

HOUSE _____ AMENDMENT NO. _____

Offered By _____

AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 808,
Page 13, Section 67.2000, Line 237, by inserting the following after all of said Line:

"67.2050. 1. As used in this section, unless the context clearly indicates otherwise, the following terms mean:

(1) "Facility", a location composed of real estate, buildings, fixtures, machinery, and equipment;

(2) "Municipality", any county, city, incorporated town, or village of the state;

(3) "NAICS", the 2007 edition of the North American Industry Classification System developed under the direction and guidance of the federal Office of Management and Budget. Any NAICS sector, subsector, industry group, or industry identified in this section shall include its corresponding classification in previous and subsequent federal industry classification systems;

(4) "Technology business facility", a facility purchased, constructed, extended, or improved under this section, provided that such business facility is engaged in:

(a) Data processing, hosting, and related services (NAICS 518210); or

(b) Internet publishing and broadcasting and web search portals (NAICS 519130), at the business facility;

(5) "Technology business facility project" or "project", the purchase, construction, extension, and improvement of technology business facilities, whether of the facility as a whole or of any one or more of the facility's components of real estate, buildings, fixtures, machinery, and equipment.

2. The governing body of any municipality may:

(1) Carry out technology business facility projects for economic development under this section;

(2) Accept grants from the federal and state governments for technology business facility project purposes, and may enter into such agreements as are not contrary to the laws of this state and which may be required as a condition of grants by the federal government or its agencies; and

(3) Receive gifts and donations from private sources to be used for technology business facility project purposes.

3. The governing body of the municipality may enter into loan agreements, sell, lease, or mortgage to private persons, partnerships, or corporations any one or more of the components of a facility received, purchased, constructed, or extended by the municipality for development of a technology business facility project. The loan agreement, installment sale agreement, lease, or other such document shall contain such other terms as are agreed upon between the municipality and the obligor, provided that such terms shall be consistent with this section. When, in the judgment of the governing body of the municipality, the technology business facility project will result in economic benefits to the municipality, the governing body may lawfully enter into an

1 agreement that includes nominal monetary consideration to the municipality in exchange for the
2 use of one or more components of the facility.

3 4. Transactions involving the lease or rental of any components of a project under this
4 section shall be specifically exempted from the provisions of the local sales tax law as defined in
5 section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to 144.761, and
6 from the computation of the tax levied, assessed, or payable under the local sales tax law as
7 defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to
8 144.745.

9 5. Leasehold interests granted and held under this section shall not be subject to property
10 taxes.

11 6. Any payments in lieu of taxes expected to be made by any lessee of the project shall be
12 applied in accordance with this section. The lessee may reimburse the municipality for its actual
13 costs of administering the plan. All amounts paid in excess of such actual costs shall,
14 immediately upon receipt thereof, be disbursed by the municipality's treasurer or other financial
15 officer to each affected taxing entity in proportion to the current ad valorem tax levy of each
16 affected taxing entity.

17 7. The county assessor shall include the current assessed value of all property within the
18 affected taxing entities in the aggregate valuation of assessed property entered upon the assessor's
19 book and verified under section 137.245, and such value shall be used for the purpose of the debt
20 limitation on local government under section 26(b), article VI, Constitution of Missouri.

21 8. The governing body of any municipality may sell or otherwise dispose of the property,
22 buildings, or plants acquired under this section to private persons or corporations for technology
23 business facility project purposes upon approval by the governing body. The terms and method of
24 the sale or other disposal shall be established by the governing body so as to reasonably protect
25 the economic well-being of the municipality and to promote the development of technology
26 business facility projects. A private person or corporation that initially transfers property to the
27 municipality for the purposes of a technology business facility project and does not charge a
28 purchase price to the municipality shall retain the right, upon request to the municipality, to have
29 the municipality retransfer the donated property to the person or corporation at no cost."; and
30

31 Further amend said bill, Page 21, Section 94.832, Line 50, by inserting after all of said line
32 the following:

33 "135.950. The following terms, whenever used in sections 135.950 to 135.970 mean:

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

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

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

42 (4) "Certified site zone", an area of real property that:

43 (a) Encompasses not less than fifty acres that has been approved as a certified site by the
44 department;

45 (b) Has been found to be blighted by the governing authority; and

46 (c) Is located in one or more census tracts which according to the United States Census

Bureau's last decennial census has a poverty rate of fifteen percent or more, or for which the median household income that is less than:

- a. Statewide median household income; or
- b. The metropolitan median household income for the metropolitan statistical area in which the certified site zone is located;

(5) "Certified site", an area of property designated as a certified site by the department under the certified sites program;

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

[(5)] (7) "County average wage", the average wages in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county for the purpose of determining eligibility. The department shall publish the county average wage for each county at least annually.

Notwithstanding the provisions of this subdivision to the contrary, for any taxpayer that in conjunction with their project is relocating employees from a Missouri county with a higher county average wage, such taxpayer shall obtain the endorsement of the governing body of the community from which jobs are being relocated or the county average wage for their project shall be the county average wage for the county from which the employees are being relocated;

[(6)] (8) "Department", the department of economic development;

[(7)] (9) "Director", the director of the department of economic development;

(10) "Dormant manufacturing plant zone", an area of real property:

(a) Encompassing not less than two hundred fifty acres that, within five years of the date of the notice of intent, was predominantly used for manufacturing or assembly and employed not less than three thousand persons but has since ceased all activity;

(b) That has been found, by an ordinance adopted by the governing body, to be a blighted area and designated for redevelopment; and

(c) That:

a. Is located in a census tract with, according to United States Census Bureau's American Community Survey based on the most recent of five-year period estimated data in which the estimate ends in either zero or five, a poverty rate of fifteen percent or more, or the median household income is below the statewide median household income or the metropolitan median household income for the metropolitan statistical area in which the property is located; or

b. Involves funding provided by a federal agency of at least one million dollars to facilitate the redevelopment of such property;

[(8)] (11) "Employee", a person employed by the enhanced business enterprise that is scheduled to work an average of at least one thousand hours per year, and such person at all times has health insurance offered to him or her, which is partially paid for by the employer;

[(9)] (12) "Enhanced business enterprise", an industry or one of a cluster of industries that is either:

(a) Identified by the department as critical to the state's economic security and growth, or in the case of a business enterprise located in a certified site zone, will also include data processing, hosting, and related services (NAICS 518210) and internet publishing, broadcasting, and web search portals (NAICS 519130); or

(b) Will have an impact on industry cluster development, as identified by the governing

1 authority in its application for designation of an enhanced enterprise zone and approved or
2 deemed approved by the department; but excluding gambling establishments (NAICS industry
3 group 7132), retail trade (NAICS sectors 44 and 45), educational services (NAICS sector 61),
4 religious organizations (NAICS industry group 8131), public administration (NAICS sector 92),
5 and food and drinking places (NAICS subsector 722), however, notwithstanding provisions of this
6 section to the contrary, headquarters or administrative offices of an otherwise excluded business
7 may qualify for benefits if the offices serve a multistate territory. In the event a national, state, or
8 regional headquarters operation is not the predominant activity of a project facility, the new jobs
9 and investment of such headquarters operation is considered eligible for benefits under this
10 section if the other requirements are satisfied. Service industries may be eligible only if a majority
11 of its annual revenues will be derived from out of the state;

12 [(10)] (13) "Existing business facility", any facility in this state which was employed by
13 the taxpayer claiming the credit in the operation of an enhanced business enterprise immediately
14 prior to an expansion, acquisition, addition, or replacement;

15 [(11)] (14) "Facility", any building used as an enhanced business enterprise located within
16 an enhanced enterprise zone, including the land on which the facility is located and all machinery,
17 equipment, and other real and depreciable tangible personal property acquired for use at and
18 located at or within such facility and used in connection with the operation of such facility;

