in section 135.530, RSMo,  
3 in the state of Missouri shall receive a tax credit as provided in section 32.115 if the commission  
4 or its delegate approves a proposal submitted by one or more business firms for the provision of

5 affordable housing units or market rate housing in distressed communities or in accordance with  
6 the requirements of participation in the workfare renovation project in sections 215.340 to  
7 215.355, RSMo. The proposal shall set forth the program of affordable housing to be conducted,  
8 the location and number of affordable housing units, the neighborhood area to be served, why  
9 the program is needed, the time period for which affordable housing units shall be provided, the  
10 estimated amount to be invested in the program, plans for implementing the program and a list  
11 of the business firms proposing to provide affordable housing assistance activities which are part  
12 of the proposal. The same type of information shall be provided in proposals for market rate  
13 housing in distressed communities. In the case of rental units of affordable housing, but not  
14 market rate housing in distressed communities, all proposals approved by the commission shall  
15 require a land use restriction agreement stating the provision of affordable housing on such  
16 property for a time period deemed reasonable by the commission. In the case of owner-occupied  
17 units of affordable housing, all proposals approved by the commission shall require a land use  
18 restriction agreement for a time period deemed reasonable by the commission requiring any  
19 subsequent owner, except a lender with a security interest in the property, to be an owner  
20 occupant whose income at the time of acquisition is at or below the level described in section  
21 32.105, and further requiring the acquisition price to any subsequent owner shall not exceed by  
22 more than a five percent annual appreciation the acquisition price to the original, eligible owner  
23 at the time tax credits are first claimed. The land use restriction agreement shall constitute a lien  
24 as described in subdivision (4) of subsection [3] 2 of section 32.115. The restriction shall be  
25 approved by the property owner and shall be binding on any subsequent owner of the property  
26 unless otherwise approved by the commission. In approving a proposal, the commission may  
27 authorize the use of tax credits by one or more of the business firms listed in the proposal and  
28 shall establish specific requirements regarding the degree of completion of affordable housing  
29 assistance activities or market rate housing activities in distressed communities necessary to be  
30 eligible for tax credits provided pursuant to this section. If, in the opinion of the commission or  
31 its delegate, a business firm's investment can more consistently with the purposes of this section  
32 be made through a neighborhood organization, tax credits may be allowed as provided in this  
33 section. The commission may approve requests for multiyear credit commitments provided  
34 eligibility is maintained. The commission or its delegate is hereby authorized to promulgate  
35 rules and regulations for establishing criteria for evaluating such proposals by business firms for  
36 approval or disapproval, for establishing housing priorities for approval or disapproval of such  
37 proposals by business firms, and for the certification of eligibility for tax credits authorized  
38 pursuant to this section. The decision of the commission or its delegate to approve or disapprove  
39 a proposal pursuant to this section shall be in writing, and if approved, the maximum credit  
40 allowable to the business firm shall be stated. A copy of the decision of the commission or its

41 delegate shall be transmitted to the director of revenue and to the governor. A copy of the  
42 certification approved by the commission and a statement of the total amount of credits approved  
43 by the commission, the amount of credits previously taken by the taxpayer and the amount being  
44 claimed for the current tax year shall be filed in a manner and form designated by the director  
45 of revenue for any tax year in which a tax credit is being claimed.

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

36 (4) Such tax credit allocation, equal to seventy percent of the total amount contributed,  
37 shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000  
38 and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit  
39 allocation is committed, the tax credit allocation for such programs shall then be equal to fifty  
40 percent credit of the total amount contributed. Regulations establishing special program  
41 priorities are to be promulgated during the first month of each fiscal year and at such times  
42 during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty  
43 thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit  
44 shall be approved for any bank, bank and trust company, insurance company, trust company,  
45 national bank, savings association, or building and loan association for activities that are a part  
46 of its normal course of business. Any tax credit not used in the period the contribution was made  
47 may be carried over the next five succeeding calendar or fiscal years until the full credit has been  
48 claimed. Except as otherwise provided for proposals approved pursuant to section 32.111,  
49 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to  
50 sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six  
51 million shall be credits allowed pursuant to section 135.460, RSMo. If six million dollars in  
52 credits are not approved, then the remaining credits may be used for programs approved pursuant  
53 to sections 32.100 to 32.125;

54 (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be  
55 limited if community services, crime prevention, education, job training, physical revitalization  
56 or economic development, as defined by section 32.105, is rendered in an area defined by federal  
57 or state law as an impoverished, economically distressed, or blighted area or as a neighborhood  
58 experiencing problems endangering its existence as a viable and stable neighborhood, or if the  
59 community services, crime prevention, education, job training, physical revitalization or  
60 economic development is limited to impoverished persons.

61 3.] For proposals approved pursuant to section 32.111:

62 (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount  
63 invested in affordable housing assistance activities or market rate housing in distressed  
64 communities as defined in section 135.530, RSMo, by a business firm. Whenever such  
65 investment is made in the form of an equity investment or a loan, as opposed to a donation alone,  
66 tax credits may be claimed only where the loan or equity investment is accompanied by a  
67 donation which is eligible for federal income tax charitable deduction, and where the total value



68 of the tax credits herein plus the value of the federal income tax charitable deduction is less than  
69 or equal to the value of the donation. Any tax credit not used in the period for which the credit  
70 was approved may be carried over the next ten succeeding calendar or fiscal years until the full  
71 credit has been allowed. If the affordable housing units or market rate housing units in distressed  
72 communities for which a tax is claimed are within a larger structure, parts of which are not the  
73 subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced  
74 on a prorated basis in proportion to the ratio of the number of square feet devoted to the  
75 affordable housing units or market rate housing units in distressed communities, for purposes of  
76 determining the amount of the tax credit[. The total amount of tax credit granted for programs  
77 approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed  
78 two million dollars, to be increased by no more than two million dollars each succeeding fiscal  
79 year, until the total tax credits that may be approved reaches ten million dollars in any fiscal  
80 year];

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

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

97 (4) If at any time during the compliance period the commission determines a project for  
98 which a proposal has been approved is not in compliance with the applicable provisions of  
99 sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one  
100 hundred fifty days of notice to the owner either seek injunctive enforcement action against the  
101 owner, or seek legal damages against the owner representing the value of the tax credits, or  
102 foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and  
103 paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax

104 credits allowed herein. The commission shall remit to the director of revenue the portion of the  
105 legal damages collected or the sale proceeds representing the value of the tax credits. However,  
106 except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for  
107 tax credits shall not be revoked.

108 [4.] 3. For proposals approved pursuant to section 32.112, the amount of the tax credit  
109 shall not exceed fifty-five percent of the total amount contributed to a neighborhood organization  
110 by business firms. Any tax credit not used in the period for which the credit was approved may  
111 be carried over the next ten succeeding calendar or fiscal years until the full credit has been  
112 allowed. The total amount of tax credit granted for programs approved pursuant to section  
113 32.112 shall not exceed one million dollars for each fiscal year.

114 [5.] 4. The total amount of tax credits used for market rate housing in distressed  
115 communities pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total  
116 amount of all 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.

41.655. 1. The governing body or county planning commission, if any, of any county  
2 of the second classification with more than forty-eight thousand two hundred but fewer than  
3 forty-eight thousand three hundred inhabitants shall provide for the planning, zoning, subdivision  
4 and building within all or any portion of the unincorporated area extending three thousand feet  
5 outward from the boundaries of any military base located in such county and the area within the  
6 perimeter of accident potential zones one and two [if the county has a zoning commission and  
7 a board of adjustment established under sections 64.510 to 64.727, RSMo]. As used in this  
8 section, the term "accident potential zones one and two" means any land area [that was]  
9 identified in the [April, 1976] **current** Air Installation Compatible Use Zone Report at the north  
10 and south ends of the clear zone of a military installation located in any county of the second  
11 classification with more than forty-eight thousand two hundred but fewer than forty-eight  
12 thousand three hundred inhabitants and which is in significant danger of aircraft accidents by  
13 being beneath that airspace where the potential for aircraft accidents is most likely to occur.

14 2. **The governing body of any county of the second classification with more than**  
15 **forty-eight thousand two hundred but fewer than forty-eight thousand three hundred**  
16 **inhabitants may adopt, administer, and enforce airport hazard area zoning regulations**  
17 **that are substantially similar to the airport hazard area zoning regulations in sections**  
18 **67.1200 to 67.1222, RSMo, subject to any exceptions listed in this section. Such exceptions**  
19 **are as follows:**

20 (1) **All definitions in section 67.1200, RSMo, shall apply, except that any reference**  
21 **to a political subdivision in sections 67.1200 to 67.1222, RSMo, shall be construed to**  
22 **include any county of the second classification with more than forty-eight thousand two**  
23 **hundred but fewer than forty-eight thousand three hundred inhabitants;**

24 (2) **Sections 67.1207 and 67.1212, RSMo, shall not apply;**

25 (3) **The county shall employ any existing airport planning commission or airport**  
26 **zoning commission as created in section 67.1210, RSMo, or shall form such commission,**  
27 **with the following exceptions:**

28 (a) **The commission shall consist of five members as follows:**

29           **a. Three residents of the county, with at least two of such county residents residing**  
30 **in the township containing the military base;**

31           **b. The presiding county commissioner or such commissioner's designee; and**

32           **c. The county road commissioner;**

33           **(b) The commission may appoint an ex officio military liaison from the armed**  
34 **forces of the United States who is appointed by the installation commander;**

35           **(c) The terms of office of each member under this section shall be identical to the**  
36 **terms of office in section 67.1210, RSMo, with the member chosen to serve as chair serving**  
37 **for an initial term of two years. The commission shall elect its chairman;**

38           **(4) Sections 67.1214 to 67.1218, and section 67.1222, RSMo, shall apply in their**  
39 **entirety, except that any reference to a municipality in such sections shall be construed to**  
40 **include any county of the second classification with more than forty-eight thousand two**  
41 **hundred but fewer than forty-eight thousand three hundred inhabitants;**

42           **(5) Section 67.1220 shall apply in its entirety, except that the board of variance shall**  
43 **consist of three members as follows:**

44           **(a) Three residents of the county, with at least two of such county residents residing**  
45 **in the township containing the military base;**

46           **(b) The board shall elect its chairman.**

41.1010. 1. There is hereby established the "Missouri Military Preparedness and  
2 Enhancement Commission". The commission shall have as its purpose the design and  
3 implementation of measures intended to protect, retain, and enhance the present and future  
4 mission capabilities at the military posts or bases within the state. The commission shall consist  
5 of nine members:

6           (1) Five members to be appointed by the governor;

7           (2) Two members of the house of representatives, one appointed by the speaker of the  
8 house of representatives, and one appointed by the minority floor leader;

9           (3) Two members of the senate, one appointed by the president pro tempore, and one  
10 appointed by the minority floor leader[;

11           (4) The director of the department of economic development or the director's designee,  
12 ex officio].

13

14 **In addition, the director of the department of economic development or the director's**  
15 **designee, and the chairman of the Missouri veterans' commission or the chairman's**  
16 **designee, shall be ex officio members of the commission.** No more than three of the five  
17 members appointed by the governor shall be of the same political party. To be eligible for  
18 appointment by the governor, a person shall have demonstrated experience in economic

19 development, the defense industry, military installation operation, environmental issues, finance,  
20 local government, or the use of air space for future military missions. Appointed members of  
21 the commission shall serve three-year terms, except that of the initial appointments made by the  
22 governor, two shall be for one-year terms, two shall be for two-year terms, and one shall be for  
23 a three-year term. No appointed member of the commission shall serve more than six years total.  
24 A vacancy occurs if a legislative member leaves office for any reason. Any vacancy on the  
25 commission shall be filled in the same manner as the original appointment.

26         2. Members of the commission shall be reimbursed for the actual and necessary expenses  
27 incurred in the discharge of the member's official duties.

28         3. A chair of the commission shall be selected by the members of the commission.

29         4. The commission shall meet at least quarterly and at such other times as the chair  
30 deems necessary.

31         5. The commission shall be funded by an appropriation limited to that purpose. Any  
32 expenditure constituting more than ten percent of the commission's annual appropriation shall  
33 be based on a competitive bid process.

34         6. The commission shall:

35             (1) Advise the governor and the general assembly on military issues and economic and  
36 industrial development related to military issues;

37             (2) Make recommendations regarding:

38                 (a) Developing policies and plans to support the long-term viability and prosperity of the  
39 military, active and civilian, in this state, including promoting strategic regional alliances that  
40 may extend over state lines;

41                 (b) Developing methods to improve private and public employment opportunities for  
42 former members of the military residing in this state; and

43                 (c) Developing methods to assist defense-dependent communities in the design and  
44 execution of programs that enhance a community's relationship with military installations and  
45 defense-related businesses;

46             (3) Provide information to communities, the general assembly, the state's congressional  
47 delegation, and state agencies regarding federal actions affecting military installations and  
48 missions;

49             (4) Serve as a clearinghouse for:

50                 (a) Defense economic adjustment and transition information and activities; and

51                 (b) Information concerning the following:

52                     a. Issues related to the operating costs, missions, and strategic value of federal military  
53 installations located in the state;

54           b. Employment issues for communities that depend on defense bases and in  
55 defense-related businesses; and

56           c. Defense strategies and incentive programs that other states are using to maintain,  
57 expand, and attract new defense contractors;

58           (5) Provide assistance to communities that have experienced a defense-related closure  
59 or realignment;

60           (6) Assist communities in the design and execution of programs that enhance a  
61 community's relationship with military installations and defense-related businesses, including  
62 regional alliances that may extend over state lines;

63           (7) Assist communities in the retention and recruiting of defense-related businesses,  
64 including fostering strategic regional alliances that may extend over state lines;

65           (8) Prepare a biennial strategic plan that:

66           (a) Fosters the enhancement of military value of the contributions of Missouri military  
67 installations to national defense strategies;

68           (b) Considers all current and anticipated base realignment and closure criteria; and

69           (c) Develops strategies to protect the state's existing military missions and positions the  
70 state to be competitive for new and expanded military missions;

71           (9) Encourage economic development in this state by fostering the development of  
72 industries related to defense affairs.

73           7. The commission shall prepare and present an annual report to the governor and the  
74 general assembly by December thirty-first of each year.

75           8. The department of economic development shall furnish administrative support and  
76 staff for the effective operation of the commission.

          42.007. 1. There is hereby established within the department of public safety the  
2 "Missouri Veterans' Commission", such commission to be a type III agency within the  
3 department of public safety under the Omnibus State Reorganization Act of 1974. All duties and  
4 activities carried on by the division of veterans' affairs on August 28, 1989, shall be vested in  
5 such commission as provided by the Omnibus Reorganization Act of 1974.

6           2. The commission shall be composed of five members, who shall be veterans appointed  
7 by the governor, with the advice and consent of the senate, for a four-year term; except that  
8 initial appointments to the commission shall consist of two veterans to serve four-year terms, two  
9 veterans to serve three-year terms, and one veteran to serve a two-year term. **In addition, the**  
10 **chair of the Missouri military preparedness and enhancement commission or the chair's**  
11 **designee shall be an ex officio member of the commission.**

12           3. The governor shall make all appointments to the commission from lists of nominees  
13 recommended by each of the statewide veterans' organizations incorporated in this state,

14 chartered by Congress, or authorized under Title 38, United States Code. Vacancies shall be  
15 filled by appointment made in the same manner as the original appointments. A member of the  
16 commission shall be a resident of the state of Missouri but shall not be an employee of the state.  
17 Members of the commission shall not be compensated for their services, but shall be reimbursed  
18 from funds appropriated therefor for actual and necessary expenses incurred in the performance  
19 of their duties.

20         4. The commission shall organize by electing one member as chairman and another as  
21 vice chairman. Such officers shall serve for a term of two years. The commission shall meet no  
22 fewer than four times per calendar year, at the call of the chairman, and at times and places  
23 established by the chairman by written notice. The commission's executive director shall serve  
24 as secretary to the commission.

25         5. The commission shall aid and assist all veterans and their dependents and legal  
26 representatives, who live in the state of Missouri, in all matters relating to the rights of veterans  
27 under the laws of the United States and under the rules and regulations of federal agencies,  
28 boards, commissions and other authorities which are in any manner concerned with the interest  
29 and welfare of veterans and their dependents. In addition to any other duties imposed by sections  
30 42.002 to 42.135 and section 143.1001, RSMo, the commission shall:

31             (1) Disseminate by all means available information concerning the rights of veterans and  
32 their dependents;

33             (2) Provide aid and assistance to all veterans, their dependents and legal representatives,  
34 in preparing, presenting and prosecuting claims for compensation, education, pensions, insurance  
35 benefits, hospitalization, rehabilitation and all other matters in which a veteran may have a claim  
36 against the United States or any state arising out of or connected with service in the military  
37 forces of the United States;

38             (3) Prosecute all claims listed in subdivision (2) of this subsection to conclusion, when  
39 so authorized and empowered by a veteran, his survivors or legal representatives;

40             (4) Cooperate with the United States Employment Service, the United States Department  
41 of Veterans' Affairs and all federal and state offices legally concerned with and interested in the  
42 welfare of veterans and their dependents;

43             (5) Arrange for and accept through such mutual arrangements as may be made, the  
44 volunteer services, equipment, facilities, properties, supplies, funds and personnel of all federal,  
45 welfare, civic and service organizations, and other organized groups and individuals which are  
46 in furtherance of the purposes of sections 42.002 to 42.135 and section 143.1001, RSMo;

47             (6) Volunteers shall be deemed unpaid employees and shall be accorded the protection  
48 of the legal expense fund and liability provisions. Reimbursement for transportation and other  
49 necessary expenses may be furnished to those volunteers whose presence on special assignment

50 is determined to be necessary by the commission. Such expenses shall be reimbursed from the  
51 regular appropriations of the commission. Volunteers may utilize state vehicles in the  
52 performance of commission-related duties, subject to those rules and regulations governing use  
53 of state vehicles by paid staff;

54 (7) Establish, maintain and operate offices throughout this state as necessary to carry out  
55 the purposes of sections 42.002 to 42.135 and section 143.1001, RSMo;

56 (8) Provide to the executive director of the commission all appropriate authority for the  
57 execution of the duties of the commission under this chapter;

58 (9) Employ such staff as necessary for performance of the duties and purposes of this  
59 chapter.

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

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

19 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized  
20 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected  
21 for the redevelopment project and any applicable penalty and interest over and above the initial  
22 equalized assessed value of each such unit of property in the area selected for the redevelopment  
23 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who  
24 shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation  
25 Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred  
26 in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien



27 against the real estate of the redevelopment project from which they are derived and shall be  
28 collected in the same manner as the real property tax, including the assessment of penalties and  
29 interest where applicable. The municipality may, in the ordinance, pledge the funds in the  
30 special allocation fund for the payment of such costs and obligations and provide for the  
31 collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner  
32 as a special assessment lien as provided in section 88.861, RSMo. No part of the current  
33 equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected  
34 for the redevelopment project attributable to any increase above the total initial equalized  
35 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  
144 subsection 10 of this section] **the department has made a finding that the retail sales do not**  
145 **consist of retail sales displaced from existing businesses within the state; or**

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

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

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

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

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

168 (1) The director of the department of economic development or his or her designee and  
169 the commissioner of the office of administration or his or her designee have approved a tax  
170 increment financing application made by the municipality for the appropriation of the new state

171 revenues. The municipality shall include in the application the following items in addition to the  
172 items in section 99.810:

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

175 (b) The base year of state sales tax revenues or the base year of state income tax withheld  
176 on behalf of existing employees, reported by existing businesses within the project area prior to  
177 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;

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

(gg) A market study for the development area;

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

(2) The methodologies used in the application for determining the base year and 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

278 Missouri supplemental tax increment financing fund the amount of the new state revenues as  
279 appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the  
280 conditions of subsection 10 of this section are met. The fund shall also consist of any gifts,  
281 contributions, grants or bequests received from federal, private or other sources. Moneys in the  
282 Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to  
283 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.