19 [(12)] (15) "Facility base employment", the greater of the number of employees located at
20 the facility on the date of the notice of intent, or for the twelve-month period prior to the date of
21 the notice of intent, the average number of employees located at the facility, or in the event the
22 project facility has not been in operation for a full twelve-month period, the average number of
23 employees for the number of months the facility has been in operation prior to the date of the
24 notice of intent;

25 [(13)] (16) "Facility base payroll", the total amount of taxable wages paid by the enhanced
26 business enterprise to employees of the enhanced business enterprise located at the facility in the
27 twelve months prior to the notice of intent, not including the payroll of owners of the enhanced
28 business enterprise unless the enhanced business enterprise is participating in an employee stock
29 ownership plan. For the purposes of calculating the benefits under this program, the amount of
30 base payroll shall increase each year based on the consumer price index or other comparable
31 measure, as determined by the department;

32 [(14)] (17) "Governing authority", the body holding primary legislative authority over a
33 county or incorporated municipality;

34 [(15)] (18) "Megaproject", any manufacturing or assembling facility, approved by the
35 department for construction and operation within an enhanced enterprise zone, which satisfies the
36 following:

37 (a) The new capital investment is projected to exceed three hundred million dollars over a
38 period of eight years from the date of approval by the department;

39 (b) The number of new jobs is projected to exceed one thousand over a period of eight
40 years beginning on the date of approval by the department;

41 (c) The average wage of new jobs to be created shall exceed the county average wage;

42 (d) The taxpayer shall offer health insurance to all new jobs and pay at least eighty percent
43 of such insurance premiums; and

44 (e) An acceptable plan of repayment, to the state, of the tax credits provided for the
45 megaproject has been provided by the taxpayer;

46 [(16)] (19) "NAICS", the [1997] 2007 edition of the North American Industry

Classification System as prepared by the Executive Office of the President, Office of Management and Budget. Any NAICS sector, subsector, industry group or industry identified in this section shall include its corresponding classification in subsequent federal industry classification systems;

[(17)] (20) "New business facility", a facility that satisfies the following requirements:

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

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

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

(d) Such facility is not a replacement business facility, as defined in subdivision [(25)] (28) of this section;

[(18)] (21) "New business facility employee", an employee of the taxpayer in the operation of a new business facility during the taxable year for which the credit allowed by section 135.967 or section 135.969 is claimed, except that truck drivers and rail and barge vehicle operators and other operators of rolling stock for hire shall not constitute new business facility employees;

[(19)] (22) "New business facility investment", the value of real and depreciable tangible personal property, acquired by the taxpayer or on its behalf in the case of a lease, as part of the new business facility, which is used by the taxpayer in the operation of the new business facility, during the taxable year for which the credit allowed by section 135.967 or 135.969 is claimed, except that trucks, truck-trailers, truck semitrailers, rail vehicles, barge vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges, tunnels, and rail yards and spurs shall not constitute new business facility investments. The total value of such property during such taxable year shall be:

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

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

1 calendar months during such period;

2 [(20)] (23) "New job", the number of employees located at the facility that exceeds the
3 facility base employment less any decrease in the number of the employees at related facilities
4 below the related facility base employment. No job that was created prior to the date of the notice
5 of intent shall be deemed a new job;

6 [(21)] (24) "Notice of intent", a form developed by the department which is completed by
7 the enhanced business enterprise and submitted to the department which states the enhanced
8 business enterprise's intent to hire new jobs and request benefits under such program;

9 [(22)] (25) "Related facility", a facility operated by the enhanced business enterprise or a
10 related company in this state that is directly related to the operation of the project facility;

11 [(23)] (26) "Related facility base employment", the greater of:

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

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

17 [(24)] (27) "Related taxpayer":

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

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

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

30 [(25)] (28) "Replacement business facility", a facility otherwise described in subdivision
31 [(17)] (20) of this section, hereafter referred to in this subdivision as "new facility", which
32 replaces another facility, hereafter referred to in this subdivision as "old facility", located within
33 the state, which the taxpayer or a related taxpayer previously operated but discontinued operating
34 on or before the close of the first taxable year for which the credit allowed by this section is
35 claimed. A new facility shall be deemed to replace an old facility if the following conditions are
36 met:

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

40 (b) The old facility was employed by the taxpayer or a related taxpayer in the operation of
41 an enhanced business enterprise and the taxpayer continues the operation of the same or
42 substantially similar enhanced business enterprise at the new facility. Notwithstanding the
43 preceding provisions of this subdivision, a facility shall not be considered a replacement business
44 facility if the taxpayer's new business facility investment, as computed in subdivision [(19)] (22)
45 of this section, in the new facility during the tax period for which the credits allowed in section
46 135.967 or 135.969 are claimed exceed one million dollars and if the total number of employees

1 at the new facility exceeds the total number of employees at the old facility by at least two;

2 [(26)] (29) "Same or substantially similar enhanced business enterprise", an enhanced
3 business enterprise in which the nature of the products produced or sold, or activities conducted,
4 are similar in character and use or are produced, sold, performed, or conducted in the same or
5 similar manner as in another enhanced business enterprise.

6 135.953. 1. For purposes of sections 135.950 to 135.970, an area shall meet the following
7 criteria in order to qualify as an enhanced enterprise zone:

8 (1) The area shall be a blighted area, have pervasive poverty, unemployment and general
9 distress; and

10 (2) At least sixty percent of the residents living in the area have incomes below ninety
11 percent of the median income of all residents:

12 (a) Within the state of Missouri, according to the last decennial census or other
13 appropriate source as approved by the director; or

14 (b) Within the county or city not within a county in which the area is located, according to
15 the last decennial census or other appropriate source as approved by the director; and

16 (3) The resident population of the area shall be at least five hundred but not more than one
17 hundred thousand at the time of designation as an enhanced enterprise zone if the area lies within
18 a metropolitan statistical area, as established by the United States Census Bureau, or if the area
19 does not lie within a metropolitan statistical area, the resident population of the area at the time of
20 designation shall be at least five hundred but not more than forty thousand inhabitants. If the
21 population of the jurisdiction of the governing authority does not meet the minimum population
22 requirements set forth in this subdivision, the population of the area must be at least fifty percent
23 of the population of the jurisdiction. However, no enhanced enterprise zone shall be created
24 which consists of the total area within the political boundaries of a county; and

25 (4) The level of unemployment of persons, according to the most recent data available
26 from the United States Bureau of Census and approved by the director, within the area is equal to
27 or exceeds the average rate of unemployment for:

28 (a) The state of Missouri over the previous twelve months; or

29 (b) The county or city not within a county over the previous twelve months.

30 2. Notwithstanding the requirements of subsection 1 of this section to the contrary, an
31 enhanced enterprise zone may be established in an area located within a county for which public
32 and individual assistance has been requested by the governor pursuant to Section 401 of the
33 Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an
34 emergency proclaimed by the governor pursuant to section 44.100, RSMo, due to a natural
35 disaster of major proportions, if the area to be designated is blighted and sustained severe damage
36 as a result of such natural disaster, as determined by the state emergency management agency. An
37 application for designation as an enhanced enterprise zone pursuant to this subsection shall be
38 made before the expiration of one year from the date the governor requested federal relief for the
39 area sought to be designated.

40 3. Notwithstanding the requirements of subsection 1 of this section to the contrary, an
41 enhanced enterprise zone may be designated in a county of declining population if it meets the
42 requirements of subdivisions (1), (3) and either (2) or (4) of subsection 1 of this section. For the
43 purposes of this subsection, a "county of declining population" is one that has lost one percent or
44 more of its population as demonstrated by comparing the most recent decennial census population
45 to the next most recent decennial census population for the county.

46 4. Notwithstanding the requirements of subsection 1 of this section to the contrary, a

certified site zone or a dormant manufacturing plant zone may be designated as an enhanced enterprise zone if the certified site zone or dormant manufacturing plant zone meets the criteria set forth in subdivision (4) of section 135.950 or the dormant manufacturing plant zone meets the criteria set forth in subdivision (10) of section 135.950.