99.847. 1. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary,  
2 no new tax increment financing project shall be authorized in any area which is within an area  
3 designated as **a one hundred year** flood plain by the Federal Emergency Management Agency  
4 and which is located in or partly within a county with a charter form of government with greater  
5 than two hundred fifty thousand inhabitants but fewer than three hundred thousand inhabitants,  
6 **unless the redevelopment area actually abuts a river or major waterway and is**  
7 **substantially surrounded by contiguous properties with residential, industrial, or**  
8 **commercial zoning classifications.**

9 2. This subsection shall not apply to tax increment financing projects or districts  
10 approved prior to July 1, 2003, and shall allow the aforementioned tax increment financing  
11 projects to modify, amend or expand such projects including redevelopment project costs by not  
12 more than forty percent of such project original projected cost including redevelopment project  
13 costs as such projects including redevelopment project costs as such projects redevelopment  
14 projects including redevelopment project costs existed as of June 30, 2003, and shall allow the



15 aforementioned tax increment financing district to modify, amend or expand such districts by  
16 not more than five percent as such districts existed as of June 30, 2003.

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;

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

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

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

103 (c) Property assembly costs, including, but not limited to, acquisition of land and other  
104 property, real or personal, or rights or interests therein, demolition of buildings, and the clearing  
105 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.

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

(12) "Economic activity taxes", the total additional revenue from taxes which are imposed by the municipality and other taxing districts, and which are generated by economic activities within each development project area, which are not related to the relocation of any out-of-state business into the development project area, which exceed the amount of such taxes generated by economic activities within such development project area in the baseline year plus, in development project areas where the baseline year is the year following the year in which the development project is approved by the municipality pursuant to subdivision (2) of this section, the total revenue from taxes which are imposed by the municipality and other taxing districts which is generated by economic activities within the development project area resulting from the relocation of an out-of-state business or out-of-state businesses to the development project area pursuant to section 99.919; but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees, or special

assessments. If a retail establishment relocates within one year from one facility to another facility within the same county and the municipality or authority finds that the retail establishment is a direct beneficiary of development financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from taxes which are imposed by the municipality and other taxing districts which are generated by the economic activities within the development project area which exceed the amount of taxes which are imposed by the municipality and other taxing districts which are generated by economic activities within the development project area generated by the retail establishment in the baseline year;

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

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

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

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

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

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

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

(17) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the municipality or authority, or other public entity

178 authorized to issue such obligations pursuant to sections 99.915 to 99.980 to carry out a  
179 development project or to refund outstanding obligations;

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

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

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

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

196 (22) "Special allocation fund", the fund of the municipality or its authority required to  
197 be established pursuant to section 99.957 which special allocation fund shall contain at least four  
198 separate segregated accounts into which payments in lieu of taxes are deposited in one account,  
199 economic activity taxes are deposited in a second account, other net new revenues are deposited  
200 in a third account, and other revenues, if any, received by the authority or the municipality for  
201 the purpose of implementing a development plan or a development project are deposited in a  
202 fourth account;

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

209 (24) "State sales tax increment", up to one-half of the incremental increase in the state  
210 sales tax revenue in the [development] **redevelopment** project area. [In no event shall the  
211 incremental increase include any amounts attributable to retail sales unless the Missouri  
212 development finance board and the department of economic development are satisfied based on  
213 information provided by the municipality or authority, and such entities have made a finding that

214 a substantial portion of all but a de minimus portion of the sales tax increment attributable to  
215 retail sales is from new sources which did not exist in the state during the baseline year. The  
216 incremental increase for an existing facility shall be the amount by which the state sales tax  
217 revenue generated at the facility exceeds the state sales tax revenue generated at the facility in  
218 the baseline year. The incremental increase in development project areas where the baseline year  
219 is the year following the year in which the development project is approved by the municipality  
220 pursuant to subdivision (2) of this section shall be the state sales tax revenue generated by  
221 out-of-state businesses relocating into a development project area. The incremental increase for  
222 a Missouri facility which relocates to a development project area shall be the amount by which  
223 the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the  
224 calendar year prior to relocation] **The incremental increase shall be calculated by first adding**  
225 **the state sales tax revenues generated in the redevelopment project area in the calendar**  
226 **year prior to the adoption of an ordinance by the municipality approving a redevelopment**  
227 **project and the state sales tax revenue generated by businesses that have relocated into the**  
228 **project area from within the state in the calendar year prior to their relocation. The**  
229 **resulting sum shall be subtracted from the current year's state sales tax revenue generated**  
230 **in the redevelopment project area. In no event shall the incremental increase include any**  
231 **amounts attributable to retail sales generated by businesses that were not located in the**  
232 **project area in the calendar year prior to the adoption of an ordinance by the municipality**  
233 **approving a redevelopment project, unless the municipality or authority has proven to the**  
234 **department of economic development and the department has made a finding that the**  
235 **retail sales do not consist of retail sales displaced from existing businesses within the state;**  
236 (25) "State sales tax revenues", the general revenue portion of state sales tax revenues  
237 received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally  
238 dedicated, taxes deposited to the school district trust fund in accordance with section 144.701,  
239 RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales  
240 taxes earmarked by law;  
241 (26) "Taxing district's capital costs", those costs of taxing districts for capital  
242 improvements that are found by the municipal governing bodies to be necessary and to directly  
243 result from a development project; and  
244 (27) "Taxing districts", any political subdivision of this state having the power to levy  
245 taxes.

99.960. 1. A municipality shall submit an application to the department of economic  
2 development for review and [submission of an analysis and recommendation to the Missouri  
3 development finance board for a determination as to] approval of the disbursement of the project  
4 costs of one or more development projects from the state supplemental downtown development

5 fund. [The department of economic development shall forward the application to the Missouri  
6 development finance board with the analysis and recommendation.] In no event shall any  
7 approval authorize a disbursement of one or more development projects from the state  
8 supplemental downtown development fund which exceeds the allowable amount of other net  
9 new revenues derived from the development area. An application submitted to the department  
10 of economic development shall contain the following, in addition to the items set forth in section  
11 99.942:

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

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

21 (3) The aggregate baseline year amount of state sales tax revenues and the aggregate  
22 baseline year amount of state income tax withheld on behalf of existing employees, reported by  
23 existing businesses within the development project area. Provisions of section 32.057, RSMo,  
24 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  
2 known as the "State Supplemental Downtown 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 one hundred fifty million dollars of] other net new revenues generated  
7 annually by the development projects, **up to the amount approved by the department of**  
8 **economic development;**

9           (2) Money received from costs charged pursuant to subsection 7 of section 99.960; 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 one hundred fifty million of] other net new  
14 revenues generated by the development projects, **up to the amount approved by the**  
15 **department of economic development,** to the treasurer for deposit in the state supplemental  
16 downtown development fund.

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

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

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

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

34           7. No municipality shall obligate or commit the expenditure of disbursements received  
35 from the state supplemental downtown development fund prior to receiving a certificate of  
36 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 approved after January 1, 2013.

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

3. Prior to December 31, 2006, the Missouri **department of economic** development [finance board] may approve up to two applications made pursuant to sections 99.915 to 99.980 in a home rule city with more than four hundred thousand inhabitants and located in more than one county in which the state sales tax increment for such projects approved pursuant to the provisions of this subsection shall be up to one-half of the incremental increase in all sales taxes levied pursuant to section 144.020, RSMo. In no event shall the incremental increase include any amounts attributable to retail sales unless the [Missouri development finance board and the] department of economic development [are] **is** satisfied based on information provided by the municipality or authority, and such [entities have] **entity has** made a finding that a substantial portion of all but a de minimus portion of the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. The incremental increase for an existing facility shall be the amount of all state sales taxes generated pursuant to section 144.020, RSMo, at the facility in excess of the amount of all state sales taxes generated pursuant to section 144.020, RSMo, at the facility in the baseline year. The incremental increase in development project areas where the baseline year is the year following the year in which the development project is approved by the municipality pursuant to subdivision (2) of section 99.918 shall be the state sales tax revenue generated by out-of-state businesses relocating into a development project area. The incremental increase for a Missouri facility which relocates to a development project area shall be the amount by which the state sales tax revenue of the facility 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 report to the director of the department of economic development the name, address, phone number, and primary line of business of any business which relocates to the development area.

2. Each year the governing body of the municipality, or its designee, shall prepare a 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;

(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes diverted by approval of a redevelopment project when all debt is retired;

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

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

173 and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes  
174 earmarked by law;

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

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

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

10 (1) An estimate that one hundred percent of the local sales tax increment deposited to  
11 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  
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 fifteen million dollars of [other net new revenues] **state sales tax increment**  
7 generated annually by the redevelopment projects;

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

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

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

15           3. The department of economic development shall annually disburse funds from the  
16 downtown revitalization preservation fund in amounts determined under the certificates of  
17 approval for projects, providing that the amounts of [other net new revenues] **state sales tax**  
18 **increment** generated from the redevelopment area have been verified and all of the conditions  
19 of sections 99.1080 to 99.1092 are met. If the revenues appropriated from the downtown  
20 revitalization preservation fund are not sufficient to equal the amounts determined to be  
21 disbursed under such certificates of approval, the department of economic development shall

22 disburse the revenues on a pro rata basis to all such projects and other costs approved under  
23 section 99.1090.

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

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

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

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

38 8. Taxpayers in any redevelopment area who are required to remit sales taxes under  
39 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.

**99.1100. 1. Sections 99.1100 to 99.1130 shall be known and may be cited as the**  
2 **"Missouri Economic Development Code".**

3 **2. Insofar as the provisions of the Missouri economic development code are**  
4 **inconsistent with the provisions of any other law, the provisions of the Missouri economic**  
5 **development code shall be controlling.**

**99.1102. As used in sections 99.1100 to 99.1130, unless otherwise stated, the following terms shall mean:**

**(1) "Baseline year", the calendar year prior to the effective date of an ordinance or order by the municipality or county approving a development project;**

**(2) "Collecting officer", the officer of the municipality, county, or other taxing jurisdiction responsible for receiving and processing tax payments and economic activity taxes and the officer of the municipality, county, or other taxing jurisdiction responsible for receiving and processing local sales tax revenues collected by the director of revenue on behalf of such municipality, county, or other taxing jurisdiction;**

**(3) "Commission", the Missouri economic development code job creation commission for a municipality or county, created under section 99.1104;**

**(4) "County", any county of this state and any city not within a county;**

**(5) "Development area", an area designated by a municipality or county which shall have the following characteristics:**

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

**(b) It will be improved by the development project;**

**(c) It is contiguous;**

**(d) It is not included in any other redevelopment plan under this chapter or using any tax increment financing program; and**

**(e) The commission has declared development of the area is not likely to occur without benefit of the proposed development plan;**

**(6) "Development plan", the comprehensive program of a municipality or county to improve a development area, thereby enhancing the tax bases of the taxing districts which extend into the development area, through the reimbursement, payment, or other financing of development project costs in accordance with the Missouri economic development code. The development plan shall conform to the requirements of section 99.1116;**

**(7) "Development project", any development project within a development area which constitutes a major initiative in furtherance of the objectives of the development plan, and any such development project shall include a legal description of the area selected for such development project;**

**(8) "Development project area", the area located within a development area selected for a development project;**

**(9) "Development project costs", the costs to the development plan or a development project, as applicable, which are expended on public property, buildings, or**

37 **rights-of-ways for public purposes to provide infrastructure or support for a development**  
38 **project. Such costs shall only be allowed as an initial expense which, to be recoverable,**  
39 **shall be included in the costs of a development plan or development project, including any**  
40 **amendments thereto adopted by the municipality or county. Such infrastructure costs**  
41 **include but are not limited to the following:**

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

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

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

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

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

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

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

59 **(10) "Economic activity taxes", the total additional revenue from taxes which are**  
60 **imposed by the municipality, county, and other taxing districts, and which are generated**  
61 **by economic activities within each development project area, which exceed the amount of**  
62 **such taxes generated by economic activities within such development project area in the**  
63 **baseline year; but excluding personal property taxes, taxes imposed on sales or charges for**  
64 **sleeping rooms paid by transient guests of hotels and motels, licenses, fees, special**  
65 **assessments, and any taxes imposed by the municipality, county, or other taxing district**  
66 **after the effective date of an ordinance or order by the municipality or county approving**  
67 **a development project;**

68 **(11) "Municipality", any city, village, or incorporated town of this state;**

69 **(12) "Obligations", bonds, loans, debentures, notes, special certificates, or other**  
70 **evidences of indebtedness issued by the municipality, county, or commission, or other**  
71 **public entity authorized to issue such obligations under the Missouri economic**  
72 **development code to carry out a development project or to refund outstanding obligations;**

73           (13) "Ordinance", an ordinance enacted by the governing body of any municipality  
74 or county or an order of the governing body of such a municipal or county entity whose  
75 governing body is not authorized to enact ordinances;

76           (14) "Special allocation fund", the fund of the municipality or county established  
77 by agreement under section 99.1126;

78           (15) "Tax payments", the revenues from real property taxes in each development  
79 project area, which taxing districts have allocated to finance a development plan until  
80 development financing for such development project area expires or is terminated under  
81 the Missouri economic development code;

82           (16) "Taxing district's capital costs", the costs of taxing districts for capital  
83 improvements that are found by the governing body of the municipality or county to be  
84 necessary and to directly result from a development project;

85           (17) "Taxing districts", any political subdivision of this state having the power to  
86 levy taxes if the future tax revenues of such district would be affected by the establishment  
87 of a development project.

**99.1104.** Each municipality or county may create a commission to be known as a  
2 "Missouri Economic Development Code Job Creation Commission"; provided, however:

3           (1) No such commission shall transact any business or exercise its powers under the  
4 Missouri economic development code until and unless the governing body of such  
5 municipality or county shall approve, by ordinance or order, the exercise of the powers,  
6 functions, and duties of a commission under the Missouri economic development code, as  
7 provided in section 99.1120;

8           (2) No governing body of a municipality or county shall adopt an ordinance under  
9 subdivision (1) of this section unless it finds:

10          (a) That it would be in the interest of the public to consider the establishment of a  
11 development area in accordance with the Missouri economic development code;

12          (b) That the development of such a development area would be in the interest of the  
13 public health, safety, morals, or welfare of the residents of such municipality or county;  
14 and

15          (c) That it is anticipated that such a development area can be improved through a  
16 series of one or more development projects.

**99.1106.** Each commission created under section 99.1104 shall be governed by a  
2 board of commissioners with one commissioner appointed by each taxing jurisdiction. The  
3 number of commissioners serving on the board of each commission shall be determined by  
4 the number of taxing districts located wholly or partially within the development project  
5 area. All commissioners appointed under this subsection shall be appointed by each taxing

6 district located wholly or partially within the development project area for a term of two  
7 years. Commissioners representing a county shall be appointed by the county governing  
8 body, except in charter counties where the commissioners shall be appointed by the county  
9 executive with approval of the governing body. Commissioners representing a  
10 municipality shall be appointed by the mayor with the approval of the governing body;  
11 provided, however, employees of the municipality or county shall be ineligible for  
12 appointment to the commission under this section. Commissioners representing other  
13 taxing districts shall be appointed by the taxing districts, but failure of one or more taxing  
14 districts to appoint a commissioner shall not prevent the commission from exercising its  
15 powers and authorities granted under the Missouri economic development code. Successor  
16 commissioners and all vacancies shall be filled in the same manner.

99.1108. 1. The powers of the commission created under section 99.1104 shall be  
2 exercised by its board of commissioners. A majority of the commissioners shall constitute  
3 a quorum of such board for the purpose of conducting business and exercising the powers  
4 of the commission and for all other purposes. Action may be taken by the board upon a  
5 vote of a majority of the commissioners present in person or by teleconference, unless in  
6 any case the bylaws of the commission shall require a larger number. Meetings of the  
7 board of the commission shall be held in compliance with the provisions of chapter 610,  
8 RSMo.

9 2. The commissioners shall annually elect a chair and vice chair from among the  
10 commissioners. The commission may employ an executive director, technical experts, and  
11 such other officers, agents, and employees, permanent and temporary, as it may require  
12 and shall determine their qualifications, duties, and compensation. For such legal services  
13 as it may require, a commission may call upon the chief law officer of the municipality or  
14 county or may employ its own counsel and legal staff.

15 3. A commissioner shall receive no compensation for his or her services, but may  
16 receive the necessary expenses, including traveling expenses, incurred in the discharge of  
17 his or her duties. Each commissioner shall hold office until a successor has been appointed.

18 4. For inefficiency or neglect of duty or misconduct in office, a commissioner may  
19 be removed by a majority vote of the commission.

99.1110. 1. In any suit, action, or proceeding involving the validity or enforcement  
2 of or relating to any contract of a commission entered into under the Missouri economic  
3 development code, such commission shall be conclusively deemed to have become  
4 established and authorized to transact business and exercise its powers under the Missouri  
5 economic development code upon proof of the adoption of the appropriate ordinance or  
6 order prescribed in section 99.1104. Each such ordinance or order shall be deemed

7 sufficient if it authorizes the exercise of powers under the Missouri economic development  
8 code by the commission and sets forth the findings of the municipality or county as  
9 required in subdivision (2) of section 99.1104.

10 2. A copy of such ordinance or order duly certified by the clerk of the municipality  
11 or county shall be admissible in evidence in any suit, action, or proceeding.

12 3. No lawsuit to set aside the creation of a commission, the approval of a  
13 development plan, development project, development area or development project area,  
14 or to otherwise question the validity of the proceedings related thereto, shall be brought  
15 after the expiration of ninety days from the effective date of the ordinance, order, or  
16 resolution in question.

99.1112. 1. The commission created under section 99.1104 shall constitute a public  
2 body corporate and politic, exercising public and essential governmental functions.

3 2. A municipality or county or a commission created under section 99.1104 shall  
4 have all the powers necessary or convenient to carry out and effectuate the purposes and  
5 provisions of the Missouri economic development code, including the following powers in  
6 addition to others granted under the Missouri economic development code:

7 (1) To prepare or cause to be prepared and approved development plans and  
8 development projects to be considered at public hearings in accordance with the Missouri  
9 economic development code and to undertake and carry out development plans and  
10 development projects which have been adopted by ordinance, order or act of the  
11 commission;

12 (2) To arrange or contract for the furnishing or repair, by any person or agency,  
13 public or private, of services, privileges, streets, roads, utilities, or other facilities for or in  
14 connection with any development project;

15 (3) Within a development area, to acquire by purchase, lease, gift, grant, bequest,  
16 devise, obtain options upon, or otherwise acquire any real or personal property or any  
17 interest therein, necessary or incidental to a development project, all in the manner and at  
18 such price as the municipality, county or commission determines is reasonably necessary  
19 to achieve the objectives of a development plan;

20 (4) Within a development area, subject to provisions of section 99.1114 with regard  
21 to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide,  
22 retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose  
23 of any real or personal property or any interest therein, all in the manner and at such price  
24 and subject to any covenants, restrictions, and conditions as the municipality, county or  
25 commission determines is reasonably necessary to achieve the objectives of a development  
26 plan; to make any such covenants, restrictions, or conditions as covenants running with the



27 land, and to provide appropriate remedies for any breach of any such covenants,  
28 restrictions, or conditions, including the right of the municipality, county or commission  
29 to terminate such contracts and any interest in the property created thereto;

30 (5) Within a development area, to clear any area by demolition or removal of  
31 existing buildings and structures;

32 (6) To install, repair, construct, reconstruct, or relocate streets, utilities, and site  
33 improvements as necessary or desirable for the preparation of a development area for use  
34 in accordance with a development plan;

35 (7) Within a development area, to fix, charge, and collect fees, rents, and other  
36 charges for the use of any real or personal property, or any portion thereof, in which the  
37 municipality, county or commission has any interest;

38 (8) To accept grants, guarantees, and donations of property, labor, or other things  
39 of value from any public or private source for purposes of implementing a development  
40 plan;

41 (9) In accordance with section 99.1114, to select one or more developers to  
42 implement a development plan, or one or more development projects, or any portion  
43 thereof;

44 (10) To charge as a development project cost the reasonable costs incurred by the  
45 municipality, county, or commission in evaluating, administering, or implementing the  
46 development plan or any development project;

47 (11) To borrow money and issue obligations in accordance with the Missouri  
48 economic development code and provide security for any such loans or obligations;

49 (12) To insure or provide for the insurance of any real or personal property or  
50 operations of the municipality, county, or commission against any risks or hazards,  
51 including the power to pay premiums on any such insurance; and to enter into any  
52 contracts necessary to effectuate the purposes of the Missouri economic development code;

53 (13) Within a development area, to renovate, rehabilitate, own, operate, construct,  
54 repair, or improve any public improvements, buildings, parking garages, fixtures,  
55 structures, and other public facilities;

56 (14) To invest any funds held in reserves or sinking funds, or any funds not  
57 required for immediate disbursement, in property or securities in which savings banks may  
58 legally invest funds subject to their control; to redeem obligations at the redemption price  
59 established therein or to purchase obligations at less than redemption price, all obligations  
60 so redeemed or purchased to be canceled;

61 (15) To borrow money and to apply for and accept advances, loans, grants,  
62 contributions, and any other form of financial assistance from the federal government, the

63 state, county, municipality, or other public body or from any sources, public or private, for  
64 the purposes of implementing a development plan, to give such security as may be required  
65 and to enter into and carry out contracts in connection therewith. A municipality, county,  
66 or commission, notwithstanding the provisions of any other law, may include in any  
67 contract for financial assistance with the federal government for a project such conditions  
68 imposed under federal law as the municipality, county, or commission may deem  
69 reasonable and appropriate and which are not inconsistent with the purposes of the  
70 Missouri economic development code;

71 (16) To incur development project costs and make such expenditures as may be  
72 necessary to carry out the purposes of the Missouri economic development code and to  
73 make expenditures from funds obtained from the federal government without regard to  
74 any other laws pertaining to the making and approval of appropriations and expenditures;

75 (17) To loan the proceeds of obligations issued under the Missouri economic  
76 development code for the purpose of providing for the purchase, construction, extension,  
77 or improvement of public infrastructure related to a development project by a developer  
78 under a development contract approved by the municipality, county, or commission in  
79 accordance with subdivision (2) of section 99.1114;

80 (18) To declare any funds, or any portion thereof, in the special allocation fund to  
81 be excess funds, so long as such excess funds have not been pledged to the payment of  
82 outstanding obligations or outstanding development project costs, and are not necessary  
83 for the payment of development project costs incurred or anticipated to be incurred. Any  
84 such funds deemed to be excess shall be disbursed in the manner of surplus funds as  
85 provided in section 99.1128;

86 (19) To pledge or otherwise expend funds deposited to the special allocation fund,  
87 or any portion thereof, for the payment or reimbursement of development project costs  
88 incurred by the commission, the municipality, the county, a developer selected by the  
89 municipality, county or commission, or any other entity with the consent of the  
90 municipality, county or commission; to pledge or otherwise expend funds deposited to the  
91 special allocation fund, or any portion thereof, or to mortgage or otherwise encumber its  
92 property, or any portion thereof, for the payment of obligations issued to finance  
93 development project costs; provided, however, any such pledge or expenditure of economic  
94 activity taxes shall be subject to annual appropriation by the municipality or county; and

95 (20) To exercise all powers or parts or combinations of powers necessary,  
96 convenient, or appropriate to undertake and carry out development plans and any  
97 development projects and all the powers granted under the Missouri economic  
98 development code.