5. In addition to meeting the requirements of subsection 1, 2, 3, or [3] 4 of this section, an area, to qualify as an enhanced enterprise zone, shall be demonstrated by the governing authority to have either:

(1) The potential to create sustainable jobs in a targeted industry; or

(2) A demonstrated impact on local industry cluster development.

135.957. 1. A governing authority planning to seek designation of an enhanced enterprise zone shall establish an enhanced enterprise zone board. The number of members on the board shall be seven. One member of the board shall be appointed by the school district or districts located within the area proposed for designation as an enhanced enterprise zone. One member of the board shall be appointed by other affected taxing districts. The remaining five members shall be chosen by the chief elected official of the county or municipality.

2. The school district member and the affected taxing district member shall each have initial terms of five years. Of the five members appointed by the chief elected official, two shall have initial terms of four years, two shall have initial terms of three years, and one shall have an initial term of two years. Thereafter, members shall serve terms of five years. Each commissioner shall hold office until a successor has been appointed. All vacancies shall be filled in the same manner as the original appointment. For inefficiency or neglect of duty or misconduct in office, a member of the board may be removed by the applicable appointing authority.

3. A majority of the members shall constitute a quorum of such board for the purpose of conducting business and exercising the powers of the board and for all other purposes. Action may be taken by the board upon a vote of a majority of the members present.

4. The members of the board annually shall elect a chair from among the members.

5. In the case of a certified site zone or a dormant manufacturing plant zone regarding which a finding of blight has been made as provided in subdivision (1) of subsection 1 of section 99.810, the commission created under section 99.820 may, at the sole option of the governing authority, supplant and replace the board established in accordance with subsection 1 of this section, and the composition and organization of such commission shall be in accordance with section 99.820. If the governing authority elects for such commission to serve in the capacity of the enhanced enterprise zone board instead of the board established in accordance with subsection 1 of this section, the commission shall fulfill the duties of the board established under subsection 6 of this section.

6. The role of the board or commission, as described in subsection 5 of this section, shall be to conduct the activities necessary to advise the governing authority on the designation of an enhanced enterprise zone and any other advisory duties as determined by the governing authority. The role of the board after the designation of an enhanced enterprise zone shall be review and assessment of zone activities as it relates to the annual reports as set forth in section 135.960.

135.960. 1. Any governing authority that desires to have any portion of a city or unincorporated area of a county under its control designated as an enhanced enterprise zone shall hold a public hearing for the purpose of obtaining the opinion and suggestions of those persons who will be affected by such designation. The governing authority shall notify the director of such hearing at least thirty days prior thereto and shall publish notice of such hearing in a newspaper of general circulation in the area to be affected by such designation at least twenty days

1 prior to the date of the hearing but not more than thirty days prior to such hearing. Such notice
2 shall state the time, location, date, and purpose of the hearing. The director, or the director's
3 designee, shall attend such hearing. In the alternative, any governing authority that has made the
4 necessary findings by ordinance to designate a certified site zone or a dormant manufacturing
5 plant zone as a blighted area as contemplated under subdivision (1) of subsection 1 of section
6 99.820, prior to December 31, 2010, shall not be required to conduct an additional public hearing
7 to establish the certified site zone or the dormant manufacturing plant zone as an enhanced
8 enterprise zone so long as the governing authority notified the director of such hearing, at least
9 thirty days prior thereto. Any governing authority that seeks to make the necessary finding to
10 designate a certified site zone or a dormant manufacturing plant zone as an enhanced enterprise
11 zone after December 31, 2010, may do so under a public hearing required under sections 99.820
12 and 99.825 conducted by the commission, and such public hearing shall satisfy the public hearing
13 requirement set forth in subsection 1 of this section so long as the governing authority shall notify
14 the director of such hearing at least thirty days prior thereto.

15 2. After a public hearing is held as required in subsection 1 of this section, the governing
16 authority may file a petition with the department requesting the designation of a specific area as an
17 enhanced enterprise zone. Such petition shall include, in addition to a description of the physical,
18 social, and economic characteristics of the area:

- 19 (1) A plan to provide adequate police protection within the area;
- 20 (2) A specific and practical process for individual businesses to obtain waivers from
21 burdensome local regulations, ordinances, and orders which serve to discourage economic
22 development within the area to be designated an enhanced enterprise zone, except that such
23 waivers shall not substantially endanger the health or safety of the employees of any such business
24 or the residents of the area;
- 25 (3) A description of what other specific actions will be taken to support and encourage
26 private investment within the area;
- 27 (4) A plan to ensure that resources are available to assist area residents to participate in
28 increased development through self-help efforts and in ameliorating any negative effects of
29 designation of the area as an enhanced enterprise zone;
- 30 (5) A statement describing the projected positive and negative effects of designation of
31 the area as an enhanced enterprise zone;
- 32 (6) A specific plan to provide assistance to any person or business dislocated as a result of
33 activities within the enhanced enterprise zone. Such plan shall determine the need of dislocated
34 persons for relocation assistance; provide, prior to displacement, information about the type,
35 location, and price of comparable housing or commercial property; provide information
36 concerning state and federal programs for relocation assistance and provide other advisory
37 services to displaced persons. Public agencies may choose to provide assistance under the
38 Uniform Relocation and Real Property Acquisition Act, 42 U.S.C. Section 4601, et seq., to meet
39 the requirements of this subdivision; and
- 40 (7) A description or plan that demonstrates the requirements of subsection 4 of section
41 135.953.

42 3. An enhanced enterprise zone designation shall be effective upon such approval or
43 deemed approval by the department and shall expire in twenty-five years. Notwithstanding the
44 requirement of subsection 2 of this section to the contrary, any certified site zone or dormant
45 manufacturing plant zone that has been designated as a blighted redevelopment area as
46 contemplated under subdivision (1) of subsection 1 of section 99.820 by the governing body or

1 any certified site zone or dormant manufacturing plant zone that has been otherwise designated as
2 an enhanced enterprise zone by the governing authority under this section shall be deemed
3 approved and designated as an enhanced enterprise zone without further approval of or additional
4 action being taken by the department. Such approval of the department of the certified site zone
5 or dormant manufacturing plant zone as an enhanced enterprise zone and the designation of the
6 certified site zone or dormant manufacturing plant zone as an enhanced enterprise zone shall be
7 deemed effective when the governing authority provides written notice to the department of its
8 intent to establish such enhanced enterprise zone and such notice is accompanied with a petition
9 that includes all of the information required by subsection 2 of this section.

10 4. Each designated enhanced enterprise zone board shall report to the director on an
11 annual basis regarding the status of the zone and business activity within the zone.

12 135.963. 1. Improvements made to real property as such term is defined in section
13 137.010, RSMo, which are made in an enhanced enterprise zone subsequent to the date such zone
14 or expansion thereto was designated, may, upon approval of an authorizing resolution by the
15 governing authority having jurisdiction of the area in which the improvements are made, be
16 exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more
17 affected political subdivisions. In addition to enhanced business enterprises, a speculative
18 industrial or warehouse building constructed by a public entity or a private entity if the land is
19 leased by a public entity may be subject to such exemption.

20 2. Such authorizing resolution shall specify the percent of the exemption to be granted,
21 the duration of the exemption to be granted, and the political subdivisions to which such
22 exemption is to apply and any other terms, conditions, or stipulations otherwise required. A copy
23 of the resolution shall be provided to the director within thirty calendar days following adoption of
24 the resolution by the governing authority.

25 3. No exemption shall be granted until the governing authority holds a public hearing for
26 the purpose of obtaining the opinions and suggestions of residents of political subdivisions to be
27 affected by the exemption from property taxes. The governing authority shall send, by certified
28 mail, a notice of such hearing to each political subdivision in the area to be affected and shall
29 publish notice of such hearing in a newspaper of general circulation in the area to be affected by
30 the exemption at least twenty days prior to the hearing but not more than thirty days prior to the
31 hearing. Such notice shall state the time, location, date, and purpose of the hearing.