99           **3. If any member of the governing body of the municipality or county,**  
100 **commissioner, or employee or consultant of the municipality, county or commission,**  
101 **involved in the planning and preparation of a development project, owns or controls an**  
102 **interest, direct or indirect, in any property included in a development project area, the**  
103 **individual shall disclose the same in writing to the clerk of the municipality or county, and**  
104 **shall also so disclose the dates, terms, and conditions of any disposition of any such interest**  
105 **which disclosures shall be acknowledged by the governing body of the municipality or**  
106 **county and entered upon the minutes books of the governing body of the municipality or**  
107 **county. If an individual holds such an interest, then that individual shall refrain from any**  
108 **further official involvement in regard to a development project and from voting on any**  
109 **matter pertaining to such development project or communicating with other**  
110 **commissioners or the municipality or county concerning any matter pertaining to such**  
111 **development project. No such member, commissioner, employee, or consultant shall**  
112 **acquire any interest, direct or indirect, in any property in a development project area or**  
113 **proposed development project area, after either such individual obtains knowledge of a**  
114 **development project, or first public notice of such development project, or development**  
115 **project area under subsection 2 of section 99.1122, whichever first occurs; provided that,**  
116 **at any time after one year from the adoption of an ordinance designating a development**  
117 **project area, any such member, commissioner, employee or consultant may acquire an**  
118 **interest in real estate located in a development project area so long as any such person**  
119 **discloses such acquisition and refrains from voting on any matter related to the**  
120 **development project area in which the property acquired by such person is located.**

121           **4. A commission created under section 99.1104 shall have the following powers in**  
122 **addition to others granted under the Missouri economic development code:**

123           **(1) To sue and to be sued; to have a seal and to alter the same at the commission's**  
124 **pleasure; to have perpetual succession; to make and execute contracts and other**  
125 **instruments necessary or convenient to the exercise of the powers of the commission; and**  
126 **to make and from time to time amend and repeal bylaws, rules, and regulations, not**  
127 **inconsistent with the Missouri economic development code, to carry out the provisions of**  
128 **the Missouri economic development code;**

129           **(2) To delegate to a municipality, county or other public body any of the powers or**  
130 **functions of the commission with respect to the planning or undertaking of a development**  
131 **project, and any such municipality, county, or public body is hereby authorized to carry**  
132 **out or perform such powers or functions for the commission;**

133           (3) To receive and exercise powers delegated by any authority, agency, or agent of  
134 a municipality or county created under this chapter or chapter 353, RSMo, excluding  
135 powers of eminent domain.

**99.1114. Real property which is acquired by a municipality, county or commission  
2 in a development project area shall be disposed of as follows:**

3           (1) Within a development project area, the municipality, county, or commission  
4 may sell, lease, exchange, or otherwise transfer real property, including land,  
5 improvements, and fixtures, or any interest therein, to any developer selected for a  
6 development project, or any portion thereof, in accordance with the development plan,  
7 subject to such covenants, conditions, and restrictions as may be deemed to be in the public  
8 interest or to carry out the purposes of the Missouri economic development code. Such real  
9 property shall be sold, leased, or transferred at its fair market value for uses in accordance  
10 with the development plan; provided that such fair market value may be less than the cost  
11 of such property to the municipality, county, or commission. In determining the fair  
12 market value of real property for uses in accordance with a development plan, the  
13 municipality, county or commission shall take into account and give consideration to the  
14 uses and purposes required by the development plan; the restrictions upon, and the  
15 covenants, conditions, and obligations assumed by the developer of such property; the  
16 objectives of the development plan; and such other matters as the municipality, county or  
17 commission shall specify as being appropriate. In fixing rental and sale prices, a  
18 municipality, county, or commission shall give consideration to appraisals of the property  
19 for such uses made by experts employed by the municipality, county, or commission;

20           (2) The municipality, county, or commission shall, by public notice published in a  
21 newspaper having a general circulation in a development area, prior to selecting one or  
22 more developers for any development project, or any portion thereof, invite proposals  
23 from, and make available all pertinent information to, private developers or any persons  
24 interested in undertaking the development of such development project, or any portion  
25 thereof. Such notice shall be published at least once each week during the two weeks  
26 preceding the selection of a developer, shall identify the area of the development project  
27 or development projects, or any portion thereof, for which one or more developers are to  
28 be selected, and shall state that such further information as it is available may be obtained  
29 at the office of the municipality, county, or commission. The municipality, county, or  
30 commission shall consider all proposals and the financial and legal ability of the  
31 prospective developers to carry out their proposals. The municipality, county, or  
32 commission may negotiate and enter into one or more contracts with any developer selected  
33 for the development of any such area for the development of such area by such developer

34 in accordance with a development plan or for the sale or lease of any real property to any  
35 such developer in any such area for the purpose of developing such property in accordance  
36 with the development plan. The municipality, county, or commission may enter into any  
37 such contract as it deems to be in the public interest and in furtherance of the purposes of  
38 the Missouri economic development code; provided that the municipality, county, or  
39 commission has, not less than ten days prior thereto, notified the governing body in writing  
40 of its intention to enter into such contract. Thereafter, the municipality, county, or  
41 commission may execute such contract in accordance with the provisions of this section and  
42 deliver deeds, leases, and other instruments and take all steps necessary to effectuate such  
43 contract. In its discretion, the municipality, county, or commission may, in accordance  
44 with the provisions of this section, dispose of any real property in an area selected for a  
45 development project, or any portion thereof, to private developers for development under  
46 such reasonable competitive bidding procedures as it shall prescribe, subject to the  
47 provisions of this section;

48 (3) In carrying out a development project, the commission may:

49 (a) Convey to the municipality or county such real property as, in accordance with  
50 the development plan, is to be dedicated as public right-of-way for streets, sidewalks,  
51 alleys, or other public ways, this power being additional to and not limiting any and all  
52 other powers of conveyance of property to municipalities expressed, generally or otherwise,  
53 in the Missouri economic development code;

54 (b) Grant servitudes, easements, and rights-of-way for utilities, sewers, streets, and  
55 other similar facilities, in accordance with the development plan; and

56 (c) Convey to the municipality or county or other appropriate public body such real  
57 property as, in accordance with the development plan, is to be used for parks, schools,  
58 public buildings, facilities, or other public purposes;

59 (4) The municipality, county, or commission may operate and maintain real  
60 property in the development area pending the disposition or development of the property  
61 in accordance with a development plan, without regard to the provisions of subdivisions  
62 (1) and (2) of this section, for such uses and purposes as may be deemed desirable even  
63 though not in conformity with the development plan.

99.1116. 1. A development plan shall set forth in writing a general description of  
2 the program to be undertaken to accomplish the development projects and related  
3 objectives and shall include, but need not be limited to:

4 (1) The name, street and mailing address, and phone number of the mayor or chief  
5 executive officer of the municipality or county;

6 (2) The street address or other description of the location of the development site;

- 7           (3) The estimated development project costs;
- 8           (4) The anticipated sources of funds to pay such development project costs;
- 9           (5) Evidence of the commitments to finance such development project costs;
- 10          (6) The anticipated type and term of the sources of funds to pay such development  
11 project costs;
- 12          (7) The anticipated type and terms of the obligations to be issued;
- 13          (8) The most recent equalized assessed valuation of the property within the  
14 development project area;
- 15          (9) An estimate as to the equalized assessed valuation after the development project  
16 area is developed in accordance with a development plan;
- 17          (10) The general land uses to apply in the development area;
- 18          (11) A list of community and economic benefits that are expected to result from the  
19 project;
- 20          (12) A list of all development subsidies that any business benefiting from public  
21 expenditures in the development area has previously received for the project, and the name  
22 of any other granting body from which such subsidies are sought;
- 23          (13) A list of all other public investments made or to be made by this state or units  
24 of local government to support infrastructure or other needs generated by the project for  
25 which the funding under the Missouri economic development code is being sought;
- 26          (14) A certification by the chief officer of the applicant as to the accuracy of the  
27 development plan.
- 28          2. The development plan may be adopted by a municipality or county in reliance  
29 on findings that a reasonable person would believe:
- 30           (1) The development area has not been subject to growth and development through  
31 investment by private enterprise and would not reasonably be anticipated to be developed  
32 without the implementation of one or more development projects and the adoption of  
33 development financing;
- 34           (2) The estimated dates of the completion of such development project and  
35 retirement of obligations incurred to finance development project costs which shall not be  
36 more than twenty-five years from the adoption of the ordinance or order approving any  
37 development project, provided that no ordinance approving a development project shall  
38 be adopted later than ten years from the adoption of the ordinance approving the  
39 development plan; and
- 40           (3) The development plan contains a cost-benefit analysis showing the economic  
41 impact of the development plan on the municipality, county, and school districts that are  
42 at least partially within the boundaries of the development area, and that such cost-benefit

43 analysis complies with the requirements of this subdivision. The analysis shall show the  
44 impact on every affected political subdivision if the development projects are not built, and  
45 if the development projects are built under the development plan under consideration  
46 assuming the projects are completed in the manner described in the development plan.

99.1118. In the event a municipality or county desires to designate a development  
2 area located in whole or in part outside the incorporated boundaries of the municipality  
3 or county and within the boundaries of another municipality or county, such municipality  
4 or county shall first obtain the permission of the governing body of such other municipality  
5 or county.

99.1120. 1. Except as provided in subsection 4 of this section, a municipality or  
2 county which has created a commission under section 99.1104 may:

3 (1) Approve by ordinance or order the exercise by the commission of the powers,  
4 functions, and duties of the commission under the Missouri economic development code;  
5 and

6 (2) After adopting an ordinance or order in accordance with subdivision (1) of this  
7 subsection and after receipt of recommendations from the commission in accordance with  
8 subsection 3 of this section, by ordinance or order, designate development areas, adopt the  
9 development plans and development projects, designate a development project area for  
10 each development project adopted, and adopt development financing for each such  
11 development project area. No development plan shall be adopted until the development  
12 area is designated. No development project shall be adopted until the development plan  
13 is adopted and the development project area for each development project shall be  
14 designated at the time of adopting the development project.

15 2. A municipality or county may authorize a commission created under section  
16 99.1104 to exercise all powers and perform all functions of a transportation development  
17 district under sections 238.200 to 238.275, RSMo, within a development area.

18 3. The municipality, county, or commission shall hold public hearings and provide  
19 notice under section 99.1122. Within ten days following the completion of any such public  
20 hearing, the commission shall vote on and shall make recommendation to the governing  
21 body of the municipality or county with regard to any development plan, development  
22 projects, designation of a development area or amendments thereto which were proposed  
23 at such public hearing.

24 4. The provisions of the Missouri economic development code shall not be used for  
25 any residential development project without the consent of the school boards of all school  
26 districts in which such residential development project is wholly or partially located, if all

27 or part of the taxes that would be due to such school districts would be committed by the  
28 school district to finance such residential development project.

29       **5. The powers of eminent domain shall not be used by any municipality, county, or**  
30 **commission to acquire any property for use in any project under the Missouri economic**  
31 **development code.**

**99.1122. 1. Prior to the adoption of the ordinance or order designating a**  
2 **development area, adopting a development plan, or approving a development project, the**  
3 **municipality, county, or commission shall fix a time and place for a public hearing and**  
4 **notify each taxing district located wholly or partially within the boundaries of the proposed**  
5 **development area or development project area affected. Such notice shall comply with the**  
6 **provisions of subsection 2 of this section. At the public hearing, any interested person or**  
7 **affected taxing district may file with the municipality, county or commission written**  
8 **objections to, or comments on, and may be heard orally in respect to, any issues regarding**  
9 **the plan or issues embodied in the notice. The municipality, county, or commission shall**  
10 **hear and consider all protests, objections, comments, and other evidence presented at the**  
11 **hearing. The hearing may be continued to another date without further notice other than**  
12 **a motion to be entered upon the minutes fixing the time and place of the subsequent**  
13 **hearing. Prior to the conclusion of the hearing, changes may be made in the development**  
14 **plan, development project, development area or development project area, provided that**  
15 **written notice of such changes is available at the public hearing. After the public hearing,**  
16 **but prior to the adoption of an ordinance or order designating a development area,**  
17 **adopting a development plan or approving a development project, changes may be made**  
18 **to any such proposed development plan, development project, development area, or**  
19 **development project area without a further hearing, if such changes do not enlarge the**  
20 **exterior boundaries of the development area or development project area, and do not**  
21 **substantially affect the general land uses established in a development plan or development**  
22 **project, provided that notice of such changes shall be given by mail to each affected taxing**  
23 **district and by publication in a newspaper of general circulation in the development area**  
24 **or development project area, as applicable, not less than ten days prior to the adoption of**  
25 **the changes by ordinance or order. After the adoption of an ordinance or order**  
26 **designating the development area adopting a development plan, approving a development**  
27 **project, or designating a development project area, no ordinance shall be adopted altering**  
28 **the exterior boundaries of the development area or a development project area or**  
29 **substantially affecting the general land uses established under the development plan or the**  
30 **general nature of a development project without holding a public hearing in accordance**



31 with this section. One public hearing may be held for the simultaneous consideration of  
32 a development area, development plan, development project, or development project area.

33 2. Notice of the public hearing required by this section shall be given by publication  
34 and mailing. Notice by publication shall be given by publication at least twice, the first  
35 publication to be not more than thirty days and the second publication to be not more than  
36 ten days prior to the hearing, in a newspaper of general circulation in the proposed  
37 development area or development project area, as applicable. Notice by mailing shall be  
38 given by depositing such notice in the United States mail by certified mail addressed to the  
39 person or persons in whose name the general taxes for the last preceding year were paid  
40 or were to have been paid on each lot, block, tract, or parcel of land lying within the  
41 proposed development area or development project area, as applicable. Such notice shall  
42 be mailed not less than ten working days prior to the date set for the public hearing. In the  
43 event taxes for the last preceding year were not paid, the notice shall also be sent to the  
44 persons last listed on the tax rolls within the preceding three years as the owners of such  
45 property.

46 3. The notices issued under this section shall include the following:

47 (1) The time and place of the public hearing;

48 (2) The general boundaries of the proposed development area or development  
49 project area, as applicable, by street location, where possible;

50 (3) A statement that all interested persons shall be given an opportunity to be heard  
51 at the public hearing;

52 (4) A description of the development plan and the proposed development projects  
53 and a location and time where the entire development plan or development projects  
54 proposed may be reviewed by any interested party;

55 (5) A statement that development financing involving the dedication of tax revenues  
56 by one or more taxing districts is being sought for the project and an estimate of the  
57 amount of local development financing that will be requested, if applicable; and

58 (6) Such other matters as the municipality, county, or commission may deem  
59 appropriate.

60 4. Not less than forty-five days prior to the date set for the public hearing, the  
61 municipality, county, or commission shall give notice by mail as provided in subsection 2  
62 of this section to all taxing districts with jurisdiction over taxable property in the  
63 development area or development project area, as applicable, and in addition to the other  
64 requirements under subsection 3 of this section, the notice shall include an invitation to  
65 each taxing district to submit comments to the municipality, county or commission  
66 concerning the subject matter of the hearing prior to the date of the hearing.

99.1124. 1. For the purpose of financing development project costs, obligations may  
2 be issued by the municipality or county, or, at the request of the municipality or county,  
3 by the commission or any other political subdivision or public entity authorized to issue  
4 bonds to pay or reimburse development project costs. Such obligations, when so issued,  
5 shall be retired in the manner provided in the ordinance, order or resolution authorizing  
6 the issuance of such obligations.

7 2. Obligations issued under the Missouri economic development code may be issued  
8 in one or more series bearing interest at such rate or rates as the issuing entity shall  
9 determine by ordinance, order or resolution. Such obligations shall bear such date or  
10 dates, be in such denomination, carry such registration privileges, be executed in such  
11 manner, be payable in such medium of payment at such place or places, contain such  
12 covenants, terms, and conditions, and be subject to redemption as such ordinance, order  
13 or resolution shall provide. Obligations issued under the Missouri economic development  
14 code shall be sold at public or private sale at such price as shall be determined by the  
15 issuing entity and shall state that obligations issued under the Missouri economic  
16 development code are special obligations payable solely from the funds specifically pledged.  
17 No referendum approval of the electors shall be required as a condition to the issuance of  
18 obligations under the Missouri economic development code.

19 3. In the event the obligations contain a recital that they are issued under the  
20 Missouri economic development code, such recital shall be conclusive evidence of their  
21 validity and of the regularity of their issuance.

22 4. Neither the municipality, county, commission, or any other entity issuing such  
23 obligations, or the members, commissioners, directors, or the officers of any such entities  
24 nor any person executing any obligation shall be personally liable for such obligation by  
25 reason of the issuance thereof. The obligations issued under the Missouri economic  
26 development code shall not be a general obligation of the municipality, county, or any  
27 political subdivision thereof, nor in any event shall such obligation be payable out of any  
28 funds or properties other than those specifically pledged as security for such obligations.  
29 The obligations shall not constitute indebtedness within the meaning of any constitutional,  
30 statutory, or charter debt limitation or restriction.

31 5. Obligations issued under the Missouri economic development code may be issued  
32 to refund, in whole or in part, obligations theretofore issued by such entity under the  
33 authority of the Missouri economic development code, whether at or prior to maturity;  
34 provided, however, the last maturity of the refunding obligations shall not be expressed to  
35 mature later than the last maturity date of the obligations to be refunded.