32 4. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem taxes
33 otherwise imposed on subsequent improvements to real property located in an enhanced enterprise
34 zone of enhanced business enterprises or speculative industrial or warehouse buildings as
35 indicated in subsection 1 of this section shall become and remain exempt from assessment and
36 payment of ad valorem taxes of any political subdivision of this state or municipality thereof for a
37 period of not less than ten years following the date such improvements were assessed, provided
38 the improved properties are used for enhanced business enterprises. The exemption for
39 speculative buildings is subject to the approval of the governing authority for a period not to
40 exceed two years if the building is owned by a private entity and five years if the building is
41 owned or ground leased by a public entity. This shall not preclude the building receiving an
42 exemption for the remaining time period established by the governing authority if it was occupied
43 by an enhanced business enterprise. The two- and five-year time periods indicated for speculative
44 buildings shall not be an addition to the local abatement time period for such facility.

45 5. No exemption shall be granted for a period more than twenty-five years following the
46 date on which the original enhanced enterprise zone was designated or deemed approved by the

1 department.

2 6. The provisions of subsection 1 of this section shall not apply to improvements made to
3 real property begun prior to August 28, 2004.

4 7. The abatement referred to in this section shall not relieve the assessor or other
5 responsible official from ascertaining the amount of the equalized assessed value of all taxable
6 property annually as required by section 99.855, 99.957, or 99.1042, RSMo, and shall not have the
7 effect of reducing the payments in lieu of taxes referred to in subdivision (2) of subsection 1 of
8 section 99.845, RSMo, subdivision (2) of subsection 3 of section 99.957, RSMo, or subdivision
9 (2) of subsection 3 of section 99.1042, RSMo, unless such reduction is set forth in the plan
10 approved by the governing body of the municipality pursuant to subdivision (1) of subsection 1 of
11 section 99.820, section 99.942, or section 99.1027, RSMo.

12 8. As applicable, before the provisions of subdivision (7) of subsection 3 of section
13 137.115 become effective in an enhanced enterprise zone, each local political subdivision that
14 currently levies an ad valorem tax on tangible personal property within the boundaries of the
15 enhanced enterprise zone shall adopt a resolution providing that the provisions of subdivision (7)
16 of subsection 3 of section 137.115 shall apply to tangible personal property in such case.

17 135.967. 1. A taxpayer who establishes a new business facility may, upon approval by the
18 department, be allowed a credit, each tax year for up to ten tax years, in an amount determined as
19 set forth in this section, against the tax imposed by chapter 143, RSMo, excluding withholding tax
20 imposed by sections 143.191 to 143.265, RSMo. No taxpayer shall receive multiple [ten-year]
21 five-year periods for subsequent expansions at the same facility. Notwithstanding the provisions
22 of this subsection, the provisions of section 135.969 shall govern the issuance of tax credits for a
23 new business facility in a certified site zone or dormant manufacturing plant zone approved and
24 designated as an enhanced enterprise zone, except for the amount of tax credits to be issued with
25 respect to such certified site zone or dormant manufacturing plant zone as provided in subsection
26 5 of this section.

27 2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes a
28 new business facility in an enhanced enterprise zone and is awarded state tax credits under this
29 section may not also receive tax credits under sections 135.100 to 135.150, sections 135.200 to
30 135.286, or section 135.535, and may not simultaneously receive tax credits under sections
31 620.1875 to 620.1890, RSMo, at the same facility.

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

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

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

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

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

43 (2) [The sum calculated based upon] An amount not to exceed the sum of the following:

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

46 (b) An additional credit of four hundred dollars for each new business facility employee

1 who is a resident of an enhanced enterprise zone] A tax credit up to five percent of the gross
2 wages of each new business facility employee employed within the enhanced enterprise zone if
3 the average wage of the new jobs of the enhanced business enterprise exceeds the county average
4 wage, or if the average wage is below the county average wage, up to three percent; and

5 (b) A tax credit up to one percent of new business facility investment within an enhanced
6 enterprise zone made during the current taxable year if the average wage of the new jobs of the
7 enhanced business enterprise exceeds the county average wage, or if the average wage is below
8 the county average wage, up to one-half percent;

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

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

14 5. Prior to January 1, 2007, in no event shall the department authorize more than four
15 million dollars annually to be issued for all enhanced business enterprises. After December 31,
16 2006, in no event shall the department authorize more than twenty-four million dollars annually to
17 be issued for all enhanced business enterprises including any such enhanced business enterprises
18 located in certified site zones or dormant manufacturing plant zones under section 135.969.

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

21 (1) The taxpayer's new business facility investment in the expansion during the tax period
22 in which the credits allowed in this section are claimed exceeds one hundred thousand dollars and
23 if the number of new business facility employees engaged or maintained in employment at the
24 expansion facility for the taxable year for which credit is claimed equals or exceeds two, and the
25 total number of employees at the facility after the expansion is at least two greater than the total
26 number of employees before the expansion; and

27 (2) The taxpayer's investment in the expansion and in the original facility prior to
28 expansion shall be determined in the manner provided in subdivision [(19)] (22) of section
29 135.950.

30 7. The number of new business facility employees during any taxable year shall be
31 determined by dividing by twelve the sum of the number of individuals employed on the last
32 business day of each month of such taxable year. If the new business facility is in operation for
33 less than the entire taxable year, the number of new business facility employees shall be
34 determined by dividing the sum of the number of individuals employed on the last business day of
35 each full calendar month during the portion of such taxable year during which the new business
36 facility was in operation by the number of full calendar months during such period. For the
37 purpose of computing the credit allowed by this section in the case of a facility which qualifies as
38 a new business facility under subsection 6 of this section, and in the case of a new business
39 facility which satisfies the requirements of paragraph (c) of subdivision [(17)] (20) of section
40 135.950, or subdivision [(25)] (28) of section 135.950, the number of new business facility
41 employees at such facility shall be reduced by the average number of individuals employed,
42 computed as provided in this subsection, at the facility during the taxable year immediately
43 preceding the taxable year in which such expansion, acquisition, or replacement occurred and
44 shall further be reduced by the number of individuals employed by the taxpayer or related
45 taxpayer that was subsequently transferred to the new business facility from another Missouri
46 facility and for which credits authorized in this section are not being earned, whether such credits

are earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

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

9. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision [(17)] (20) of section 135.950 or subdivision [(25)] (28) of section 135.950, the amount of the taxpayer's new business facility investment in such facility shall be reduced by the average amount, computed as provided in subdivision [(19)] (22) of section 135.950 for new business facility investment, of the investment of the taxpayer, or related taxpayer immediately preceding such expansion or replacement or at the time of acquisition. Furthermore, the amount of the taxpayer's new business facility investment shall also be reduced by the amount of investment employed by the taxpayer or related taxpayer which was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

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

11. Credits may not be carried forward but shall be claimed for the taxable year during which commencement of commercial operations occurs at such new business facility, and for each of the nine succeeding taxable years for which the credit is issued.

12. Certificates of tax credit 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 tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department. The sale price cannot be less than seventy-five percent of the par value of such credits.

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

14. Prior to the issuance of tax credits, the department shall verify through the department of revenue, or any other state department, that the tax credit applicant does not owe any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments levied by any state department and through the department of insurance, financial institutions and professional registration that the applicant does not owe any delinquent insurance taxes. Such delinquency shall not affect the authorization of the application for such tax credits, except that the amount of credits issued shall be reduced by the applicant's tax delinquency. If the department of revenue or the department of insurance, financial institutions and professional registration, or any other state department, concludes that a taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled.

1 After applying all available credits toward a tax delinquency, the administering agency shall notify
2 the appropriate department, and that department shall update the amount of outstanding
3 delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income,
4 sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject to
5 the restrictions of other provisions of law.