36           **6. In the event a municipality, county, or commission issues obligations under home**  
37 **rule powers or other legislative authority, the proceeds of which are pledged to pay for**  
38 **development project costs, the municipality, county, or commission may retire such**  
39 **obligations from funds in the special allocation fund in amounts and in such manner as if**  
40 **such obligations had been issued under the provisions of the Missouri economic**  
41 **development code.**

**99.1126. 1. A municipality or county, after designating a development area,**  
2 **adopting a development plan, and adopting any development project in conformance with**  
3 **the procedures of the Missouri economic development code, may adopt development**  
4 **financing for the development project area selected for any such development project by**  
5 **passing an ordinance or order. Upon the adoption of the first of any such ordinances, the**  
6 **municipality or county shall establish, or shall direct the commission to establish, a special**  
7 **allocation fund for the development area.**

8           **2. Immediately upon the adoption of a resolution, ordinance, or order adopting**  
9 **development financing for a development project area under subsection 1 of this section,**  
10 **the county assessor shall determine the total equalized assessed value of all taxable real**  
11 **property within such development project area by adding together the most recently**  
12 **ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real**  
13 **property within such development project area as of the date of the adoption of such**  
14 **resolution, ordinance, or order and shall provide to the clerk of the municipality or county**  
15 **written certification of such amount as the total initial equalized assessed value of the**  
16 **taxable real property within such development project area.**

17           **3. For purposes of this section, "levies upon taxable real property in such**  
18 **development area by taxing districts" shall not include the blind pension fund tax levied**  
19 **under the authority of section 38(b), article III, of the Missouri Constitution, the**  
20 **merchants' and manufacturers' inventory replacement tax levied under the authority of**  
21 **subsection 2 of section 6, article X of the Missouri Constitution, the desegregation sales tax,**  
22 **or the conservation taxes. In each of the twenty-five calendar years following the adoption**  
23 **of an ordinance adopting development financing for a development project area under**  
24 **subsection 1 of this section unless and until development financing for such development**  
25 **project area is terminated by ordinance or order of the municipality or county, the ad**  
26 **valorem taxes arising from the levies upon taxable real property in such development**  
27 **project area by taxing districts may, by agreement as provided in this section, be divided**  
28 **as follows:**

29           **(1) That portion of taxes, penalties, and interest levied upon each taxable lot, block,**  
30 **tract, or parcel of real property in such development project area which is attributable to**

31 the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real  
32 property in such development project area as certified by the county assessor in  
33 accordance with subsection 2 of this section shall be allocated to and, when collected, shall  
34 be paid by the collecting authority to the respective affected taxing districts in the manner  
35 required by law in the absence of the adoption of development financing;

36 (2) Taxes attributable to the increase in the current equalized assessed valuation  
37 of each taxable lot, block, tract, or parcel of real property in the development project area  
38 and any applicable penalty and interest over and above the initial equalized assessed value  
39 of each such taxable lot, block, tract, or parcel of real property in such development project  
40 area as certified by the county assessor in accordance with subsection 2 of this section may,  
41 by agreement as provided in this section, be allocated to and, when collected, shall be paid  
42 to the collecting officer of the municipality or county who shall deposit such payment in the  
43 special allocation fund. No part of the current equalized assessed valuation of each taxable  
44 lot, block, tract, or parcel of property in any such development project area attributable  
45 to any increase above the initial equalized assessed value of each such taxable lot, block,  
46 tract, or parcel of real property in such development project area as certified by the county  
47 assessor in accordance with subsection 2 of this section shall be used in calculating the  
48 general state school aid formula provided for in section 163.031, RSMo, until development  
49 financing for such development project area expires or is terminated in accordance with  
50 the Missouri economic development code.

51 4. In each of the twenty-five calendar years following the adoption of an ordinance,  
52 order, or resolution adopting development financing for a development project area under  
53 subsection 1 of this section unless and until development financing for such development  
54 project area is terminated in accordance with the Missouri economic development code,  
55 a percentage of the economic activity taxes from such development project area may, by  
56 agreement as provided in this section be allocated to, and paid by the collecting officer of  
57 any such economic activity tax to the treasurer or other designated financial officer of the  
58 municipality or county, who shall deposit such funds in the special allocation fund.

59 5. No tax revenue shall be used for development financing as provided in this  
60 section unless and until the taxing district levying the tax has approved the use of such  
61 revenue for development financing and has set forth such approval in a written agreement  
62 with the municipality, county, or commission. The municipality, county, or commission  
63 may establish such agreements with any taxing districts for the repayment of obligations  
64 issued under the provisions of the Missouri economic development code. Such agreements  
65 shall set forth the percentages of economic activity taxes and the amount or percentages  
66 of other tax payments that will be pledged by the taxing district for the payment or

67 repayment of any obligations or expenses authorized to be paid under the provisions of the  
68 Missouri economic development code. Such agreements shall remain in effect until the  
69 obligations or expenses to which such economic activity taxes or tax payments have been  
70 pledged have been paid in full or retired. The use of such tax revenue shall not be  
71 considered relief from taxation under the provisions of Article X, Section 7 of the Missouri  
72 constitution, nor shall any tax be abated or any tax relief provided as a result of the use of  
73 development financing under the Missouri economic development code.

99.1128. 1. When all development project costs and all obligations issued to finance  
2 development project costs have been paid in full, the municipality or county shall adopt an  
3 ordinance terminating development financing for all development project areas.  
4 Immediately upon the adoption of such ordinance, all revenues then remaining in the  
5 special allocation fund shall be deemed to be surplus funds. Surplus tax payments shall  
6 be paid to the county collector who shall immediately thereafter pay such funds to the  
7 taxing districts in the development area selected in the same manner and proportion as  
8 provided in the agreement established under section 99.1126. Surplus economic activity  
9 taxes shall be paid to the taxing districts in the development area in proportion to the then  
10 current levy rates of such taxing districts that are attributable to economic activity taxes.  
11 Any other funds remaining in the special allocation fund following the adoption of an  
12 ordinance terminating development financing in accordance with this section shall be  
13 distributed as provided in the agreement established under section 99.1126.

14 2. Upon the payment of all development project costs, retirement of obligations, and  
15 the distribution of any surplus funds under this section, the municipality or county shall  
16 adopt an ordinance or order dissolving the special allocation fund and terminating the  
17 designation of the development area as a development area.

18 3. Nothing in the Missouri economic development code shall be construed as  
19 relieving property in such areas from paying a uniform rate of taxes, as required by section  
20 3, article X of the Missouri Constitution.

99.1130. 1. An annual statement showing all funds received and expended in that  
2 year, the status of the development area, the development plan, the development projects  
3 in the development plan, the amount of outstanding obligations, and any additional  
4 information that the municipality or county deems necessary shall be published in a  
5 newspaper of general circulation in the municipality or county.

6 2. Five years after the establishment of the development area and the development  
7 plan and every five years thereafter the governing body of the municipality, county, or  
8 commission shall hold a public hearing regarding the development area and the  
9 development plan and the development projects adopted under the Missouri economic

10 **development code. The purpose of the hearing shall be to determine if the development**  
11 **area, development plan, and the included development projects are making satisfactory**  
12 **progress under the proposed time schedule contained within the approved development**  
13 **plan for completion of such development projects. Notice of such public hearing shall be**  
14 **given in a newspaper of general circulation in the area served by the municipality, county,**  
15 **or commission once each week for four weeks immediately prior to the hearing.**

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].

135.400. As used in sections 135.400 to 135.430, the following terms mean:

2 (1) "Certificate", a tax credit certificate issued by the department of economic  
3 development in accordance with sections 135.400 to 135.430;

4 (2) ["Community bank", either a bank community development corporation or  
5 development bank, which are financial organizations which receive investments from  
6 commercial financial institutions regulated by the federal reserve, the office of the comptroller  
7 of the currency, the office of thrift supervision, or the Missouri division of finance. Community  
8 banks, in addition to their other privileges, shall be allowed to make loans to businesses or equity

9 investments in businesses or in real estate provided that such transactions have associated public  
10 benefits;

11 (3) "Community development corporation", a not-for-profit corporation whose board of  
12 directors is composed of businesses, civic and community leaders, and whose primary purpose  
13 is to encourage and promote the industrial, economic, entrepreneurial, commercial, and civic  
14 development or redevelopment of a community or area, including the provision of housing and  
15 community development projects that benefit low-income individuals and communities;

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

17 [(5)] (3) "Director", the director of the department of economic development, or a person  
18 acting under the supervision of the director;

19 [(6)] (4) "Investment", a transaction in which a Missouri small business [or a community  
20 bank] receives a monetary benefit from an investor pursuant to the provisions of sections  
21 135.403 to 135.414;

22 [(7)] (5) "Investor", an individual, partnership, financial institution, trust or corporation  
23 meeting the eligibility requirements of sections 135.403 to 135.414. In the case of partnerships  
24 and nontaxable trusts, the individual partners or beneficiaries shall be treated as the investors;

25 (6) **"Missouri innovation center", an innovation center created under 348.271,**  
26 **RSMo;**

27 [(8)] (7) "Missouri small business", an independently owned and operated business as  
28 defined in Title 15 U.S.C. Section 632(a) and as described by Title 13 CFR Part 121, which is  
29 headquartered in Missouri and which employs at least eighty percent of its employees in  
30 Missouri, except that no such small business shall employ more than one hundred employees.  
31 Such businesses must be involved in interstate or intrastate commerce for the purpose of  
32 manufacturing, processing or assembling products, conducting research and development, or  
33 providing services in interstate commerce, but excluding retail, real estate, insurance or  
34 professional services[. For the purpose of qualifying for the tax credit pursuant to sections  
35 135.400 to 135.430, "Missouri small business" shall include cooperative marketing associations  
36 organized pursuant to chapter 274, RSMo, which are engaged in the business of producing and  
37 marketing fuels derived from agriculture commodities, without regard for whether a cooperative  
38 marketing association has more than one hundred employees. Cooperative marketing  
39 associations organized pursuant to chapter 274, RSMo, shall not be required to comply with the  
40 requirements of section 135.414];

41 [(9)] (8) "Primary employment", work which pays at least the [minimum] **county**  
42 **average** wage and which is not seasonal or part-time;

43 [(10)] **(9)** "Principal owners", one or more persons who own an aggregate of fifty percent  
44 or more of the Missouri small business and who are involved in the operation of the business as  
45 a full-time professional activity;

46 [(11)] **(10)** "Project", any commercial or industrial business or other economic  
47 development activity undertaken in a target area, designed to reduce conditions of blight,  
48 unemployment or widespread reliance on public assistance which creates permanent primary  
49 employment opportunities;

50 **(11) "Rural area", a county with a population of less than seventy-five thousand**  
51 **inhabitants or that does not contain an individual city with a population greater than fifty**  
52 **thousand inhabitants according to the most recent federal consensus;**

53 **(12) "Small business development center", a center as referenced in 620.1003,**  
54 **RSMo;**

55 [(12)] **(13)** "State tax liability", any liability incurred by a taxpayer pursuant to the  
56 provisions of chapter 143, RSMo, chapter 147, RSMo, chapter 148, RSMo, section 375.916,  
57 RSMo, and chapter 153, RSMo, exclusive of the provisions relating to the withholding of tax  
58 as provided for in sections 143.191 to 143.265, RSMo, and related provisions;

59 [(13)] "Target area", a group of blocks or a self-defined neighborhood where the rate of  
60 poverty in the area is greater than twice the national poverty rate and as defined by the  
61 department of social services in conjunction with the department of economic development.  
62 Areas of the state satisfying the criteria of this subdivision may be designated as a "target area"  
63 following appropriate findings made and certified by the departments of economic development  
64 and social services. In making such findings, the departments of economic development and  
65 social services may use any commonly recognized records and statistical indices published or  
66 made available by any agency or instrumentality of the federal or state government. No area of  
67 the state shall be a target area until so certified by the department of social services and the  
68 revitalization plan submitted pursuant to section 208.335, RSMo, has received approval.]

69 **(14) "Small business tax credit review committee", a committee consisting of two**  
70 **representatives from the department of economic development, two representatives from**  
71 **the Missouri small business development centers, and one representative from a Missouri**  
72 **innovation center. This committee shall review all applications for the Missouri small**  
73 **business investment tax credit and make recommendations to the department of economic**  
74 **development on the authorization of such tax credits.**

135.403. 1. Any investor who makes a qualified investment **up to one hundred**  
2 **thousand dollars** in a Missouri small business [shall be entitled to receive] **may be issued** a tax  
3 credit equal to [forty] **thirty** percent of the amount of the investment [or, in the case of a  
4 qualified investment in a Missouri small business in a distressed community as defined by



5 section 135.530, a credit equal to sixty percent of the amount of the investment, and any investor  
6 who makes a qualified investment in a community bank or a community development  
7 corporation shall be entitled to receive a tax credit equal to fifty percent of the amount of the  
8 investment if the investment is made in a community bank or community development  
9 corporation for direct investment. The total amount of tax credits available for qualified  
10 investments in Missouri small businesses shall not exceed thirteen million dollars and at least  
11 four million dollars of the amount authorized by this section and certified by the department of  
12 economic development shall be for investment in Missouri small businesses in distressed  
13 communities. Authorization for all or any part of this four-million-dollar amount shall in no way  
14 restrict the eligibility of Missouri small businesses in distressed communities, as defined in  
15 section 135.530, for the remaining amounts authorized within this section. No more than twenty  
16 percent of the tax credits available each year for investments in community banks or community  
17 development corporations for direct investment shall be certified for any one project, as defined  
18 in section 135.400]. **If the investment is in small businesses located in a distressed**  
19 **community as defined in section 135.530 or in a rural area, the investor may be issued tax**  
20 **credits equal to forty percent of the amount of the investment. Effective August 28, 2006,**  
21 **ten million dollars of tax credits each fiscal year shall be available for qualified investments**  
22 **in Missouri small businesses.** The tax credit shall be evidenced by a tax credit certificate in  
23 accordance with the provisions of sections 135.400 to 135.430 and may be used to satisfy the  
24 state tax liability of the owner of the certificate that becomes due in the tax year in which the  
25 qualified investment is made, or in any of the ten tax years thereafter. [When the qualified small  
26 business is in a distressed community, as defined in section 135.530, the tax credit may also be  
27 used to satisfy the state tax liability of the owner of the certificate that was due during each of  
28 the previous three years in addition to the year in which the investment is made and any of the  
29 ten years thereafter.] No investor may receive a tax credit pursuant to sections 135.400 to  
30 135.430 unless that person presents a tax credit certificate to the department of revenue for  
31 payment of such state tax liability. The department of revenue shall grant tax credits in the same  
32 order as established by subsection 1 of section 32.115, RSMo. Subject to the provisions of  
33 sections 135.400 to 135.430, certificates of tax credit issued in accordance with these sections  
34 may be transferred, sold or assigned by notarized endorsement thereof which names the  
35 transferee.

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

41 tax credits in any one Missouri small business shall not be less than five thousand dollars as of  
42 the date of issuance of the first tax credit certificate for investment in that business.] **All**  
43 **applications for the Missouri small business investment tax credit shall be submitted to the**  
44 **department of economic development. The small business tax credit review committee**  
45 **shall review and qualify all applications for the small business investment tax credit. The**  
46 **department of economic development shall not issue any certificates without the approval**  
47 **of the committee.**

48 3. [This section and section 620.1039, RSMo, shall become effective January 1, 2001.]  
49 **If the investor is an individual, partnership, trust, or corporation meeting the eligibility**  
50 **requirements of sections 135.403 to 135.414, a tax credit shall be issued if approved. In the**  
51 **case of partnerships and nontaxable trusts, the individual partners or beneficiaries shall**  
52 **be treated as the investors. If the investor is a financial institution that has made a loan not**  
53 **to exceed one million dollars to the qualified Missouri small business, the tax credit shall**  
54 **be held as a guarantee on the loan and shall only be issued and redeemed by the financial**  
55 **institution if the small business defaults on the loan within the first five years of the loan.**

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.

135.566. 1. As used in this section, the following terms mean:

2 (1) "Disabled employee", any person who is determined to be disabled by the Social  
3 Security Administration or the Department of Veterans' Affairs, or any person who is  
4 determined to be disabled by the division of vocational rehabilitation and is participating  
5 in the division's job placement program;

6 (2) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,  
7 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or otherwise due  
8 under chapter 147, 148, or 153, RSMo;

9 (3) "Taxpayer", any entity subject to the tax imposed in chapter 143, RSMo,  
10 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax  
11 imposed in chapter 147, 148, or 153, RSMo, except "taxpayer" shall not include a resident  
12 or nonresident individual subject to the tax imposed in chapter 143, RSMo.

13 2. For all taxable years beginning on or after January 1, 2006, a taxpayer shall be  
14 allowed a tax credit for each disabled employee hired by the taxpayer. The tax credit shall  
15 be claimed in the following amounts:

16 (1) For disabled employees who work an average of at least ten hours per week in  
17 the taxable year, seven hundred fifty dollars per disabled employee;

18           (2) For disabled employees who work an average of at least twenty hours per week  
19 in the taxable year, one thousand dollars per disabled employee;

20           (3) For disabled employees who work an average of at least forty hours per week  
21 in the taxable year, two thousand dollars per disabled employee.

22           3. The amount of the tax credit claimed shall not exceed the amount of the  
23 taxpayer's state tax liability for the tax year for which the credit is claimed. No amount  
24 of credit that the taxpayer is prohibited by this section from claiming in a tax year shall be  
25 refundable, nor shall any tax credit granted under this section shall be transferable.

26           4. The department of revenue shall promulgate rules to implement the provisions  
27 of this section. Any rule or portion of a rule, as that term is defined in section 536.010,  
28 RSMo, that is created under the authority delegated in this section shall become effective  
29 only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,  
30 if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are  
31 nonseverable and if any of the powers vested with the general assembly pursuant to  
32 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule  
33 are subsequently held unconstitutional, then the grant of rulemaking authority and any  
34 rule proposed or adopted after August 28, 2006, shall be invalid and void.

35           5. No company shall receive a tax credit under this section for any new employee  
36 who has previously been an employee of the company during the twelve months prior to  
37 applying for such tax credit.

38           6. Under section 23.253, RSMo, of the Missouri Sunset Act:

39           (1) The provisions of the new program authorized under this section shall  
40 automatically sunset six years after the effective date of this section unless reauthorized by  
41 an act of the general assembly; and

42           (2) If such program is reauthorized, the program authorized under this section  
43 shall automatically sunset twelve years after the effective date of the reauthorization of this  
44 section; and

45           (3) This section shall terminate on September first of the calendar year immediately  
46 following the calendar year in which the program authorized under this section is sunset.

135.662. 1. As used in this section, the following terms mean:

2           (1) "Adjusted purchase price", the product of:

3           (a) The amount paid to the issuer of a qualified equity investment for such qualified  
4 equity investment; and

5           (b) The following fraction:

6           a. The numerator shall be the dollar amount of qualified low-income community  
7 investments held by the issuer of the qualified equity investments in this state, determined  
8 as of the immediately preceding credit allowance date; and

9           b. The denominator shall be the total dollar amount of qualified low-income  
10 community investments made by the issuer, determined as of the immediately preceding  
11 credit allowance date;

12           (2) "Applicable percentage", five percent for each credit allowance date;

13           (3) "Credit allowance date", with respect to any qualified equity investment:

14           (a) The date on which such investment is initially made; and

15           (b) Each of the six anniversary dates of such dates thereafter;

16           (4) "Qualified equity investment", the definition given in Section 45D of the  
17 Internal Revenue Code of 1986, as amended;

18           (5) "Tax credit", a credit against the tax otherwise due under chapter 143, RSMo,  
19 excluding withholding tax imposed in sections 143.191 to 143.265, RSMo, or otherwise due  
20 under section 375.916, RSMo, or chapter 147, 148, or 153, RSMo;

21           (6) "Taxpayer", any individual or entity subject to the tax imposed in chapter 143,  
22 RSMo, excluding withholding tax imposed in sections 143.191 to 143.265, RSMo, or the tax  
23 imposed in section 375.916, RSMo, or chapter 147, 148, or 153, RSMo.

24           2. For all taxable years beginning on or after January 1, 2007, a taxpayer shall be  
25 allowed a tax credit for qualified equity investments held on a credit allowance date of such  
26 qualified equity investment during the taxable year for which the tax credit is claimed.  
27 The tax credit amount shall be equal to the applicable percentage of the adjusted purchase  
28 price paid to the issuer of such qualified equity investment for such investment on such  
29 credit allowance date. The amount of the tax credit claimed shall not exceed the amount  
30 of the taxpayer's state tax liability for the tax year for which the tax credit is claimed. No  
31 tax credit claimed under this section shall be refundable or transferable. Any amount of  
32 tax credit that the taxpayer is prohibited by this section from claiming in a taxable year  
33 may be carried forward to any of the taxpayer's subsequent taxable years. The amount  
34 of tax credits that may be claimed by all taxpayers claiming the tax credit authorized in  
35 this section in each taxable year shall not exceed three million dollars. No taxpayer  
36 claiming a tax credit under this section shall be allowed a tax credit for any amount of  
37 qualified equity investments held by the taxpayer in excess of five million dollars.