6 135.969. 1. A taxpayer who establishes a new business facility in a certified site zone or a
7 dormant manufacturing plant zone approved or designated as an enhanced enterprise zone shall
8 receive a tax credit each tax year for five tax years, in an amount determined as set forth in this
9 section, against the tax imposed by chapter 143, excluding withholding tax imposed by sections
10 143.191 to 143.265. No taxpayer shall receive multiple five-year periods for subsequent
11 expansions at the same facility.

12 2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes a
13 new business facility in a certified site zone or dormant manufacturing plant zone approved or
14 designated as an enhanced enterprise zone and accepts state tax credits under this section shall not
15 also receive tax credits or other benefits for the same new jobs under sections 135.100 to 135.150,
16 sections 135.200 to 135.286, section 135.535, section 135.967, or sections 620.1875 to 620.1890
17 unless such benefits are determined to be necessary by the department.

18 3. The taxpayer shall be entitled to receive the tax credit upon satisfaction of one of the
19 following criteria:

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

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

25 4. The annual amount of tax credits to be issued for an enhanced business enterprise
26 located in a certified site zone or dormant manufacturing plant zone shall be equal to the lesser of:

27 (1) The annual amount of projected state economic benefit for such enhanced business
28 enterprise, as determined by the department; or

29 (2) An annual amount equal to the sum of the following:

30 (a) A tax credit equal to seven percent of the gross wages of each new business facility
31 employee employed within the enhanced enterprise zone if the average wage of the new jobs of
32 the enhanced business enterprise exceeds the county average wage, or if the average wage is
33 below the county average wage, equal to four percent; and

34 (b) A tax credit equal to two percent of new business facility investment within an
35 enhanced enterprise zone if the average wage of the new jobs of the enhanced business enterprise
36 exceeds the county average wage, or if the average wage is below the county average wage, equal
37 to one percent.

38 5. As set forth in section 135.967, up to twenty-four million dollars of tax credits shall be
39 authorized annually for issuance of tax credits for all enhanced enterprise zones including any tax
40 credits issued with respect to certified site zones and dormant manufacturing plant zones of which
41 ten million shall be used exclusively for tax credits attributable to taxpayers in accordance with
42 this section who establish new business facilities in a certified site zone qualified as such under
43 subdivision (4) of section 135.950, provided that for calendar years 2010 and 2011, the ten million
44 dollar limitation may be reduced to equal the balance of tax credits available under the entire
45 program if, as of August 28, 2010, the department has made irrevocable allocations to qualified
46 applicants for tax credits under section 135.967 such that the total of all available tax credit

capacity of this program is less than ten million dollars. Beginning January 1, 2011, if no such taxpayer or taxpayers have applied for tax credits attributable to new business facilities in a certified site zone qualified as such under subdivision (4) of section 135.950 by November fifteenth of each calendar year for the entire ten million dollars, or such lesser amount as computed for calendar years 2010 and 2011, any remaining tax credits for which an application has not been made will be available for issuance for all enhanced enterprise zones for that calendar year. If a new business facility investment in a certified site zone qualified as such under subdivision (4) of section 135.950 qualifies the taxpayer for tax credits under subsection 4 of this section, in excess of the available annual authorization limit set forth in this subsection, the taxpayer may carry such excess new business facility investment amount forward to subsequent years and such excess shall be treated as a new business facility investment for such later taxable years until the taxpayer has received issuance of all tax credits authorized under this section, and, for each such taxable year, the taxpayer shall receive such tax credits on a pro rata basis with other applicants for the tax credits if there are other applicants.

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

(1) The taxpayer's new business facility investment in the expansion during the tax period in which the credits allowed in this section are claimed exceeds five hundred thousand dollars and if the number of new business facility employees engaged or maintained in employment at the expansion facility for the taxable year for which credit is claimed equals or exceeds two, and the total number of employees at the facility after the expansion is at least two greater than the total number of employees before the expansion; and

(2) The taxpayer's investment in the expansion and in the original facility prior to expansion shall be determined in the manner provided in subdivision (22) of section 135.950.

7. The number of new business facility employees during any taxable year shall be determined by dividing by twelve the sum of the number of individuals employed on the last business day of each month of such taxable year. If the new business facility is in operation for less than the entire taxable year, the number of new business facility employees shall be determined by dividing the sum of the number of individuals employed on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was in operation by the number of full calendar months during such period. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility under subsection 6 of this section, and in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (20) or (28) of section 135.950, the number of new business facility employees at such facility shall be reduced by the average number of individuals employed, computed as provided in this subsection, at the facility during the taxable year immediately preceding the taxable year in which such expansion, acquisition, or replacement occurred and shall further be reduced by the number of individuals employed by the taxpayer or related taxpayer that was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

8. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility under subsection 6 of this section, and in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (20) or (28) of section 135.950, the amount of the taxpayer's new business facility investment in such facility

1 shall be reduced by the average amount, computed as provided in subdivision (22) of section
2 135.950 for new business facility investment, of the investment of the taxpayer, or related
3 taxpayer immediately preceding such expansion or replacement or at the time of acquisition.
4 Furthermore, the amount of the taxpayer's new business facility investment shall also be reduced
5 by the amount of investment employed by the taxpayer or related taxpayer which was
6 subsequently transferred to the new business facility from another Missouri facility and for which
7 credits authorized in this section are not being earned, whether such credits are earned because of
8 an expansion, acquisition, relocation, or the establishment of a new facility.

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

12 10. Except as allowed in subsection 5 of this section, credits may not be carried forward
13 but shall be claimed for the taxable year during which commencement of commercial operations
14 occurs at such new business facility, and for each of the nine succeeding taxable years for which
15 the credit is issued.

16 11. Certificates of tax credit authorized by this section may be transferred, sold, or
17 assigned by filing a notarized endorsement thereof with the department that names the transferee,
18 the amount of tax credit transferred, and the value received for the credit, as well as any other
19 information reasonably requested by the department. The sale price cannot be less than
20 seventy-five percent of the par value of such credits.

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

23 13. Prior to the issuance of tax credits, the department shall verify through the department
24 of revenue, or any other state department, that the tax credit applicant does not owe any delinquent
25 income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or
26 assessments levied by any state department and through the department of insurance, financial
27 institutions and professional registration that the applicant does not owe any delinquent insurance
28 taxes. Such delinquency shall not affect the authorization of the application for such tax credits,
29 except that the amount of credits issued shall be reduced by the applicant's tax delinquency. If the
30 department of revenue or the department of insurance, financial institutions and professional
31 registration, or any other state department, concludes that a taxpayer is delinquent after June
32 fifteenth but before July first of any year and the application of tax credits to such delinquency
33 causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty
34 days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled.
35 After applying all available credits toward a tax delinquency, the administering agency shall notify
36 the appropriate department, and that department shall update the amount of outstanding
37 delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income,
38 sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject to
39 the restrictions of other provisions of law.

40 137.115. 1. All other laws to the contrary notwithstanding, the assessor or the assessor's
41 deputies in all counties of this state including the city of St. Louis shall annually make a list of all
42 real and tangible personal property taxable in the assessor's city, county, town or district. Except
43 as otherwise provided in subsection 3 of this section and section 137.078, the assessor shall
44 annually assess all personal property at thirty-three and one-third percent of its true value in
45 money as of January first of each calendar year. The assessor shall annually assess all real
46 property, including any new construction and improvements to real property, and possessory

1 interests in real property at the percent of its true value in money set in subsection 5 of this
2 section. The true value in money of any possessory interest in real property in subclass (3), where
3 such real property is on or lies within the ultimate airport boundary as shown by a federal airport
4 layout plan, as defined by 14 CFR 151.5, of a commercial airport having a FAR Part 139
5 certification and owned by a political subdivision, shall be the otherwise applicable true value in
6 money of any such possessory interest in real property, less the total dollar amount of costs paid
7 by a party, other than the political subdivision, towards any new construction or improvements on
8 such real property completed after January 1, 2008, and which are included in the
9 above-mentioned possessory interest, regardless of the year in which such costs were incurred or
10 whether such costs were considered in any prior year. The assessor shall annually assess all real
11 property in the following manner: new assessed values shall be determined as of January first of
12 each odd-numbered year and shall be entered in the assessor's books; those same assessed values
13 shall apply in the following even-numbered year, except for new construction and property
14 improvements which shall be valued as though they had been completed as of January first of the
15 preceding odd-numbered year. The assessor may call at the office, place of doing business, or
16 residence of each person required by this chapter to list property, and require the person to make a
17 correct statement of all taxable tangible personal property owned by the person or under his or her
18 care, charge or management, taxable in the county. On or before January first of each
19 even-numbered year, the assessor shall prepare and submit a two-year assessment maintenance
20 plan to the county governing body and the state tax commission for their respective approval or
21 modification. The county governing body shall approve and forward such plan or its alternative to
22 the plan to the state tax commission by February first. If the county governing body fails to
23 forward the plan or its alternative to the plan to the state tax commission by February first, the
24 assessor's plan shall be considered approved by the county governing body. If the state tax
25 commission fails to approve a plan and if the state tax commission and the assessor and the
26 governing body of the county involved are unable to resolve the differences, in order to receive
27 state cost-share funds outlined in section 137.750, the county or the assessor shall petition the
28 administrative hearing commission, by May first, to decide all matters in dispute regarding the
29 assessment maintenance plan. Upon agreement of the parties, the matter may be stayed while the
30 parties proceed with mediation or arbitration upon terms agreed to by the parties. The final
31 decision of the administrative hearing commission shall be subject to judicial review in the circuit
32 court of the county involved. In the event a valuation of subclass (1) real property within any
33 county with a charter form of government, or within a city not within a county, is made by a
34 computer, computer-assisted method or a computer program, the burden of proof, supported by
35 clear, convincing and cogent evidence to sustain such valuation, shall be on the assessor at any
36 hearing or appeal. In any such county, unless the assessor proves otherwise, there shall be a
37 presumption that the assessment was made by a computer, computer-assisted method or a
38 computer program. Such evidence shall include, but shall not be limited to, the following:

- 39 (1) The findings of the assessor based on an appraisal of the property by generally
40 accepted appraisal techniques; and
41 (2) The purchase prices from sales of at least three comparable properties and the address
42 or location thereof. As used in this subdivision, the word "comparable" means that:
43 (a) Such sale was closed at a date relevant to the property valuation; and
44 (b) Such properties are not more than one mile from the site of the disputed property,
45 except where no similar properties exist within one mile of the disputed property, the nearest
46 comparable property shall be used. Such property shall be within five hundred square feet in size

1 of the disputed property, and resemble the disputed property in age, floor plan, number of rooms,
2 and other relevant characteristics.

3 2. Assessors in each county of this state and the city of St. Louis may send personal
4 property assessment forms through the mail.

5 3. The following items of personal property shall each constitute separate subclasses of
6 tangible personal property and shall be assessed and valued for the purposes of taxation at the
7 following percentages of their true value in money:

8 (1) Grain and other agricultural crops in an unmanufactured condition, one-half of one
9 percent;

10 (2) Livestock, twelve percent;

11 (3) Farm machinery, twelve percent;

12 (4) Motor vehicles which are eligible for registration as and are registered as historic
13 motor vehicles pursuant to section 301.131, RSMo, and aircraft which are at least twenty-five
14 years old and which are used solely for noncommercial purposes and are operated less than fifty
15 hours per year or aircraft that are home built from a kit, five percent;

16 (5) Poultry, twelve percent; [and]

17 (6) Tools and equipment used for pollution control and tools and equipment used in
18 retooling for the purpose of introducing new product lines or used for making improvements to
19 existing products by any company which is located in a state enterprise zone and which is
20 identified by any standard industrial classification number cited in subdivision (6) of section
21 135.200, RSMo, twenty-five percent; and

22 (7) In any county of the first classification with more than one hundred thirty-five
23 thousand four hundred but fewer than one hundred thirty-five thousand five hundred inhabitants,
24 tools, telecommunications equipment, power production and transmission machinery and
25 equipment, data processing machinery and equipment, and other machinery and equipment that is
26 used in an enhanced enterprise zone designated as such a zone for a certified site zone as defined
27 in subdivision (4) of section 135.950, one-half of one percent.

28 4. The person listing the property shall enter a true and correct statement of the property,
29 in a printed blank prepared for that purpose. The statement, after being filled out, shall be signed
30 and either affirmed or sworn to as provided in section 137.155. The list shall then be delivered to
31 the assessor.

32 5. All subclasses of real property, as such subclasses are established in section 4(b) of
33 article X of the Missouri Constitution and defined in section 137.016, shall be assessed at the
34 following percentages of true value:

35 (1) For real property in subclass (1), nineteen percent;

36 (2) For real property in subclass (2), twelve percent; and

37 (3) For real property in subclass (3), thirty-two percent.

38 6. Manufactured homes, as defined in section 700.010, RSMo, which are actually used as
39 dwelling units shall be assessed at the same percentage of true value as residential real property
40 for the purpose of taxation. The percentage of assessment of true value for such manufactured
41 homes shall be the same as for residential real property. If the county collector cannot identify or
42 find the manufactured home when attempting to attach the manufactured home for payment of
43 taxes owed by the manufactured home owner, the county collector may request the county
44 commission to have the manufactured home removed from the tax books, and such request shall
45 be granted within thirty days after the request is made; however, the removal from the tax books
46 does not remove the tax lien on the manufactured home if it is later identified or found. A

1 manufactured home located in a manufactured home rental park, rental community or on real
2 estate not owned by the manufactured home owner shall be considered personal property. A
3 manufactured home located on real estate owned by the manufactured home owner may be
4 considered real property.

5 7. Each manufactured home assessed shall be considered a parcel for the purpose of
6 reimbursement pursuant to section 137.750, unless the manufactured home has been converted to
7 real property in compliance with section 700.111, RSMo, and assessed as a realty improvement to
8 the existing real estate parcel.

9 8. Any amount of tax due and owing based on the assessment of a manufactured home
10 shall be included on the personal property tax statement of the manufactured home owner unless
11 the manufactured home has been converted to real property in compliance with section 700.111,
12 RSMo, in which case the amount of tax due and owing on the assessment of the manufactured
13 home as a realty improvement to the existing real estate parcel shall be included on the real
14 property tax statement of the real estate owner.

15 9. The assessor of each county and each city not within a county shall use the trade-in
16 value published in the October issue of the National Automobile Dealers' Association Official
17 Used Car Guide, or its successor publication, as the recommended guide of information for
18 determining the true value of motor vehicles described in such publication. In the absence of a
19 listing for a particular motor vehicle in such publication, the assessor shall use such information
20 or publications which in the assessor's judgment will fairly estimate the true value in money of the
21 motor vehicle.

22 10. Before the assessor may increase the assessed valuation of any parcel of subclass (1)
23 real property by more than fifteen percent since the last assessment, excluding increases due to
24 new construction or improvements, the assessor shall conduct a physical inspection of such
25 property.

26 11. If a physical inspection is required, pursuant to subsection 10 of this section, the
27 assessor shall notify the property owner of that fact in writing and shall provide the owner clear
28 written notice of the owner's rights relating to the physical inspection. If a physical inspection is
29 required, the property owner may request that an interior inspection be performed during the
30 physical inspection. The owner shall have no less than thirty days to notify the assessor of a
31 request for an interior physical inspection.