38           3. The issuer of the qualified equity investment shall certify to the department of  
39 revenue the anticipated dollar amount of such investments to be made in the first twelve-  
40 month period following the initial credit allowance date. If on the second credit allowance  
41 date, the actual dollar amount of such investments is lower than the amount estimated, the

42 department of revenue shall recapture the difference from the taxpayer claiming a credit  
43 under this section. If any amount of the federal tax credit available with respect to a  
44 qualified equity investment that is eligible for a tax credit under this section is recaptured  
45 under Section 45D of the Internal Revenue Code of 1986, as amended, the department of  
46 revenue may recapture a portion of the tax credit allowed under this section with respect  
47 to such qualified equity investment under this section. The percentage of the tax credit  
48 allowed under this section that the department of revenue may recapture shall be equal to  
49 the percentage of the total federal tax credit earned with respect to such qualified equity  
50 investment that is recaptured under Section 45D of the Internal Revenue Code of 1986, as  
51 amended.

52 4. The department of revenue shall promulgate rules to implement the provisions  
53 of this section. Any rule or portion of a rule, as that term is defined in section 536.010,  
54 RSMo, that is created under the authority delegated in this section shall become effective  
55 only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,  
56 if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are  
57 nonseverable and if any of the powers vested with the general assembly pursuant to  
58 chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule  
59 are subsequently held unconstitutional, then the grant of rulemaking authority and any  
60 rule proposed or adopted after August 28, 2006, shall be invalid and void.

61 5. (1) Under section 23.253, RSMo, of the Missouri Sunset Act:

62 (a) The provisions of the new program authorized under this section shall  
63 automatically sunset six years after the effective date of this section unless reauthorized by  
64 an act of the general assembly; and

65 (b) If such program is reauthorized, the program authorized under this section  
66 shall automatically sunset twelve years after the effective date of the reauthorization of this  
67 section; and

68 (c) This section shall terminate on September first of the calendar year immediately  
69 following the calendar year in which the program authorized under this section is sunset;

70 (2) However nothing in this subsection shall preclude a taxpayer who makes a  
71 qualified equity investment prior to sunset of this section under the provision of the  
72 Missouri Sunset Act, Section 23.253, RSMo, from claiming tax credits relating to such  
73 qualified equity investment for each credit allowance date.

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.

135.903. 1. To qualify as a rural empowerment zone, an area shall meet all the following  
2 criteria:

3 (1) The area is one of pervasive poverty, unemployment, and general distress;

4 (2) At least sixty-five percent of the population has earned income below eighty percent  
5 of the median income of all residents within the state according to the last decennial census or  
6 other appropriate source as approved by the director;

7 (3) The population of the area is at least four hundred but not more than three thousand  
8 five hundred at the time of designation as a rural empowerment zone;

9 (4) The level of unemployment of persons, according to the most recent data available  
10 from the division of employment security or from the United States Bureau of Census and  
11 approved by the director, within the area exceeds one and one-half times the average rate of  
12 unemployment for the state of Missouri over the previous twelve months, or the percentage of  
13 area residents employed on a full-time basis is less than fifty percent of the statewide percentage  
14 of residents employed on a full-time basis;

15 (5) The area is situated more than ten miles from any existing rural empowerment zone;

16 (6) The area is situated in a county of the third classification without a township form  
17 of government and with more than eight thousand nine hundred twenty-five but less than nine  
18 thousand twenty-five inhabitants, **a county of the third classification without a township form**  
19 **of government and with more than ten thousand three hundred but fewer than ten**  
20 **thousand four hundred inhabitants or a county of the third classification without a**  
21 **township form of government and with more than nine thousand six hundred fifty but**  
22 **fewer than nine thousand seven hundred fifty inhabitants; and**

23 (7) The area is not situated in an existing enterprise zone.

24 2. The governing body of any county in which an area may be designated a rural  
25 empowerment zone shall submit to the department an application showing that the area complies  
26 with the requirements of subsection 1 of this section. The department shall declare the area a  
27 rural empowerment zone if upon investigation the department finds that the area meets the

28 requirements of subsection 1 of this section. If the area is found not to meet the requirements,  
29 the governing body shall have the opportunity to submit another application for designation as  
30 a rural empowerment zone and the department shall designate the area a rural empowerment  
31 zone if upon investigation the department finds that the area meets the requirements of  
32 subsection 1 of this section.

33 3. There shall be no more than two rural empowerment zones as created under sections  
34 135.900 to 135.906 in existence at any time.

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;

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

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

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

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

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

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

(21) "Related taxpayer":

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

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

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

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

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

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

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

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

135.967. 1. A taxpayer who establishes a new business facility may, upon approval by the department, be allowed a credit, each tax year for up to ten tax years, in an amount determined as set forth in this section, against the tax imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo. No taxpayer shall receive multiple ten-year periods for subsequent expansions at the same facility.

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

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

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

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

4. The annual amount of credits allowed for an approved enhanced business enterprise 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.

90           12. Certificates of tax credit authorized by this section may be transferred, sold, or  
91 assigned by filing a notarized endorsement thereof with the department that names the transferee,  
92 the amount of tax credit transferred, and the value received for the credit, as well as any other  
93 information reasonably requested by the department. The sale price cannot be less than  
94 seventy-five percent of the par 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.**

          135.1170. 1. There is hereby established in the department of elementary and  
2 secondary education a "Youth Jobs Pilot Program" to begin job training and provide job  
3 experience for inner-city youth.

4           2. As used in this section, the following terms mean:

5           (1) "Qualified high school student", a student hired for summer employment who  
6 is currently enrolled for junior or senior year in high school, or home school under section  
7 167.042, RSMo, who met the minimum attendance requirements of section 167.031, RSMo,  
8 and earned at least a 2.0 grade point average or equivalent in the school year immediately  
9 preceding such summer employment, and who is eligible for the free or reduced lunch  
10 program;

11           (2) "State tax liability", in the case of a business taxpayer, any liability incurred by  
12 such taxpayer under the provisions of chapters 143, 147, 148, and 153, RSMo, exclusive of  
13 the provisions relating to the withholding of tax as provided for in sections 143.191 to

14 **143.265, RSMo, and related provisions, and in the case of an individual taxpayer, any**  
15 **liability incurred by such taxpayer under the provisions of chapter 143, RSMo;**

16 **(3) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder**  
17 **in an S corporation doing business in the state of Missouri and subject to the state income**  
18 **tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual**  
19 **corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance**  
20 **company paying an annual tax on its gross premium receipts in this state, or other**  
21 **financial institution paying taxes to the state of Missouri or any political subdivision of this**  
22 **state under the provisions of chapter 148, RSMo, or an express company which pays an**  
23 **annual tax on its gross receipts in this state under chapter 153, RSMo, or an individual**  
24 **subject to the state income tax imposed by the provisions of chapter 143, RSMo.**

25 **3. For all tax years beginning on or after January 1, 2007, a taxpayer located in any**  
26 **county with a charter form of government and with more than six hundred thousand but**  
27 **fewer than seven hundred thousand inhabitants, any county with a charter form of**  
28 **government and with more than one million inhabitants, or any city not within a county**  
29 **shall be allowed to claim a tax credit against the taxpayer's state tax liability in an amount**  
30 **equal to thirty-five percent of the amount such taxpayer paid to a qualified high school**  
31 **student in wages for summer employment.**

32 **4. The amount of the tax credit claimed shall not exceed the amount of the**  
33 **taxpayer's state tax liability for the taxable year that the credit is claimed, and such**  
34 **taxpayer shall not be allowed to claim a tax credit in excess of ten thousand dollars per**  
35 **taxable year. However, any tax credit that cannot be claimed in the taxable year the**  
36 **contribution was made may be carried over to the next four succeeding taxable years until**  
37 **the full credit has been claimed.**

38 **5. Except for any excess credit which is carried over under subsection 3 of this**  
39 **section, a taxpayer shall not be allowed to claim a tax credit unless the total amount the**  
40 **taxpayer paid to a qualified high school student was at least one hundred dollars.**

41 **6. No corporation with more than one thousand employees shall claim the credit**  
42 **allowed under this section for more than twenty-five qualified high school students.**

43 **7. The department of elementary and secondary education shall establish a**  
44 **procedure by which a taxpayer can determine if a student is a qualified high school**  
45 **student, and by which such taxpayer can then claim a tax credit. The cumulative amount**  
46 **of tax credits which may be claimed by all the taxpayers under this program in any one**  
47 **fiscal year shall not exceed one hundred thousand dollars. The department shall also**  
48 **establish a procedure for tracking students for which employers receive tax credits under**  
49 **this section.**



50           **8. The departments of revenue and of elementary and secondary education may**  
51 **promulgate rules to implement the provisions of this section. Any rule or portion of a rule,**  
52 **as that term is defined in section 536.010, RSMo, that is created under the authority**  
53 **delegated in this section shall become effective only if it complies with and is subject to all**  
54 **of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This**  
55 **section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the**  
56 **general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date, or**  
57 **to disapprove and annul a rule are subsequently held unconstitutional, then the grant of**  
58 **rulemaking authority and any rule proposed or adopted after August 28, 2006, shall be**  
59 **invalid and void.**

60           **9. Under section 23.253, RSMo, of the Missouri Sunset Act:**

61           **(1) The provisions of the new program authorized under this section shall**  
62 **automatically sunset three years after the effective date of this section unless reauthorized**  
63 **by an act of the general assembly; and**

64           **(2) If such program is reauthorized, the program authorized under this section**  
65 **shall automatically sunset twelve years after the effective date of the reauthorization of this**  
66 **section; and**

67           **(3) This section shall terminate on September first of the calendar year immediately**  
68 **following the calendar year in which the program authorized under this section is sunset.**

**144.054. 1. As used in this section, the following terms mean:**

2           **(1) "Processing", any mode of treatment, act, or series of acts performed upon**  
3 **materials to transform or reduce them to a different state or thing, including treatment**  
4 **necessary to maintain or preserve such processing by the producer at the production**  
5 **facility;**

6           **(2) "Utilities", electrical energy and gas, whether natural, artificial, or propane,**  
7 **and water.**

8           **2. Notwithstanding any provision of law to the contrary, in addition to all other**  
9 **exemptions granted under this chapter, there is hereby specifically exempted from the**  
10 **provisions of sections 144.010 to 144.525 and 144.600 to 144.761, and section 238.235,**  
11 **RSMo, and the local sales tax law as defined in section 32.085, RSMo, and from the**  
12 **computation of the tax levied, assessed, or payable under sections 144.010 to 144.525 and**  
13 **144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as defined in**  
14 **section 32.085, RSMo, motor vehicles licensed for a gross weight of twenty-four thousand**  
15 **pounds or more or trailers used by common carriers, as defined in section 390.020, RSMo,**  
16 **in the transportation of persons or property, utilities consumed in the manufacturing,**  
17 **processing, compounding, mining, or producing of pesticides, pet food, feed for livestock**

18 or poultry, and any product defined under the North American Industry Classification  
19 System (NAICS) code of 322121, or purchased for use or consumption directly or  
20 exclusively in the research and development of agricultural biotechnology products and  
21 prescription pharmaceuticals for consumption by humans or animals, and tangible  
22 personal property purchased for use or consumption directly in the research and  
23 development of agricultural biotechnology products.

160.053. 1. If a school district maintains a kindergarten program, a child is eligible for  
2 admission to kindergarten and to the summer school session immediately preceding kindergarten,  
3 if offered, if the child reaches the age of five before the first day of August of the school year  
4 beginning in that calendar year **or if the child has successfully completed an accredited**  
5 **prekindergarten or kindergarten program in another state.** A child is eligible for admission  
6 to first grade if the child reaches the age of six before the first day of August of the school year  
7 beginning in that calendar year.

8 2. Any kindergarten or grade one pupil beginning the school term and any pupil  
9 beginning summer school prior to a kindergarten school term in a metropolitan school district  
10 or an urban school district containing the greater part of the population of a city which has more  
11 than three hundred thousand inhabitants pursuant to section 160.054 or 160.055 and  
12 subsequently transferring to another school district in this state in which the child's birth date  
13 would preclude such child's eligibility for entrance shall be deemed eligible for attendance and  
14 shall not be required to meet the minimum age requirements. The receiving school district shall  
15 receive state aid for the child, notwithstanding the provisions of section 160.051.

16 3. Any child who completes the kindergarten year shall not be required to meet the age  
17 requirements of a district for entrance into grade one.

18 4. The provisions of this section relating to kindergarten instruction and state aid  
19 therefor, shall not apply during any particular school year to those districts which do not provide  
20 kindergarten classes that year.

168.021. 1. Certificates of license to teach in the public schools of the state shall be  
2 granted as follows:

3 (1) By the state board, under rules and regulations prescribed by it,

4 (a) Upon the basis of college credit;

5 (b) Upon the basis of examination;

6 (2) By the state board, under rules and regulations prescribed by the state board with  
7 advice from the advisory council established by section 168.015 to any individual who presents  
8 to the state board a valid doctoral degree from an accredited institution of higher education  
9 accredited by a regional accrediting association such as North Central Association. Such  
10 certificate shall be limited to the major area of postgraduate study of the holder, shall be issued

11 only after successful completion of the examination required for graduation pursuant to rules  
12 adopted by the state board of education, and shall be restricted to those certificates established  
13 pursuant to subdivision (1) of subsection 3 of this section; or

14 (3) By the state board, which shall issue the professional certificate classification in both  
15 the general and specialized areas most closely aligned with the current areas of certification  
16 approved by the state board, commensurate with the years of teaching experience of the  
17 applicant, and based upon the following criteria:

18 (a) Recommendation of a state-approved baccalaureate-level teacher preparation  
19 program;

20 (b) Successful attainment of the Missouri qualifying score on the exit assessment for  
21 teachers or administrators designated by the state board of education. Applicants who have not  
22 successfully achieved a qualifying score on the designated examinations will be issued a  
23 two-year nonrenewable provisional certificate; and

24 (c) Upon completion of a background check and possession of a valid teaching certificate  
25 in the state from which the applicant's teacher preparation program was completed.

26 2. All valid teaching certificates issued pursuant to law or state board policies and  
27 regulations prior to September 1, 1988, shall be exempt from the professional development  
28 requirements of this section and shall continue in effect until they expire, are revoked or  
29 suspended, as provided by law. When such certificates are required to be renewed, the state  
30 board or its designee shall grant to each holder of such a certificate the certificate most nearly  
31 equivalent to the one so held. Anyone who holds, as of August 28, 2003, a valid PC-I, PC-II,  
32 or continuous professional certificate shall, upon expiration of his or her current certificate, be  
33 issued the appropriate level of certificate based upon the classification system established  
34 pursuant to subsection 3 of this section.

35 3. Certificates of license to teach in the public schools of the state shall be based upon  
36 minimum requirements prescribed by the state board of education. The state board shall provide  
37 for the following levels of professional certification: an initial professional certificate and a  
38 career continuous professional certificate.

39 (1) The initial professional certificate shall be issued upon completion of requirements  
40 established by the state board of education and shall be valid based upon verification of actual  
41 teaching within a specified time period established by the state board of education. The state  
42 board shall require holders of the four-year initial professional certificate to:

43 (a) Participate in a mentoring program approved and provided by the district for a  
44 minimum of two years;

45 (b) Complete thirty contact hours of professional development, which may include hours  
46 spent in class in an appropriate college curriculum; and

47 (c) Participate in a beginning teacher assistance program;

48 (2) (a) The career continuous professional certificate shall be issued upon verification  
49 of completion of four years of teaching under the initial professional certificate and upon  
50 verification of the completion of the requirements articulated in paragraphs (a), (b), and (c) of  
51 subdivision (1) of this subsection.

52 (b) The career continuous professional certificate shall be continuous based upon  
53 verification of actual employment in an educational position as provided for in state board  
54 guidelines and completion of fifteen contact hours of professional development per year which  
55 may include hours spent in class in an appropriate college curriculum. Should the possessor of  
56 a valid career continuous professional certificate fail, in any given year, to meet the fifteen-hour  
57 professional development requirement, the possessor may, within two years, make up the  
58 missing hours. In order to make up for missing hours, the possessor shall first complete the  
59 fifteen-hour requirement for the current year and then may count hours in excess of the current  
60 year requirement as make-up hours. Should the possessor fail to make up the missing hours  
61 within two years, the certificate shall become inactive. In order to reactivate the certificate, the  
62 possessor shall complete twenty-four contact hours of professional development which may  
63 include hours spent in the classroom in an appropriate college curriculum within the six months  
64 prior to or after reactivating his or her certificate. The requirements of this paragraph shall be  
65 monitored and verified by the local school district which employs the holder of the career  
66 continuous professional certificate.

67 (c) A holder of a career continuous professional certificate shall be exempt from the  
68 professional development contact hour requirements of paragraph (b) of this subdivision if such  
69 teacher has a local professional development plan in place within such teacher's school district  
70 and meets two of the three following criteria:

71 a. Has ten years of teaching experience as defined by the state board of education;

72 b. Possesses a master's degree; or

73 c. Obtains a rigorous national certification as approved by the state board of education.

74 4. Policies and procedures shall be established by which a teacher who was not retained  
75 due to a reduction in force may retain the current level of certification. There shall also be  
76 established policies and procedures allowing a teacher who has not been employed in an  
77 educational position for three years or more to reactivate his or her last level of certification by  
78 completing twenty-four contact hours of professional development which may include hours  
79 spent in the classroom in an appropriate college curriculum within the six months prior to or after  
80 reactivating his or her certificate.

81 5. The state board shall, upon an appropriate background check, issue a professional  
82 certificate classification in the areas most closely aligned with an applicant's current areas of

83 certification, commensurate with the years of teaching experience of the applicant, to any person  
84 who is hired to teach in a public school in this state and who possesses a valid teaching  
85 certificate from another state, provided that the certificate holder shall annually complete the  
86 state board's requirements for such level of certification, and shall establish policies by which  
87 residents of states other than the state of Missouri may be assessed a fee for a certificate license  
88 to teach in the public schools of Missouri. Such fee shall be in an amount sufficient to recover  
89 any or all costs associated with the issuing of a certificate of license to teach. **The board shall**  
90 **additionally promulgate a rule to permit the issuance of a provisional certificate of license**  
91 **permitting the holder to assume classroom duties pending the completion of a background**  
92 **check conducted pursuant to section 168.133 when the applicant is the spouse of a member**  
93 **of the United States armed forces stationed in Missouri who has relocated from another**  
94 **state within one year from the date of application for Missouri certificate of license, who**  
95 **otherwise qualifies under the provisions of this subsection, if a background check was**  
96 **required for the issuance of the teaching certificate from another state.**

97 6. The state board may assess to holders of an initial professional certificate a fee, to be  
98 deposited into the excellence in education revolving fund established pursuant to section  
99 160.268, RSMo, for the issuance of the career continuous professional certificate. However,  
100 such fee shall not exceed the combined costs of issuance and any criminal background check  
101 required as a condition of issuance.

102 7. Any member of the public school retirement system of Missouri who entered covered  
103 employment with ten or more years of educational experience in another state or states and held  
104 a certificate issued by another state and subsequently worked in a school district covered by the  
105 public school retirement system of Missouri for ten or more years who later became certificated  
106 in Missouri shall have that certificate dated back to his or her original date of employment in a  
107 Missouri public school.

290.140. 1. Whenever any employee of any corporation doing business in this state and  
2 which employs seven or more employees[, who shall have been in the service of said corporation  
3 for a period of at least ninety days, shall be discharged or voluntarily quit the service of such  
4 corporation and who thereafter within a reasonable period of time, but not later than one year  
5 following the date the employee was discharged or voluntarily quit, requests in writing by  
6 certified mail to the superintendent, manager or registered agent of said corporation, with  
7 specific reference to the statute, it shall be the duty of the superintendent or manager of said  
8 corporation to issue to such employee, within forty-five days after the receipt of such request,  
9 a letter, duly signed by such superintendent or manager, setting forth the nature and character of  
10 service rendered by such employee to such corporation and the duration thereof, and truly stating  
11 for what cause, if any, such employee was discharged or voluntarily quit such service.] **the**

12 **employer or employer's designated agent who discloses job-related information about a**  
13 **former or current employee to a prospective employer of the former or current employee**  
14 **shall be presumed to be acting in good faith and shall be immune from civil liability for the**  
15 **disclosure or its consequences. For purposes of this section, the presumption of good faith**  
16 **shall be rebuttable and immunity shall be lost upon a showing, by a preponderance of the**  
17 **evidence, that the information disclosed by the former employer or the employer's**  
18 **designated agent was:**

- 19       **(1) Knowingly false;**  
20       **(2) Disclosed with reckless disregard for the truth;**  
21       **(3) Deliberately misleading;**  
22       **(4) Rendered with malicious purpose toward the former or current employee; or**  
23       **(5) Disclosed in violation of a nondisclosure agreement or applicable law.**

24       2. Any corporation which violates the provisions of subsection 1 of this section shall be  
25 liable for compensatory but not punitive damages [but in the event that the evidence establishes  
26 that the employer did not issue the requested letter, said employer may be liable for nominal and  
27 punitive damages; but no award of punitive damages under this section shall be based upon the  
28 content of any such letter].

29       **3. As used in this section, "job-related information" means a person's education,**  
30 **training, experience, qualifications, conduct, and job performance to be used for the**  
31 **purpose of evaluating the person for employment.**

290.152. 1. As used in this section, the following terms shall mean:

2       (1) "Employer", any individual, organization, partnership, political subdivision,  
3 corporation or other legal entity which has or had in the entity's employ one or more individuals  
4 performing services for the entity within this state;

5       (2) "Prospective employer", any employer, as defined in this subsection, to which an  
6 individual has made application for employment, either oral or written, or forwarded a resume  
7 or other correspondence expressing an interest in employment.

8       2. An employer may:

9       (1) Respond in writing to a written request concerning a current or former employee  
10 from an entity or person which the employer reasonably believes to be a prospective employer  
11 of such employee, **an agent of a prospective employer, or a law enforcement agency;** and

12       (2) Disclose the nature and character of service rendered by such employee to such  
13 employer and the duration thereof; and

14       (3) Truly state for what cause, if any, such employee was discharged or voluntarily quit  
15 such service.

16

17 The provisions of this section shall apply regardless of whether the employee becomes employed  
18 by the prospective employer prior to receipt of the former employer's written response. The  
19 information provided pursuant to this section shall be consistent with the content of any service  
20 letter provided pursuant to section 290.140 for the same employee.

21 3. The employer shall send a copy of any letter provided pursuant to subsection 2 of this  
22 section to the current employee or former employee at the employee's last known address. The  
23 current or former employee may request from the employer a copy of the letter provided pursuant  
24 to subsection 2 of this section for up to one year following the date of such letter.

25 4. For purposes of this section, an employer shall be immune from civil liability for any  
26 response made pursuant to this section or for any consequences of such response, unless such  
27 response [was false and made with knowledge that it was false or with reckless disregard for  
28 whether such response was true or false] **is in violation of section 290.140.**

29 5. Any employer who violates the provisions of subsection 2 of this section shall be  
30 liable for compensatory damages but not punitive damages.

31 6. Any letter issued pursuant to this section shall not be admitted as evidence in an  
32 unemployment compensation claim.

348.251. 1. As used in sections 348.251 to 348.266, the following terms mean:

2 (1) **"Alliance", the Missouri discovery alliance authorized under this section;**

3 (2) "Technology application", the introduction and adaptation of refined management  
4 practices in fields such as scheduling, inventory management, marketing, product development,  
5 and training in order to improve the quality, productivity and profitability of an existing firm.  
6 Technology application shall be considered a component of business modernization;

7 (3) **"Technology business recruitment", to assist the department of economic**  
8 **development with the recruitment, relocation, and expansion of technology businesses to**  
9 **locate in this state;**

10 [(2)] (4) "Technology commercialization", the process of moving investment-grade  
11 technology from a business, university or laboratory into the marketplace for application;

12 [(3)] (5) "Technology development", strategically focused research directed at  
13 developing investment-grade technologies which are important for market competitiveness.

14 2. [The governor may, on behalf of the state and in accordance with chapter 355, RSMo,  
15 establish a private not-for-profit corporation named the "Missouri Technology Corporation", to  
16 carry out the provisions of sections 348.251 to 348.266. As used in sections 348.251 to 348.266  
17 the word "corporation" means the Missouri technology corporation authorized by this section.  
18 Before certification by the governor, the corporation shall conduct a public hearing for the  
19 purpose of giving all interested parties an opportunity to review and comment upon the articles  
20 of incorporation, bylaws and method of operation of the corporation. Notice of the hearing shall

21 be given at least fourteen days prior to the hearing.] **There is hereby created within the**  
22 **department of economic development the "Missouri Discovery Alliance" which shall**  
23 **constitute a body corporate and politic. The Missouri discovery alliance shall carry out the**  
24 **provisions of sections 348.251 to 348.266.**

348.253. 1. The Missouri [technology corporation] **discovery alliance** may contract  
2 with not-for-profit organizations to carry out the provisions of sections 348.251 to 348.275. By  
3 entering into such contracts, the [corporation] **alliance** shall attempt to achieve the following  
4 objectives:

5 (1) [The establishment of a research alliance which shall advance technology  
6 development, as defined in subdivision (3) of section 348.251. The corporation, in this capacity,  
7 shall have the authority to contract directly with centers for advanced technology, as established  
8 by section 348.272, and other not-for-profit entities. In proceeding with this objective, the  
9 corporation and centers for advanced technology shall utilize the results of targeted industry  
10 studies commissioned by the department of economic development] **The enhancement of**  
11 **technology application;**

12 (2) Technology commercialization[, as defined in subdivision (2) of section 348.251];

13 (3) [The establishment of a finance corporation to assist in the implementation of section  
14 348.261] **The enhancement of technology development;** and

15 (4) The enhancement of technology [application, as defined in subdivision (1) of section  
16 348.251] **business recruitment.**

17 2. Any contract signed between the [corporation] **alliance** and any not-for-profit  
18 organization, including innovation centers as defined in section 348.271, shall require that the  
19 not-for-profit organization must provide at least one-hundred-percent match for any funding  
20 received from the [corporation] **alliance** through the technology investment fund, as established  
21 in section 348.264.

348.256. The articles of incorporation and bylaws of the Missouri [technology  
2 corporation] **discovery alliance** shall provide that:

3 (1) The purposes of the [corporation] **alliance** are to contribute to the strengthening of  
4 the economy of the state through the development of science and technology, to promote the  
5 modernization of Missouri businesses by supporting the transfer of science, technology and  
6 quality improvement methods to the workplace, and to enhance the productivity and  
7 modernization of Missouri businesses by providing leadership in the establishment of methods  
8 of technology application, technology commercialization [and], technology development, **and**  
9 **technology business recruitment;**

10 (2) The board of directors of the [corporation] **alliance** is composed of [fifteen] **thirteen**  
11 persons. The governor shall [annually] appoint [one of its members, who must be from the



12 private sector, as chairman] **at will one member as chairperson to be confirmed by the senate.**

13 The board shall consist of the following members:

14 (a) The director of the department of economic development, or the director's designee;

15 (b) The president of the University of Missouri system, or the president's designee[;

16 (c) A member of the state senate, appointed by the president pro tem of the senate;

17 (d) A member of the house of representatives, appointed by the speaker of the house;

18 (e) Eleven members appointed by the governor, two of which shall be from the public

19 sector and nine members from the private sector who shall include, but shall not be limited to,

20 individuals who represent technology-based businesses and industrial interests;

21 (f) Each of the directors of the corporation who is appointed by the governor shall serve

22 for a term of four years and until a successor is duly appointed; except that, of the directors

23 serving on the corporation as of August 28, 1995, three directors shall be designated by the

24 governor to serve a term of four years, three directors shall be designated to serve a term of three

25 years, three directors shall be designated to serve a term of two years, and two directors shall be

26 designated to serve a term of one year. Each director shall continue to serve until a successor

27 is duly appointed by the governor].

28

29 **The governor shall appoint ten members to the board, and the members shall be confirmed**

30 **by the senate. At least three of such members shall be from research institutions,**

31 **universities, or colleges in this state, and at least four of such members shall be from**

32 **technology-based businesses in this state. Each of the directors of the alliance who is**

33 **appointed by the governor shall serve for a term of four years and shall continue to serve**

34 **until a successor is duly appointed, except that of all the directors serving on the alliance**

35 **as of August 28, 2006, four directors shall be designated to serve a term of three years, and**

36 **four directors shall be designated to serve a term of two years. Each director shall**

37 **continue to serve until a successor is duly appointed by the governor;**

38 (3) The [corporation] **alliance** may receive money from any source, may borrow money,

39 may enter into contracts, and may expend money for any activities appropriate to its purpose;

40 (4) The [corporation] **alliance** may appoint staff and do all other things necessary or

41 incidental to carrying out the functions listed in section 348.261;

42 (5) Any changes in the articles of incorporation or bylaws must be approved by the

43 governor;

44 (6) The [corporation] **alliance** shall submit an annual report to the governor and to the

45 Missouri general assembly. The report shall be due on the first day of November for each year

46 and shall include detailed information on the structure, operation and financial status of the

47 [corporation. The corporation shall conduct an annual public hearing to receive comments from

48 interested parties regarding the report, and notice of the hearing shall be given at least fourteen  
49 days prior to the hearing] **alliance**; and

50 (7) The [corporation] **alliance** is subject to an annual audit by the state auditor and that  
51 the [corporation] **alliance** shall bear the full cost of the audit.

348.261. The corporation, after being certified by the governor as provided by section  
2 348.251, may:

3 (1) Establish a statewide business modernization network to assist Missouri businesses  
4 in identifying ways to enhance productivity and market competitiveness;

5 (2) Identify scientific and technological problems and opportunities related to the  
6 economy of Missouri and formulate proposals to overcome those problems or realize those  
7 opportunities;

8 (3) Identify specific areas where scientific research and technological investigation will  
9 contribute to the improvement of productivity of Missouri manufacturers and farmers;

10 (4) Determine specific areas in which financial investment in scientific and technological  
11 research and development from private businesses located in Missouri could be enhanced or  
12 increased if state resources were made available to assist in financing activities;

13 (5) Assist in establishing cooperative associations of universities in Missouri and of  
14 private enterprises for the purpose of coordinating research and development programs that will,  
15 consistent with the primary educational function of the universities, aid in the creation of new  
16 jobs in Missouri;

17 (6) Assist in financing the establishment and continued development of  
18 technology-intensive businesses in Missouri;

19 (7) Advise universities of the research needs of Missouri business and improve the  
20 exchange of scientific and technological information for the mutual benefit of universities and  
21 private business;

22 (8) Coordinate programs established by universities to provide Missouri businesses with  
23 scientific and technological information;

24 (9) Establish programs in scientific education which will support the accelerated  
25 development of technology-intensive businesses in Missouri;

26 (10) Provide financial assistance through contracts, grants and loans to programs of  
27 scientific and technological research and development;

28 (11) Determine how public universities can increase income derived from the sale or  
29 licensure of products or processes having commercial value that are developed as a result of  
30 university sponsored research programs;

31 (12) Contract with innovation centers, as established in section 348.271, small business  
32 development corporations, as established in sections 620.1000 to 620.1007, RSMo, centers for

33 advanced technology, as established in section 348.272, and other entities or organizations for  
34 the provision of technology application, technology commercialization and technology  
35 development services. Such contracting procedures shall not be subject to the provisions of  
36 chapter 34, RSMo; [and]

37 (13) Make direct seed capital or venture capital investments in Missouri business  
38 investment funds or businesses which demonstrate the promise of growth and job creation.  
39 Investments from the corporation may be in the form of debt or equity in the respective  
40 businesses; **and**

41 (14) **Assess or charge a fee for each application it receives for funding for a project**  
42 **and assess or charge other fees as the alliance determines to be reasonable and necessary**  
43 **to carry out its purposes, including fees on the issuance of tax credits.**

348.262. In order to assist the [corporation] **alliance** in achieving the objectives  
2 identified in section 348.261, the department of economic development may contract with the  
3 [corporation] **alliance** for activities consistent with the [corporation's] **alliance's** purpose, as  
4 specified in section 348.256. When contracting with the [corporation] **alliance** under the  
5 provisions of this section, the department of economic development may directly enter into  
6 agreements with the [corporation] **alliance** and shall not be bound by the provisions of chapter  
7 34, RSMo.

348.263. [1.] The Missouri [business modernization and technology corporation]  
2 **discovery alliance** shall replace the **Missouri technology** corporation [for science and  
3 technology]. All moneys, property or any other assets remaining with the **Missouri technology**  
4 corporation [for science and technology] after all obligations are satisfied on August 28, [1993]  
5 **2006**, shall be transferred to the Missouri [business modernization and technology corporation]  
6 **discovery alliance**. All powers, duties and functions performed by the Missouri **technology**  
7 corporation [of science and technology] on August 28, [1993] **2006**, shall be transferred to the  
8 Missouri [business modernization and technology corporation] **discovery alliance**.

9 [2. The Missouri technology corporation shall replace the Missouri business  
10 modernization and technology corporation. All moneys, property or any other assets remaining  
11 with the Missouri business modernization and technology corporation after all obligations are  
12 satisfied on August 28, 1994, shall be transferred to the Missouri technology corporation. All  
13 powers, duties and functions performed by the Missouri business modernization and technology  
14 corporation on August 28, 1994, shall be transferred to the Missouri technology corporation.]

348.264. 1. There is hereby established in the state treasury a special fund to be known  
2 as the "Missouri [Technology Investment] **Discovery Fund**", which shall consist of all moneys  
3 which may be appropriated to it by the general assembly, and also any gifts, contributions, grants  
4 or bequests received from federal, private or other sources. Such moneys shall include **but not**

5 **be limited to** federal funds which may be received from the National Institute for Science and  
6 Technology, the Small Business Administration and the Department of Defense through its  
7 Technology Reinvestment Program. Money in the Missouri [technology investment program]  
8 **discovery fund** shall be used to carry out the provisions of sections 348.251 to 348.275. Moneys  
9 for [business modernization programs,] technology application programs, technology  
10 commercialization programs [and], technology development programs, **and technology business**  
11 **recruitment programs** established pursuant to the provisions of sections 348.251 to 348.275  
12 shall be available from appropriations made by the general assembly from the Missouri  
13 [technology investment] **discovery** fund. Any moneys remaining in the Missouri [technology  
14 investment] **discovery** fund at the end of any fiscal year shall not lapse to the general revenue  
15 fund, as provided in section 33.080, RSMo, but shall remain in the Missouri [technology  
16 investment] **discovery** fund.

17 2. Notwithstanding the provisions of sections 173.500 to 173.565, RSMo, the Missouri  
18 [technology investment] **discovery** fund shall be utilized to fund projects which would  
19 previously have been funded through the [higher education applied projects] **Missouri**  
20 **technology investment** fund.

348.266. 1. Debts incurred by the Missouri [technology corporation] **discovery alliance**  
2 established pursuant to the authority of sections 348.251 to 348.275 do not represent or constitute  
3 a debt of this state within the meaning of the provisions of the constitution or statutes of this  
4 state.

5 2. The Missouri [technology corporation] **discovery alliance** established pursuant to  
6 sections 348.251 to 348.275 shall be subject to all provisions of chapter 355, RSMo, which do  
7 not conflict with the provisions of sections 348.251 to 348.275.

348.271. 1. In order to foster the growth of Missouri's economy and to stimulate the  
2 creation of new jobs in technology-based industry for the state's work force, the [Missouri  
3 technology corporation] **department of economic development, on behalf of the Missouri**  
4 **discovery alliance**, in accordance with the provisions of this section and within the limits of  
5 appropriations therefor is authorized to contract with Missouri not-for-profit corporations for the  
6 operation of innovation centers within the state. The primary emphasis of some, if not of all  
7 innovation centers, shall be in the areas of technology commercialization, finance and business  
8 modernization. Innovation centers operated under the provisions of this section shall provide  
9 assistance to individuals and business organizations during the early stages of the development  
10 of new technology-based business ventures. Such assistance may include the provision of  
11 facilities, equipment, administrative and managerial support, planning assistance, and such other  
12 services and programs that enhance the development of such ventures and such assistance may  
13 be provided for fees or other consideration.

14           2. The innovation centers operated under this section shall counsel and assist the new  
15 technology-based business ventures in finding a suitable site in the state of Missouri for location  
16 of the business upon its graduation from the innovation program. Each innovation center shall  
17 annually submit a report of its activities to the department of economic development and the  
18 Missouri [technology corporation which] **discovery alliance no later than the first of October**  
19 **of each year. The mission and goals of the innovation center program shall be outlined**  
20 **annually by the Missouri discovery alliance and** shall include, but not be limited to, **the**  
21 **number of businesses having a technology commercialized into a viable product or service,**  
22 **the number of new jobs created by the business client of the center,** the success rate of the  
23 businesses graduating from the [center] **incubator,** the progress and locations of businesses  
24 which have graduated from the [center the types of businesses which have graduated from the  
25 center, and the number of jobs created by the businesses involved in the center.] **incubator, the**  
26 **number and types of businesses assisted by the center, and the location of businesses**  
27 **assisted by the center. The report shall also include an operational plan to detail the**  
28 **coordination between the innovation centers and the small business development centers**  
29 **if one exists in the same city or region in order to maximize the services to small businesses**  
30 **and entrepreneurs. The report shall be approved by the department of economic**  
31 **development and the Missouri discovery alliance.**

32           3. The innovation center shall be required to provide at least one hundred percent  
33 match for any funding received from the discovery fund established in section 348.264.

34           4. If the innovation center annual report or operational plans do not meet the  
35 requirements of the department of economic development and the Missouri discovery  
36 alliance, the department of economic development may withhold allocated center funds in  
37 an amount equal to seventy-five percent of the state allocated center funding until such  
38 report is made accurate and complete per the approval of the department of economic  
39 development and the Missouri discovery alliance.

40           5. Beginning July 1, 2008, no existing innovation center shall receive funding  
41 through the Missouri discovery fund, as established in section 348.264, for more than five  
42 additional years. No innovation center established after July 1, 2008, shall receive funding  
43 through the discovery fund, as established in section 348.264, for more than five years.

          348.273. As used in sections 348.273 and 348.274, the following terms shall mean:

2           (1) "Collaborative research project", a research project conducted by a public  
3 research institution or private not-for-profit research institution on behalf of and funded  
4 by a private company;

5           (2) "Distressed community", as defined in section 135.530, RSMo;

6           (3) "Qualifying company", an independently owned and operated business which  
7 is headquartered and located in this state and which is in need of venture capital and  
8 cannot obtain conventional financing. Such business shall have no more than two hundred  
9 employees, eighty percent of which are employed in this state. Such business shall be  
10 involved in commerce for the purpose of manufacturing, processing, or assembling  
11 products, conducting research and development, or providing services in interstate  
12 commerce but excluding retail, real estate, real estate development, insurance, and  
13 professional services provided by accountants, lawyers, or physicians. At the time  
14 approval is sought, such business shall be a small business concern that meets the  
15 requirements of the United States Small Business Administration's qualification size  
16 standards for its venture capital program, as defined in the Small Business Investment Act  
17 of 1958, as amended, and rules promulgated in 13 CFR 121.301(c), as amended;

18           (4) "Rural area", any city, town, or village with fewer than fifteen thousand  
19 inhabitants and located in any county that is not part of a standard metropolitan statistical  
20 area as defined by the United States Department of Commerce or its successor agency.  
21 However, any such city, town, or village located in any county so defined as a standard  
22 metropolitan statistical area may be designated a rural area by the office of rural  
23 development if:

24           (a) A substantial number of persons in such county derive their income from  
25 agriculture;

26           (b) The county has only one city within the county having a population of more  
27 than fifteen thousand and is classified as a standard metropolitan statistical area; and

28           (c) All other cities, towns, and villages in that county have a population of less than  
29 fifteen thousand;

30           (5) "Taxpayer", any person, partnership, corporation, trust, or limited liability  
31 company;

32           (6) "Technology commercialization infrastructure project", the construction of or  
33 improvements to an incubator, accelerator, or instrument center;

34           (7) "Venture capital", risk capital provided to a qualified Missouri company for  
35 research, development, operating capital, commercialization activities, or marketing  
36 thereof in exchange for some level of ownership and control of the business.

348.274. 1. The Missouri discovery alliance may authorize up to ten million dollars  
2 in tax credits per fiscal year. The tax credits may be allotted to one or more of the  
3 categories listed in this section.