32 12. A physical inspection, as required by subsection 10 of this section, shall include, but
33 not be limited to, an on-site personal observation and review of all exterior portions of the land
34 and any buildings and improvements to which the inspector has or may reasonably and lawfully
35 gain external access, and shall include an observation and review of the interior of any buildings
36 or improvements on the property upon the timely request of the owner pursuant to subsection 11
37 of this section. Mere observation of the property via a drive-by inspection or the like shall not be
38 considered sufficient to constitute a physical inspection as required by this section.

39 13. The provisions of subsections 11 and 12 of this section shall only apply in any county
40 with a charter form of government with more than one million inhabitants.

41 14. A county or city collector may accept credit cards as proper form of payment of
42 outstanding property tax or license due. No county or city collector may charge surcharge for
43 payment by credit card which exceeds the fee or surcharge charged by the credit card bank,
44 processor, or issuer for its service. A county or city collector may accept payment by electronic
45 transfers of funds in payment of any tax or license and charge the person making such payment a
46 fee equal to the fee charged the county by the bank, processor, or issuer of such electronic

1 payment.

2 15. Any county or city not within a county in this state may, by an affirmative vote of the
3 governing body of such county, opt out of the provisions of this section and sections 137.073,
4 138.060, and 138.100, RSMo, as enacted by house bill no. 1150 of the ninety-first general
5 assembly, second regular session and section 137.073 as modified by house committee substitute
6 for senate substitute for senate committee substitute for senate bill no. 960, ninety-second general
7 assembly, second regular session, for the next year of the general reassessment, prior to January
8 first of any year. No county or city not within a county shall exercise this opt-out provision after
9 implementing the provisions of this section and sections 137.073, 138.060, and 138.100, RSMo,
10 as enacted by house bill no. 1150 of the ninety-first general assembly, second regular session and
11 section 137.073 as modified by house committee substitute for senate substitute for senate
12 committee substitute for senate bill no. 960, ninety-second general assembly, second regular
13 session, in a year of general reassessment. For the purposes of applying the provisions of this
14 subsection, a political subdivision contained within two or more counties where at least one of
15 such counties has opted out and at least one of such counties has not opted out shall calculate a
16 single tax rate as in effect prior to the enactment of house bill no. 1150 of the ninety-first general
17 assembly, second regular session. A governing body of a city not within a county or a county that
18 has opted out under the provisions of this subsection may choose to implement the provisions of
19 this section and sections 137.073, 138.060, and 138.100, RSMo, as enacted by house bill no.
20 1150 of the ninety-first general assembly, second regular session, and section 137.073 as modified
21 by house committee substitute for senate substitute for senate committee substitute for senate bill
22 no. 960, ninety-second general assembly, second regular session, for the next year of general
23 reassessment, by an affirmative vote of the governing body prior to December thirty-first of any
24 year.

25 16. The governing body of any city of the third classification with more than twenty-six
26 thousand three hundred but fewer than twenty-six thousand seven hundred inhabitants located in
27 any county that has exercised its authority to opt out under subsection 15 of this section may levy
28 separate and differing tax rates for real and personal property only if such city bills and collects its
29 own property taxes or satisfies the entire cost of the billing and collection of such separate and
30 differing tax rates. Such separate and differing rates shall not exceed such city's tax rate ceiling.

31 144.054. 1. As used in this section, the following terms mean:

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

35 (2) "Recovered materials", those materials which have been diverted or removed from the
36 solid waste stream for sale, use, reuse, or recycling, whether or not they require subsequent
37 separation and processing.

38 2. In addition to all other exemptions granted under this chapter, there is hereby
39 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761,
40 and from the computation of the tax levied, assessed, or payable under sections 144.010 to
41 144.525 and 144.600 to 144.761, electrical energy and gas, whether natural, artificial, or propane,
42 water, coal, and energy sources, chemicals, machinery, equipment, and materials used or
43 consumed in the manufacturing, processing, compounding, mining, or producing of any product,
44 or used or consumed in the processing of recovered materials, or used in research and
45 development related to manufacturing, processing, compounding, mining, or producing any
46 product. The exemptions granted in this subsection shall not apply to local sales taxes as defined

1 in section 32.085, RSMo, and the provisions of this subsection shall be in addition to any state
2 and local sales tax exemption provided in section 144.030.

3 3. In addition to all other exemptions granted under this chapter, there is hereby
4 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761,
5 and section 238.235, RSMo, and the local sales tax law as defined in section 32.085, RSMo, and
6 from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525
7 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as defined in
8 section 32.085, RSMo, all utilities, machinery, and equipment used or consumed directly in
9 television or radio broadcasting and all sales and purchases of tangible personal property, utilities,
10 services, or any other transaction that would otherwise be subject to the state or local sales or use
11 tax when such sales are made to or purchases are made by a contractor for use in fulfillment of
12 any obligation under a defense contract with the United States government, and all sales and
13 leases of tangible personal property by any county, city, incorporated town, or village, provided
14 such sale or lease is authorized under chapter 100, RSMo, and such transaction is certified for
15 sales tax exemption by the department of economic development, and tangible personal property
16 used for railroad infrastructure brought into this state for processing, fabrication, or other
17 modification for use outside the state in the regular course of business, and all tangible personal
18 property, including tools, telecommunications equipment, power production and transmission
19 machinery and equipment and data processing machinery and equipment, and any other tools,
20 materials, machinery, or equipment used or consumed in an enhanced enterprise zone designated
21 as such a zone for a certified site zone as defined in subdivision (4) of section 135.950.

22 4. In addition to all other exemptions granted under this chapter, there is hereby
23 specifically exempted from the provisions of sections 144.010 to 144.525 and 144.600 to 144.761,
24 and section 238.235, RSMo, and the local sales tax law as defined in section 32.085, RSMo, and
25 from the computation of the tax levied, assessed, or payable under sections 144.010 to 144.525
26 and 144.600 to 144.761, and section 238.235, RSMo, and the local sales tax law as defined in
27 section 32.085, RSMo, all sales and purchases of tangible personal property, utilities, services, or
28 any other transaction that would otherwise be subject to the state or local sales or use tax when
29 such sales are made to or purchases are made by a private partner for use in completing a project
30 under sections 227.600 to 227.669, RSMo.

31 144.810. 1. As used in this section, unless the context clearly indicates otherwise, the
32 following terms shall mean:

33 (1) "Commencement of commercial operations", shall be deemed to occur during the first
34 calendar year for which the data storage center or server farm facility is first available for use by
35 the operating taxpayer, or first capable of being used by the operating taxpayer, as a data storage
36 center or server farm facility;

37 (2) "Constructing taxpayer", where more than one taxpayer is responsible for a project, a
38 taxpayer responsible for the purchase or construction of the facility, as opposed to a taxpayer
39 responsible for the equipping and ongoing operations of the facility;

40 (3) "Data storage center" or "server farm facility" or "facility", a facility purchased,
41 constructed, extended, improved or operating under this section, provided that such business
42 facility is engaged in:

43 (a) Data processing, hosting, and related services (NAICS 518210); or

44 (b) Internet publishing and broadcasting and web search portals (NAICS 519130), at the
45 business facility;

46 (4) "Existing facility", a data storage center or server farm facility in this state as it existed

1 prior to August 28, 2010, as determined by the department;

2 (5) "Expanding facility" or "expanding data storage center or server farm facility", an
3 existing facility or replacement facility that expands its operations in this state on or after August
4 28, 2010, and has net new investment related to the expansion of operations in this state of at least
5 one million dollars during a period of up to twelve consecutive months. An expanding facility
6 shall continue to be an expanding facility regardless of a subsequent change in or addition of
7 operating taxpayers or constructing taxpayers;

8 (6) "Expanding facility project" or "expanding data storage center or server farm facility
9 project", the purchase, construction, extension, improvement equipping and operation of an
10 expanding facility;

11 (7) "NAICS", the 2007 edition of the North American Industry Classification System as
12 prepared by the Executive Office of the President, Office of Management and Budget. Any
13 NAICS sector, subsector, industry group or industry identified in this section shall include its
14 corresponding classification in previous and subsequent federal industry classification systems;