4           2. If a qualifying company is approved by the Missouri discovery alliance, the  
5 investors who contribute the first five hundred thousand dollars in venture capital to the

6 qualifying company may be issued a tax credit for thirty percent of such investment in the  
7 year the investment is made. However, if the company invested in is located in a rural area  
8 or a distressed community, the taxpayer may be issued a tax credit for forty percent of  
9 such investment. A qualifying company that relocates its headquarters out of Missouri,  
10 ceases to employ eighty percent of its employees in Missouri, alters the principal nature of  
11 its operations, or divests itself of key assets shall upon demand by the Missouri discovery  
12 alliance pay the state of Missouri an amount equal to the amount of credits issued to its  
13 contributors.

14 3. If a qualifying company is approved by the Missouri discovery alliance, the  
15 alliance may reserve tax credits for investors who contributed the initial five million dollars  
16 in venture capital to the company. The credit shall be thirty percent of the amount  
17 invested, unless the company is located in a rural or distressed company, in which case the  
18 credit shall be forty percent. No credits shall be reserved with respect to investors who  
19 received a credit under subsection 2 of this section. The reserved credits shall be issued  
20 only for net loss of investment within five years of investing in the qualified company. No  
21 credits shall be issued if the company has within the five years relocated its headquarters  
22 out of Missouri, ceased to employ eighty percent of its employees in Missouri, altered the  
23 principal nature of its operations, or divested itself of key assets.

24 4. If a technology commercialization infrastructure project is approved by the  
25 Missouri discovery alliance, a taxpayer may be issued a tax credit in the amount of fifty  
26 percent of any amount contributed to the project.

27 5. If a collaborative research project is approved by the Missouri discovery alliance,  
28 a business firm may receive a tax credit of up to fifty percent of expenditures for industrial  
29 research conducted at a public research institution or private not-for-profit research  
30 institution.

31 6. The credit may be used against the tax otherwise due under chapter 143, RSMo,  
32 not including sections 143.191 to 143.265, RSMo. The tax credit may be used in the tax  
33 year issued or any of the next three consecutive tax years.

34 7. Any tax credits issued under this section may be sold, assigned, exchanged, or  
35 otherwise transferred.

348.275. 1. The department of economic development may draft and promulgate rules  
2 and regulations consistent with the provisions of sections 348.251 to [348.272] **348.274** as are  
3 necessary or useful to carry out the provisions of those sections.

4 2. No rule or portion of a rule promulgated under the authority of sections 348.251 to  
5 [348.272] **348.274** shall become effective until it has been approved by the joint committee on  
6 administrative rules in accordance with the procedures provided in this section, and the

7 delegation of the legislative authority to enact law by the adoption of such rules is dependent  
8 upon the power of the joint committee on administrative rules to review and suspend rules  
9 pending ratification by the senate and the house of representatives as provided in this section.

10 3. Upon filing any proposed rule with the secretary of state, the department shall  
11 concurrently submit such proposed rule to the committee, which may hold hearings upon any  
12 proposed rule or portion thereof at any time.

13 4. A final order of rulemaking shall not be filed with the secretary of state until thirty  
14 days after such final order of rulemaking has been received by the committee. The committee  
15 may hold one or more hearings upon such final order of rulemaking during the thirty-day period.  
16 If the committee does not disapprove such order of rulemaking within the thirty-day period, the  
17 department may file such order of rulemaking with the secretary of state and the order of  
18 rulemaking shall be deemed approved.

19 5. The committee may, by majority vote of the members, suspend the order of  
20 rulemaking or portion thereof by action taken prior to the filing of the final order of rulemaking  
21 only for one or more of the following grounds:

22 (1) An absence of statutory authority for the proposed rule;

23 (2) An emergency relating to public health, safety or welfare;

24 (3) The proposed rule is in conflict with state law;

25 (4) A substantial change in circumstance since enactment of the law upon which the  
26 proposed rule is based.

27 6. If the committee disapproves any rule or portion thereof, the department shall not file  
28 such disapproved portion of any rule with the secretary of state and the secretary of state shall  
29 not publish in the Missouri Register any final order of rulemaking containing the disapproved  
30 portion.

31 7. If the committee disapproves any rule or portion thereof, the committee shall report  
32 its findings to the senate and the house of representatives. No rule or portion thereof disapproved  
33 by the committee shall take effect so long as the senate and the house of representatives ratify  
34 the act of the joint committee by resolution adopted in each house within thirty legislative days  
35 after such rule or portion thereof has been disapproved by the joint committee.

36 8. Upon adoption of a rule as provided in this section, any such rule or portion thereof  
37 may be suspended or revoked by the general assembly either by bill or, pursuant to section 8,  
38 article IV of the Constitution of Missouri, by concurrent resolution upon recommendation of the  
39 joint committee on administrative rules. The committee shall be authorized to hold hearings and  
40 make recommendations pursuant to the provisions of section 536.037, RSMo. The secretary of  
41 state shall publish in the Missouri Register, as soon as practicable, notice of the suspension or  
42 revocation.



447.708. 1. For eligible projects, the director of the department of economic development, with notice to the directors of the departments of natural resources and revenue, and subject to the other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may decide that a prospective operator of a facility being remedied and renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to 135.150, RSMo, and sections 135.200 to 135.257, RSMo. The tax credits allowed pursuant to 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. For purposes of this subsection:

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

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

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

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

(5) The eligible project operator shall file such reports as may be required by the director 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  
107 year in which the systems and equipment are built and installed at the eligible project and the  
108 costs of performing the voluntary remediation activities over a period not in excess of four tax

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

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

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

129 [(4)] (3) The director may, with the approval of the director of natural resources, extend  
130 the tax credits allowed for performing voluntary remediation maintenance activities, in  
131 increments of three-year periods, not to exceed five consecutive three-year periods. The tax  
132 credits allowed in this subsection shall be used to offset the tax imposed by chapter 143, RSMo,  
133 excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax otherwise  
134 imposed by chapter 147, RSMo, or the tax otherwise imposed by chapter 148, RSMo. The  
135 remediation [and demolition] tax credit may be taken in the same tax year in which the tax  
136 credits are received or may be taken over a period not to exceed twenty years.

137 [(5)] (4) The project facility shall be projected to create at least ten new jobs or at least  
138 twenty-five retained jobs, or a combination thereof, as determined by the department of  
139 economic development, to be eligible for tax credits pursuant to this section.

140 [(6)] (5) No more than seventy-five percent of earned remediation tax credits may be  
141 issued when the remediation costs were paid, and the remaining percentage may be issued when  
142 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

income in any tax period. That portion of the taxpayer's income attributed to the eligible project as referenced in subdivision (1) of this subsection, for which the credits allowed in sections 135.110 and 135.225, RSMo, and subsection 3 of this section, may apply, shall be determined in the same manner as prescribed in subdivision (6) of section 135.100, RSMo. That portion of the taxpayer's franchise tax attributed to the eligible project for which the remediation tax credit may offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision (6) of section 135.100, RSMo.

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

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

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

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

620.030. The department of economic development shall have the authority to contract  
2 directly with the Missouri [technology corporation] **discovery alliance**, as established in section  
3 348.251, RSMo, innovation centers, as established in section 348.271, RSMo, small business  
4 development centers, as established in sections 620.1000 to 620.1007, [centers for advanced  
5 technology, as established in section 348.272, RSMo,] and other entities or organizations for the  
6 provision of technology application, technology commercialization and technology development  
7 services. Such contracting procedures shall not be subject to the provisions of chapter 34,  
8 RSMo.

620.500. 1. There is created within the department of economic development a "Small  
2 Business Assistance Office" which shall establish [regional business assistance offices which  
3 shall be] one-stop guidance centers for entrepreneurs[. Such business assistance offices may be  
4 located in each geographic region of the state, subject to appropriation of funding by the general  
5 assembly. Where possible, each business assistance office shall be located] **and small**  
6 **businesses** in conjunction with [a] **the** small business development [center, a regional planning  
7 commission as defined in chapter 251, RSMo, or other existing agency or organization  
8 performing economic development functions] **centers**.

9 2. The small business assistance [office's regional offices] **office** shall:

10 (1) Provide a focal point and assist and counsel small businesses in their dealings with  
11 federal, state and local governments, including but not limited to providing ready access to  
12 information regarding government requirements which affect small business;

13 (2) [Analyze current legislation and regulation as it affects small business within its  
14 region for the purpose of determining methods of elimination or simplification of unnecessary  
15 regulatory requirements;

16 (3)] Assist small businesses [within its region] **and entrepreneurs** in obtaining available  
17 technical and financial assistance;

18 [(4)] (3) Initiate and encourage small business education programs, including programs  
19 in cooperation with various public and private educational institutions;

20 [(5)] (4) Foster participation of small businesses **and entrepreneurs** in the procurement  
21 activities of the state by providing a guide for businesses on the purchasing procedures and  
22 practices of state agencies, assisting the state agencies in developing a comprehensive list of  
23 small businesses capable of providing materials, supplies, equipment or contractual services to  
24 the state, and advising state agencies with respect to methods for simplifying procurement forms  
25 and procedures and other methods for increasing small business participation;

26 [(6) Receive complaints and recommendations concerning policies and activities of  
27 federal, state and local governmental agencies which affect small businesses, and develop, in  
28 cooperation with the agency involved, proposals for changes in policies or activities to alleviate  
29 any unnecessary adverse effects to small business within its region or throughout the state;

30 (7)] (5) Establish and operate a separate and distinct "business permit system", which  
31 shall provide comprehensive information on the federal, state and local requirements necessary  
32 to begin a small business and make this information available to the public;

33 [(8) Make recommendations regarding business paperwork requirements and  
34 simplification of forms and language and report to the director of the division of community and  
35 economic development on the cost effectiveness of the business permit system;

36 (9)] (6) Work with local business leaders and government officials and help them  
37 formulate and implement sound economic development decisions for their communities;

38 [(10)] (7) Provide assistance to entrepreneurs in the licensing and permitting process,  
39 including the necessary applications and paperwork.

620.503. 1. The department of economic development may enter into [contracts] **a**  
2 **contract** with any [institutions] **institution** of higher education within the state for the purpose  
3 of providing ready access to all state forms, regulations, requirements and other information  
4 necessary to conduct business in the state. [Each such] **The** office shall be known as [a] "**The**  
5 **Small Business Assistance Office**" and shall coordinate services [with a regional business  
6 assistance office] established pursuant to section 620.500.

7 2. [Each] **The small** business assistance office [may] **shall** provide research,  
8 development or training programs for [new or alternative] small businesses[, industries, or high  
9 technology businesses] within the state. [Each] **The small** business assistance office may also  
10 provide needs assessment relating to small businesses[, industries or high technology businesses]  
11 **and entrepreneurs**. [Each] **The** office may also provide feasibility studies relating to potential  
12 markets and employment opportunities.



13           3. [Each party] **The institution of higher education** entering into a contract with the  
14 department of economic development to provide or administer a **small** business assistance office  
15 shall, prior to the issuance of such a contract, submit to the department of economic development  
16 a detailed [description of] **work plan that includes** quantifiable performance appraisal measures  
17 and goals pertaining to the proposed efforts and results in marketing services provided by the  
18 **small** business assistance office. The department of economic development shall review [such  
19 material] **and approve the work plan**. When a contract to establish [a] **the small** business  
20 assistance office is renewed, renegotiated, or otherwise reissued, a contractor's actual efforts and  
21 results pertaining to the performance appraisal measures and goals shall be a criterion in the  
22 rewarding or renewal of a contract to establish or administer [a] **the small** business assistance  
23 office.

**620.517. 1. This section shall be known and may be cited as the "Missouri  
2 Workforce Investment Act of 2006".**

3           **2. There is hereby established the "Missouri Workforce Investment Board",  
4 hereinafter referred to as the "state board".**

5           **3. The state board shall perform functions and activities so designated under the  
6 federal Workforce Investment Act of 1998, as amended, as well as under any successor  
7 federal law replacing the Workforce Investment Act of 1998, as amended.**

8           **4. The governor shall establish membership requirements of the state board based  
9 on federal law through executive order.**

          620.1003. The Missouri small business development centers in cooperation with  
2 appropriate department programs shall provide managerial and technical assistance to the small  
3 businesses. The centers shall also:

4           (1) Furnish one-to-one business counseling, management training, and other related  
5 services, with special emphasis on the development of management training programs using the  
6 resources of the business community, including the development of management training  
7 opportunities in existing business, and with emphasis in all cases of sufficient scope and duration  
8 to develop entrepreneurial and managerial self-sufficiency on the part of the individuals served;

9           (2) Assist in technology transfer, research and coupling from existing sources to small  
10 businesses[, and provide technological] **by providing technical** assistance to small businesses;

11           (3) Maintain current information concerning federal, state and local regulations that  
12 affect small businesses and counsel small businesses on methods of compliance;

13           (4) Maintain a working relationship and open communications with the governor, the  
14 general assembly, and the department to address the various needs of the small business  
15 community, and develop working relationships with federal departments and agencies, state  
16 departments and agencies, **Missouri innovation centers**, the financial and investment

17 communities, legal associations, local and regional private consultants, and local and regional  
18 small business groups and associations, or any other entity to the extent possible in order to help  
19 address the various needs of the small business community;

20 (5) Provide and maintain a comprehensive library that contains current information and  
21 statistical data needed by small businesses;

22 (6) Build and maintain a network which allows small businesses to identify experts who  
23 can further assist their business with highly technical or specialized needs;

24 (7) Provide services, to the extent possible, at locations which are easily accessible to  
25 the individuals and small businesses of this state. Basic counseling services shall be provided  
26 free of charge, and other services may be provided on a cost-reimbursement basis;

27 (8) Continue to upgrade and modify their services, as needed, in order to meet the  
28 changing and evolving needs of the small business community;

29 (9) Be authorized to enter into agreements with the department to provide services under  
30 the provisions of sections 620.500 to 620.506; and

31 (10) Be authorized to provide any service authorized under the federal Small Business  
32 Development Centers Act.

620.1007. The director shall annually prepare and submit to the department, the governor  
2 and to the general assembly a report on the activities and financial expenditures of the Missouri  
3 small business development centers program for the year. **The report shall also include an**  
4 **operational plan to detail the coordination between the small business development centers**  
5 **and the Missouri innovation centers. The report shall be approved by the department of**  
6 **economic development.**

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

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

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

6 [(2)] (3) "Commencement of operations", the starting date for the qualified company's  
7 first new employee, which must be no later than twelve months from the date of the [proposal]  
8 **approval;**

9 [(3)] (4) "County average wage", the average wages in each county as determined by the  
10 department for the most recently completed full calendar year. However, if the computed county  
11 average wage is above the statewide average wage, the statewide average wage shall be deemed  
12 the county average wage for such county **for the purpose of determining eligibility. The**  
13 **actual county average wage, and not the statewide average, shall be used for the purposes**  
14 **of determining if a company qualifies for a wage bonus for meeting one hundred twenty**

15 **percent or one hundred forty percent of the county average wage.** The department shall  
16 publish the county average wage for each county at least annually. **Notwithstanding this**  
17 **subdivision to the contrary, for any qualified company that in conjunction with their**  
18 **project is relocating employees from a Missouri county with a higher county average wage,**  
19 **the company shall obtain the endorsement of the governing body of the community from**  
20 **which jobs are being relocated, or the county average wage for their project shall be the**  
21 **county average wage for the county from which employees are being relocated;**

22 [(4)] (5) "Department", the Missouri department of economic development;

23 [(5)] (6) "Director", the director of the department of economic development;

24 [(6)] (7) "Employee", a person employed by a qualified company;

25 [(7) "Full-time equivalent employees", employees of the qualified company converted  
26 to reflect an equivalent of the number of full-time, year-round employees. The method for  
27 converting part-time and seasonal employees into an equivalent number of full-time, year-round  
28 employees shall be published in a rule promulgated by the department as authorized in section  
29 620.1884;]

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

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

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

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

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

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

51 (14) "New job", the number of full-time, year-round employees located at the project  
52 facility that exceeds the project facility base employment less any decrease in the number of  
53 full-time equivalent employees at related facilities below the related facility base employment.

54 **No job that was created prior to the date of the notice of intent shall be deemed a new job;**

55 (15) "New payroll", [the amount of wages paid by a qualified company to employees in  
56 new jobs] **the amount of taxable wages of full-time employees, excluding owners, located**  
57 **at the project facility that exceeds the project facility base payroll. If full-time employment**  
58 **at related facilities is below the related facility base employment, any decrease in payroll**  
59 **for full-time employees at the related facilities below the related facility base payroll shall**  
60 **also be subtracted to determine new payroll;**

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

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

66 (18) "Program", the Missouri quality jobs program provided in sections 620.1875 to  
67 620.1890;

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

71 (20) "Project facility base employment", **the greater of the number of full-time**  
72 **employees located at the project facility on the date of the notice of intent or** for the  
73 twelve-month period prior to the date of the [proposal] **notice of intent**, the average number of  
74 full-time [equivalent] employees located at the project facility. In the event the project facility  
75 has not been in operation for a full twelve-month period, [project facility base employment is]  
76 the average number of full-time [equivalent] employees for the number of months the project  
77 facility has been in operation prior to the date of the [proposal] **notice of intent;**

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

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

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

92 (23) "Qualified company", a firm, partnership, joint venture, association, private or  
93 public corporation whether organized for profit or not, or headquarters of such entity registered  
94 to do business in Missouri that is the owner or operator of a project facility, **offers health**  
95 **insurance to all full-time employees of all facilities located in this state, and pays at least**  
96 **fifty percent of such insurance premiums.** For the purposes of sections 620.1875 to 620.1890,  
97 the term "qualified company" shall not include:

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

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

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

101 (d) Utilities [regulated by the Missouri public service commission] **services including**  
102 **but not limited to electric, gas, water, sewer, cable, and telephone;**

103 (e) Any company that is delinquent in the payment of any nonprotested taxes or any  
104 other amounts due the state or federal government or any other political subdivision of this state;  
105 [or]

106 (f) Any company that has filed for or has publicly announced its intention to file for  
107 bankruptcy protection;

108 (g) **Educational services (NAIC sector 61);**

109 (h) **Religious organizations (NAIC industry group 8131); or**

110 (i) **Public administration (NAIC sector 92);**

111 (24) "Related company" means:

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

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

115 (c) Corporations, partnerships, trusts or associations controlled by an individual,  
116 corporation, partnership, trust or association in control of the qualified company. As used in this  
117 subdivision, ["control of a corporation"] shall mean ownership, directly or indirectly, of stock  
118 possessing at least fifty percent of the total combined voting power of all classes of stock entitled  
119 to vote, ["control of a partnership or association"] shall mean ownership of at least fifty percent  
120 of the capital or profits interest in such partnership or association, ["control of a trust"] shall  
121 mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the

122 principal or income of such trust, and ownership shall be determined as provided in Section 318  
123 of the Internal Revenue Code of 1986, as amended;

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

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

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

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

141 [(28)] (29) "Small and expanding business project", a qualified company that within two  
142 years of the date of the [proposal] **approval** creates a minimum of twenty new jobs if the project  
143 facility is located in a rural area or a minimum of forty new jobs if the project facility is not  
144 located in a rural area and creates fewer than one hundred new jobs regardless of the location of  
145 the project facility;

146 [(29)] (30) "Tax credits", tax credits issued by the department to offset the state income  
147 taxes imposed by chapter 143 **and 148**, RSMo, or which may be sold or refunded as provided  
148 for in this program;

149 [(30)] (31) "Technology business project", a qualified company that within two years of  
150 the date of the [proposal] **approval** creates a minimum of ten new jobs [with at least seventy-five  
151 percent of the new jobs directly involved] in the operations of a technology company as  
152 determined by a regulation promulgated by the department under the provisions of section  
153 620.1884 and classified by NAICS codes;

154 [(31)] (32) "Withholding tax", the state tax imposed by sections 143.191 to 143.265,  
155 RSMo. **For purposes of this program, the withholding tax shall be computed using a**  
156 **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 company provides the department with the required reporting and is in proper compliance for this program or other state programs. A qualified company may elect to file a notice of intent to start a new project period concurrent with an existing project period if the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program and other state programs; however, the qualified company may not receive any further benefit under the original [proposal] **approval** for jobs created after the date of the new notice of intent, and any jobs created before the new notice of intent may not be included as new jobs for the purpose of benefit calculation in relation to the new [proposal] **approval**.

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

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,**

the qualified company has not maintained the employee insurance as required, or if the number of new jobs is below the minimum, the qualified company shall not receive tax credits or retain the withholding tax for the balance of the benefit period. In the case of a qualified company that initially filed a notice of intent and received an approval from the department for high impact benefits, and the minimum number of new jobs in an annual report is below the minimum for high impact projects, the company shall not receive tax credits for the balance of the benefit period, but may continue to retain the withholding taxes if it otherwise meets the requirements of a small and expanding business under this program.

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

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

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

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

9. Tax credits authorized by this section may be transferred, sold, or assigned by filing 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.

**620.1892. 1. This section shall be known and may be cited as the "Small Business**  
2 **and Entrepreneurial Growth Act".**

3       **2. Unless otherwise modified in this section, the definitions provided in section**  
4 **620.1878 shall apply to this section. For purposes of this section, the following terms shall**  
5 **mean:**

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

7           (2) "Eligible small business project", a project approved by the department of  
8 economic development through which a small business employer meets all of the following  
9 qualifications:

10           (a) The small business employer's total payroll increases by at least twenty percent  
11 due to the addition of new jobs or a business with less than five employees adds employees  
12 so that the total number of employees is five or greater;

13           (b) The number of jobs added through the project by the small business employer  
14 does not exceed the minimum number of jobs required to be eligible for benefits under any  
15 program of the Missouri quality job act;

16           (c) Wages for the new jobs created through the project by the small business  
17 employer are at least eighty-five percent of the average county wage as determined by the  
18 department of economic development; and

19           (d) The project is not eligible for any benefits under the Missouri quality jobs act;

20           (3) "Small business employer", a firm, partnership, joint venture, association, or  
21 a private or public corporation, whether organized for profit or not, provided that the term  
22 shall not include:

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

24           (b) Any company that is delinquent in the payment of any nonprotested taxes or  
25 any other amounts due to the state or federal government or any other political subdivision  
26 of this state; or

27           (c) Any company that has filed for or has publicly announced its intention to file  
28 for bankruptcy protection.

29           3. For all taxable years beginning on or after January 1, 2007, a small business  
30 employer shall be allowed to receive benefits for an eligible small business project as  
31 follows:

32           (1) Retention of all tax withheld under sections 143.191 to 143.265, RSMo, from the  
33 newly created jobs for a period of one year; or

34           (2) If the employer also provides health insurance and pays more than fifty percent  
35 of the premiums for all employees, the tax withheld under sections 143.191 to 143.265,  
36 RSMo, from newly created jobs may be retained for a period of two years.

37           4. The department may promulgate rules to implement the provisions of this  
38 section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo,  
39 that is created under the authority delegated in this section shall become effective only if  
40 it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if  
41 applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable  
42 and if any of the powers vested with the general assembly under chapter 536, RSMo, to

43 **review, to delay the effective date, or to disapprove and annul a rule are subsequently held**  
44 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**  
45 **after August 28, 2006, shall be invalid and void.**

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.

**Section 1. For purposes of determining eligibility for exemption from sales and use**  
2 **taxes of utilities as prescribed in section 144.030, RSMo, there shall be a rebuttable**  
3 **presumption that the raw materials used in the primary manufacture of automobiles**  
4 **contain at least twenty-five percent recovered materials.**

**Section 2. 1. Any small business which receives a federal Small Business Innovative Research, Small Business Technology Transfer, or Broad Agency Announcement grant may be issued a tax credit equal to fifty percent of the grant amount. The total amount of tax credits available shall not exceed two million dollars. Tax credits issued in accordance with this section may be transferred, sold, or assigned by notarized endorsement thereof which names the transferee. In addition, tax credits issued in accordance with this section shall be refundable.**

**2. All applications for the tax credit authorized in subsection 1 of this section shall be submitted to the department of economic development. The small business tax credit review committee shall review and qualify all applications. The department of economic development shall not issue any certificates without approval of the committee.**

[32.110. Any business firm which engages in the activities of providing physical revitalization, economic development, job training or education for individuals, community services, or crime prevention in the state of Missouri shall receive a tax credit as provided in section 32.115 if the director of the department of economic development annually approves the proposal of the business firm; except that, no proposal shall be approved which does not have the endorsement of the agency of local government within the area in which the business firm is engaging in such activities which has adopted an overall community or neighborhood development plan that the proposal is consistent with such plan. The proposal shall set forth the program to be conducted, the neighborhood area to be served, why the program is needed, the estimated amount to be contributed to the program and the plans for implementing the program. If, in the opinion of the director of the department of economic development, a business firm's contribution can more consistently with the purposes of sections 32.100 to 32.125 be made through contributions to a neighborhood organization as defined in subdivision (13) of section 32.105, tax credits may be allowed as provided in section 32.115. The director of the department of economic development is hereby authorized to promulgate rules and regulations for establishing criteria for evaluating such proposals by business firms for approval or disapproval and for establishing priorities for approval or disapproval of such proposals by business firms with the assistance and approval of the director of the department of revenue. The total amount of tax credit granted for programs approved pursuant to sections 32.100 to 32.125 shall not exceed fourteen million dollars in fiscal year 1999 and twenty-six million dollars in fiscal year 2000, and any subsequent fiscal year, except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117. All tax 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 [84.240. The board of police commissioners shall establish the Bertillon  
3 system of identification of criminals and others by means of anthropometric  
4 indications, and they are further required to employ such additional assistance as  
5 may be necessary to properly conduct and manage this department.]

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  
authority of this section shall become effective unless it has been promulgated

18 pursuant to the provisions of chapter 536, RSMo. All rulemaking authority  
19 delegated prior to June 27, 1997, is of no force and effect and repealed; however,  
20 nothing in this section shall be interpreted to repeal or affect the validity of any  
21 rule filed or adopted prior to June 27, 1997, if such rule complied with the  
22 provisions of chapter 536, RSMo. The provisions of this section and chapter  
23 536, RSMo, are nonseverable and if any of the powers vested with the general  
24 assembly pursuant to chapter 536, RSMo, including the ability to review, to delay  
25 the effective date, or to disapprove and annul a rule or portion of a rule, are  
26 subsequently held unconstitutional, then the purported grant of rulemaking  
27 authority and any rule so proposed and contained in the order of rulemaking shall  
28 be invalid and void.

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

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

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

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

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

47 (4) New or existing youth clubs or associations;

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

53 (6) Mentor and role model programs;

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

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

60 (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;

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

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

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

25 (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  
to establish family development accounts pursuant to sections 208.750 to

208.775. The financial institution shall certify to the department, on forms prescribed by the department and accompanied by any documentation required by the department, that such accounts have been established pursuant to the provisions of sections 208.750 to 208.775 and that deposits have been made on behalf of the account holder.

3. A financial institution establishing a family development account shall:

(1) Keep the account in the name of the account holder;  
(2) Permit deposits to be made in the account by the following, subject to the indicated conditions:

(a) The account holder; or  
(b) A community-based organization on behalf of the account holder.  
Such a deposit may include moneys to match the account holder's deposits, up to a three-to-one match rate;

(3) Require the account to earn at least the market rate of interest; and  
(4) Permit the account holder to withdraw moneys from the account for any of the purposes listed in subsection 1 of this section.

4. The total of all deposits by the account holder into a family development account in a calendar year shall not exceed two thousand dollars. The total balance in a family development account shall not exceed fifty thousand dollars.]

[208.765. 1. Account holders who withdraw moneys from a family development account not in accordance with subsection 1 of section 208.760 shall forfeit all matching moneys in the account.

2. All moneys forfeited by an account holder pursuant to subsection 1 of this section shall be returned to the family development account reserve fund of the community-based organization.

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

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

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

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

12                   4. A program contributor shall be allowed a credit against the tax  
13 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections  
14 143.191 to 143.265, RSMo, and chapter 147, 148 or 153, RSMo, pursuant to  
15 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

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

2                   [348.272. 1. In order to encourage greater collaboration between private  
3 industry and the universities of this state in the development and application of  
4 new technologies, the director of the department of economic development is  
5 authorized to designate centers for advanced technology. Each center so  
6 designated shall conduct research in specific technological areas identified by the  
7 Missouri business modernization and technology corporation as having  
8 significant potential for economic growth in Missouri, or in which the application  
9 of new technologies could significantly enhance the productivity and stability of  
10 Missouri businesses. Such designations shall be made in accordance with the  
11 standards and criteria set forth in subsection 3 of this section. Centers so  
12 designated shall be eligible for support from the department of economic  
13 development in the manner provided for in subsection 4 of this section, and for  
14 such additional support as may otherwise be provided by law.

2. As used in this section, the following terms shall mean:

15 (1) "Applicant", a university or university-affiliated research institute, or  
16 a consortium of such institutions, which requests designation as a center in  
17 accordance with such requirements as are established by the corporation for this  
18 purpose;

19 (2) "Center for advanced technology" or "center", a university or  
20 university-affiliated research institute, or a consortium of such institutions,  
21 designated by the foundation, which conducts a continuing program of basic and  
22 applied research, development, and technology transfer in one or more  
23 technological areas, in collaboration with and through the support of private  
24 business and industry;

25 (3) "Corporation", the Missouri business modernization and technology  
26 corporation;

27 (4) "University", any institution of postsecondary education, including  
28 public and private universities, colleges, junior colleges, vocational and technical  
29 schools, and other postsecondary institutions.

30 3. The corporation shall:

31 (1) Identify technological areas for which centers should be designated,  
32 including, but not limited to, technological areas that are related to industries with  
33 significant potential for economic growth and development in Missouri and  
34 technological areas that are related to the enhancement of productivity in various  
35 industries located in Missouri;

36 (2) Establish criteria that applicants must satisfy for designation as a  
37 center, including, but not limited to, the following:

38 (a) An established record of research, development and instruction in the  
39 area or areas of technology involved;

40 (b) The capacity to conduct research and development activities in  
41 collaboration with business and industry;

42 (c) The capacity to secure substantial private and other governmental  
43 funding for the proposed center;

44 (d) The ability and willingness to cooperate with other institutions in this  
45 state in conducting research and development activities, and in disseminating  
46 research results; and to work with technical and community colleges in this state  
47 to enhance the quality of technical education in the area or areas of technology  
48 involved;

49 (e) The ability and willingness to cooperate with the corporation, the  
50 department of economic development, and other economic development agencies  
51 in promoting the growth and development in Missouri of industries based upon  
52 or benefiting from the area or areas of technology involved;

53 (3) Establish such requirements as it deems appropriate for the format,  
54 content and filing of applications for designation as centers for advanced  
55 technology;

56 (4) Establish such procedures as it deems appropriate for the evaluation  
57 of applications for designation as centers for advanced technology, including the



establishment of peer review panels composed of nationally recognized experts in the technological areas and industries to which the application is related.

4. From such funds as may be appropriated for this purpose by the general assembly, the department of economic development may provide financial support, through contracts or other means, to designated centers for advanced technology in order to enhance and accelerate the development of such centers. Funds received pursuant to this subsection may be used for the purchase of equipment and fixtures, employment of faculty and support staff, provision of graduate fellowships, and other purposes approved by the department of economic development, but may not be used for capital construction.

5. From such funds as may be appropriated for this purpose by the general assembly, the department of economic development may provide grants to any one university or university-affiliated research institution for purposes of planning and program development aimed at enabling such university or university-affiliated research institution to qualify for designation as a center. Such grants shall be awarded on a competitive basis, and shall be available only to those applicants which, in the judgment of the corporation and department of economic development, may reasonably be expected to be designated as centers.]

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

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

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

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

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

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

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

3. There is hereby established under the direction of the department a 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

25 department to obtain a loan, loan guarantee or grant to establish an incubator.  
26 Each application shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) Set rental and service fees;

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

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

7. The department:

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

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

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

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

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

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

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

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

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

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

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

(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.

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

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

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

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

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

145  
146           The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of  
147 this subsection, may use the acquired credits to offset up to one hundred percent  
148 of the tax liabilities otherwise imposed by chapter 143, RSMo, or chapter 147,  
149 RSMo, or chapter 148, RSMo, excluding withholding tax imposed by sections  
150 143.191 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 [620.521. Sections 620.521 to 620.530 shall be known and may be cited  
3 as the "Missouri Training and Employment Council Act".]

2 [620.523. 1. There is hereby established the "Missouri Training and  
3 Employment Council".

4 2. The Missouri training and employment council shall study and make  
5 recommendations regarding the improvement of the state's job training service  
6 delivery network. Such recommendations will consider improved federal and  
7 state resource use and expanded coordination of state job training and  
8 employment activities with other related activities. Using the results of  
9 interdepartmental collaboration at early stages of policy formation, the council  
10 shall propose a statewide training and employment policy and a periodically  
11 updated plan of services for achieving Missouri's objective of full employment.  
12 The council shall serve as a forum for public and private sector representation to  
13 encourage cooperative uses of training and employment funding, facilities and  
14 staff resources for a more comprehensive and coordinated statewide system.

15 3. The Missouri training and employment council shall consist of thirty  
16 members appointed by the governor with the advice and consent of the senate.  
17 The governor shall designate one nongovernmental member to be chairman. The  
18 council shall be composed as follows:

19 (1) Thirty percent of the membership shall be representatives of business,  
20 industry and agriculture, including individuals who are representatives of  
21 business, industry, and agriculture on private industry councils, job service  
22 employer committees or local education advisory committees within the state;

23 (2) Thirty percent of the membership shall be:

24 (a) Members of the general assembly and state agencies and  
25 organizations. One representative each from the department of economic  
26 development, the department of elementary and secondary education, the  
27 department of labor and industrial relations and the department of social services  
28 shall be appointed;

29 (b) Representatives of the units or consortia of units of general local  
government which shall be nominated by the chief elected officials of the units

or consortia of units of local government and the representatives of local educational agencies who shall be nominated by local educational agencies. One community college president or chancellor, one representative of the state council on vocational education and one director of an area vocational school shall be appointed to the council. To the extent feasible, such appointees shall have knowledge of or experience with economic development, job training, education or related areas;

(3) Thirty percent of the membership shall be representatives of organized labor and representatives of community-based organizations in the state;

(4) Ten percent of the membership shall be representatives of the general public.

The composition and the roles and responsibilities of the Missouri training and employment council membership may be amended to comply with any succeeding federal or state legislative or regulatory requirements governing training and employment programs, except that the procedure for such change shall be outlined in state rules and regulations and adopted in the bylaws of the council.

4. Each member of the council shall serve for a term of four years and until a successor is duly appointed; except that, of the members first appointed, six members shall serve for a term of four years, eight members shall serve for a term of three years, eight members shall serve for a term of two years and eight members shall serve for a term of one year. Each member shall continue to serve until a successor is duly appointed. The council shall meet at least four times each year at the call of the chairman.

5. The members of the council shall receive no compensation, but shall be reimbursed for all necessary expenses actually incurred in the performance of their official duties.]

[620.527. 1. The Missouri training and employment council shall:

(1) Review studies of occupational trends, employment supply and demand, industry growth, job training program participation, labor force literacy and early warning signals that industries are beginning to decline or are in danger of closing;

(2) Report to the governor and to the general assembly regarding statewide training and employment policies which have been developed in concert with interagency assistance from the department of economic development, the department of elementary and secondary education, the department of labor and industrial relations, the department of social services and other agencies delivering training and employment services;

(3) Prepare and submit to appropriate state and local agencies a statewide plan for full-employment services including such activities as labor exchange, job

14 training or retraining, job development, job placement services and labor force  
15 literacy;

16 (4) Work through various state agencies delivering training and  
17 employment services to review interagency coordination and program  
18 effectiveness;

19 (5) Review and report to the governor innovative proposals for training  
20 and employment programs; and

21 (6) Encourage the participation of government, business and industry,  
22 and unions or other labor organizations, for providing assistance to dislocated  
23 workers, in communities where plant closures occur.

24 2. The roles, responsibilities and duties of the Missouri job training  
25 coordinating council established by Missouri executive order 88-8 are hereby  
26 assigned to the Missouri training and employment council. The Missouri training  
27 and employment council shall perform all council functions required by the  
28 federal Job Training Partnership Act, as amended, as well as the expanded  
29 requirements defined by sections 620.521 to 620.530.]  
30

2 [620.528. No later than September 1, 1992, the Missouri training and  
employment council shall submit to the governor and to the general assembly a  
3 proposed statewide training and employment policy. This policy shall address  
4 public and private participation toward achieving Missouri's objective of full  
5 employment. The policy shall also address methods to improve federal and state  
6 resource use in the providing of job training services and coordination of training  
7 and employment activities with other related activities.]  
8

2 [620.529. 1. The Missouri training and employment council shall  
prepare and recommend a statewide training and employment plan for  
3 consideration by appropriate state and local agencies by 1993. The plan shall be  
4 reviewed annually and updated periodically and shall propose implementation  
5 timetables, measurable objectives and specific courses of action. The plan shall  
6 describe possible cooperative uses of training and employment funding, facilities  
7 and staff resources whenever feasible and shall focus on the development of a  
8 more coordinated training and employment delivery system.

9 2. The plan shall include provisions to accomplish the following  
10 objectives by the administering agencies:

11 (1) Provide a streamlined intake and assessment process for persons  
12 seeking training and employment assistance;

13 (2) Target appropriate skill areas for training so that persons are trained  
14 for positions expected to exist in the labor market;

15 (3) Allow workers with obsolete or inadequate skills to have their skills  
16 upgraded while retaining employment;

17 (4) Retrain workers displaced by high technology industry and plant  
18 closings to reenter the Missouri workforce;

19 (5) Involve business and industry in the planning, operation and  
20 evaluation of training programs;

21 (6) Encourage and assist local educational agencies, vocational technical  
22 schools and post-secondary institutions to coordinate their curricula and course  
23 selections with the changing needs of business and industry;

24 (7) Develop programs to improve the use of apprenticeship as a method  
25 of instruction in Missouri.

26 3. The objectives listed in subsection 2 of this section shall be the  
27 foundation for interagency efforts to coordinate services and offer programs  
28 which maximize resources to meet Missouri's workforce needs while recognizing  
29 various agency roles and responsibilities.]  
30

2 [620.530. 1. The division of job development and training shall provide  
3 professional, technical and clerical staff support and resources to the Missouri  
4 training and employment council; administer training programs authorized under  
5 the federal Job Training Partnership Act; administer programs authorized under  
6 sections 620.470 to 620.481; and administer such other federal or state job  
7 development and training programs as are assigned to the division.

8 2. The division shall promulgate rules and regulations necessary to carry  
9 out its responsibility to the Missouri training and employment council and to  
10 develop the plans and policies adopted by the council. No rule or portion of a  
11 rule promulgated under the authority of sections 620.470 to 620.570 shall become  
12 effective unless it has been promulgated pursuant to the provisions of section  
13 536.024, RSMo.]

2 [620.537. 1. The department of economic development shall commission  
3 a new targeted industries study to identify those general areas of the Missouri  
4 economy where growth and increased employment is likely to occur in the next  
5 decade, and to ascertain necessary, associated work force skills and requirements.  
6 The completed study shall be distributed to all Missouri state agencies which  
7 provide job training services in order to promote collaboration in the  
8 development of employment projections and in the delivery of training services,  
9 and to any local economic development agency requesting a copy of such study.

10 2. The Missouri training and employment council, in conjunction with  
11 the state's private industry councils, the state's community colleges, the state's  
12 area vocational technical schools, community action agencies, as defined in  
13 section 660.370, RSMo, the department of economic development, the  
14 department of elementary and secondary education, the department of labor and  
15 industrial relations, the department of social services, and the Missouri state  
16 council on vocational education shall initiate a study regarding the value of a  
17 clustered or regional focus on job training, including the establishment of  
customized, technical training centers and utilization of portable equipment.



18       Emphasis will be placed on the determination of broad occupational training  
19       needs.]

20               [620.1100. 1. The "Youth Opportunities and Violence Prevention  
2       Program" is hereby established in the division of community and economic  
3       development of the department of economic development to broaden and  
4       strengthen opportunities for positive development and participation in community  
5       life for youth, and to discourage such persons from engaging in criminal and  
6       violent behavior. For the purposes of section 135.460, RSMo, this section and  
7       section 620.1103, the term "advisory committee" shall mean an advisory  
8       committee to the division of community and economic development established  
9       pursuant to this section composed of ten members of the public. The ten  
10       members of the advisory committee shall include members of the private sector  
11       with expertise in youth programs, and at least one person under the age of  
12       twenty-one. Such members shall be appointed for two-year terms by the director  
13       of the department of economic development.

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

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

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

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

✓