15 (8) "New facility" or "new data storage center or server farm facility", a facility in this
16 state meeting the following requirements:

17 (a) The facility is acquired by, or leased to, an operating taxpayer on or after August 28,
18 2010. A facility shall be deemed to have been acquired by, or leased to, an operating taxpayer on
19 or after August 28, 2010, if the transfer of title to an operating taxpayer, the transfer of possession
20 pursuant to a binding contract to transfer title to an operating taxpayer, or the commencement of
21 the term of the lease to an operating taxpayer occurs on or after August 28, 2010, or, if the facility
22 is constructed, erected or installed by or on behalf of an operating taxpayer, such construction,
23 erection or installation is commenced on or after August 28, 2010;

24 (b) If such facility was acquired by an operating taxpayer from another person or persons
25 on or after August 28, 2010, and such facility was employed prior to August 28, 2010, by any
26 other person or persons in the operation of a data storage center or server farm facility, the facility
27 shall not be considered a new facility;

28 (c) Such facility is not a replacement facility, as defined in subdivision (12) of this
29 section;

30 (d) The new facility project investment is at least five million dollars during a period of
31 up to thirty-six consecutive months. Where more than one taxpayer is responsible for a project,
32 the investment requirement may be met by an operating taxpayer, a constructing taxpayer or a
33 combination of constructing taxpayers and operating taxpayers; and

34 (e) A new facility shall continue to be a new facility regardless of a subsequent change in
35 or addition of operating taxpayers or constructing taxpayers;

36 (9) "New data storage center or server farm facility project" or "new facility project", the
37 purchase, construction, extension, improvement equipping and operation of a new facility;

38 (10) "Operating taxpayer", where more than one taxpayer is responsible for a project, a
39 taxpayer responsible for the equipping and ongoing operations of the facility, as opposed to a
40 taxpayer responsible for the purchasing or construction of the facility;

41 (11) "Project taxpayers", each constructing taxpayer and each operating taxpayer for a
42 data storage center or server farm facility project;

43 (12) "Replacement facility" or "replacement data storage center or server farm facility", a
44 facility in this state otherwise described in subdivision (8) of this section, but which replaces
45 another facility located within the state, which the taxpayer or a related taxpayer previously
46 operated but discontinued operating within one year prior to the commencement of commercial

1 operations at the new facility;

2 (13) "Taxpayer", the purchaser of tangible personal property or a service that is subject to
3 state or local sales or use tax and from whom state or local sales or use tax is owed. Taxpayer
4 shall not mean the seller charged by law with collecting the sales tax from the purchaser.

5 2. Beginning August 28, 2010, in addition to the exemptions granted under this chapter,
6 there shall also be specifically exempted from state and local sales and use taxes defined, levied,
7 or calculated under section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or
8 section 238.235:

9 (1) All electrical energy, gas, water, and other utilities including telecommunication
10 services used in a new data storage center or server farm facility;

11 (2) All machinery, equipment, and computers used in any new data storage center or
12 server farm facility; and

13 (3) All sales at retail of tangible personal property and materials for the purpose of
14 constructing, repairing, or remodeling any new data storage center or server farm facility.

15 3. Any data storage center and server farm facility project seeking a tax exemption under
16 subsection 2 of this section shall submit a project plan to the department of economic
17 development, including identifying each known constructing taxpayer and each known operating
18 taxpayer for the project. The department of economic development shall determine whether the
19 project is eligible for the exemption under subsection 2 of this section conditional upon
20 subsequent verification by the department that the project meets the requirement in paragraph (d)
21 of subdivision (8) of subsection 1 of this section of at least five million dollars of new facility
22 investment over a time period not to exceed thirty-six consecutive months. The department of
23 economic development shall convey such conditional approval to the department of revenue and
24 the identified project taxpayers. After a conditionally approved new facility project has met the
25 investment amount, the project taxpayers shall provide proof of such investment to the department
26 of economic development. Upon verification of such proof, the department of economic
27 development shall certify the project to the department of revenue as being eligible for the
28 exemption dating retroactively to the first day of the thirty-six month period or the first day of the
29 new investment in the event the investment is met in less than thirty-six months. The department
30 of revenue, upon receipt of adequate proof of the amount of sales taxes paid since the first day of
31 the thirty-six month period, or the first day of the new investment in the event the investment is
32 met in less than thirty-six months, shall issue a refund of sales taxes paid as set forth in this
33 section to each operating taxpayer and each constructing taxpayer and issue a certificate of
34 exemption to each new project taxpayer for ongoing exemptions under subdivisions (1), (2), and
35 (3) of subsection 2 of this section.

36 4. Beginning August 28, 2010, in addition to the exemptions granted under this chapter,
37 there shall also be specifically exempted from state and local sales and use taxes defined, levied,
38 or calculated under section 32.085, sections 144.010 to 144.525, sections 144.600 to 144.761, or
39 section 238.235:

40 (1) All electrical energy, gas, water, and other utilities including telecommunication
41 services used in an expanding data storage center or server farm facility which, on an annual basis,
42 exceeds the amount of electrical energy, gas, water, and other utilities including
43 telecommunication services used in the existing facility or the replaced facility prior to the
44 expansion. Amount shall be measured in kilowatt hours, gallons, cubic feet or other measures
45 applicable to a utility service as opposed to in dollars, to account for increases in rates;

46 (2) All machinery, equipment, and computers used in any expanding data storage center

1 or server farm facility, the cost of which, on an annual basis, exceeds the average of the previous
2 three years' expenditures on machinery, equipment, and computers at the existing facility or the
3 replaced facility prior to the expansion. Existing facilities or replaced facilities in existence for
4 less than three years shall have the average expenditures calculated based upon the applicable time
5 of existence; and

6 (3) All sales at retail of the tangible personal property and materials for the purpose of
7 constructing, repairing, or remodeling any expanding data storage center or server farm facility.

8 5. Any data storage center and server farm facility project seeking a tax exemption under
9 subsection 4 of this section shall submit an expanding project plan to the department of economic
10 development, including identifying each known constructing taxpayer and each known operating
11 taxpayer for the project. The project applicants shall also provide proof satisfactory to the
12 department of economic development that the facility is an expanding facility and has net new
13 investment related to the expansion of operations in this state of at least one million dollars during
14 a time period not to exceed twelve consecutive months. Upon verification of such proof, the
15 department of economic development shall certify the project to the department of revenue as
16 being eligible for the exemption. The department of revenue shall issue a certificate of exemption
17 to each expanding project taxpayer for ongoing exemptions under subdivisions (1), (2) and (3) of
18 subsection 4 of this section.

19 6. The sales tax exemptions in subsections 2 and 4 of this section shall be tied to the new
20 or expanding facility project. A certificate of exemption in the hands of a taxpayer that is no
21 longer an operating or constructing taxpayer of the new or expanding facility project shall be
22 invalid as of the date the taxpayer was no longer an operating or constructing taxpayer of the new
23 or expanding facility project. New certificates of exemption shall be issued to successor
24 constructing taxpayers and operating taxpayers at such new or expanding facility projects. The
25 right to the exemption by successor taxpayers shall exist without regard to subsequent levels of
26 investment in the new or expanding facility by successor taxpayers.

27 7. The department of economic development and the department of revenue shall
28 cooperate in conducting random audits to make certain the intent of this section is followed.

29 8. The department of economic development and the department of revenue shall jointly
30 prescribe such rules and regulations necessary to carry out the provisions of this section. Any rule
31 or portion of a rule, as that term is defined in section 536.010, that is created under the authority
32 delegated in this section shall become effective only if it complies with and is subject to all of the
33 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
34 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to
35 review, to delay the effective date, or to disapprove and annul a rule are subsequently held
36 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
37 August 28, 2010, shall be invalid and void."; and

38
39 Further amend said bill by amending the title, enacting clause, and intersectional references
40 accordingly.
41