

HOUSE _____ **AMENDMENT NO.** _____

Offered By

AMEND House Committee Substitute No. 2 for Senate Committee Substitute for Senate Bill No. 117,

"67.4500. As used in sections 67.4500 to 67.4520, the following terms shall mean:

(1) "Authority", any county drinking water supply lake authority created by sections 67.4500 to 67.4520;

(2) "Conservation storage level", the target elevation established for a drinking water supply lake at the time of design and construction of such lake;

(3) "Costs", the sum total of all reasonable or necessary expenses incidental to the acquisition, construction, expansion, repair, alteration, and improvement of the project, including without limitation the following: the expense of studies and surveys; the cost of all lands, properties, rights, easements, and franchises acquired; land title and mortgage guaranty policies; architectural and engineering services; legal, organizational marketing, or other special services; provisions for working capital; reserves for principal and interest; and all other necessary and incidental expenses, including interest during construction on bonds issued to finance the project and for a period subsequent to the estimated date of completion of the project;

(4) "Project", recreation and tourist facilities and services, including, but not limited to, lakes, parks, recreation centers, restaurants, hunting and fishing reserves, historic sites and attractions, and any other facilities that the authority may desire to undertake, including the related infrastructure buildings and the usual and convenient facilities appertaining to any undertakings, and any extensions or improvements of any facilities, and the acquisition of any property necessary therefore, all as may be related to the development of a water supply source, recreational and tourist accommodations, and facilities;

(5) "Water commission", a water commission owning a reservoir formed under sections 393.700 to 393.770;

(6) "Watershed", the area that contributes or may contribute to the surface water of any lake as determined by the authority.

67.4505. 1. Any county of the third classification with a township form of government

1 and with more than seven thousand two hundred but fewer than seven thousand three hundred
2 inhabitants or any county of the second classification with more than fifty-four thousand two
3 hundred but fewer than fifty-four thousand three hundred inhabitants may establish a county
4 drinking water supply lake authority, which shall be a body corporate and politic and a political
5 subdivision of this state.

6 2. The authority may exercise the powers provided to it under section 67.4520 over the
7 reservoir area encompassing any drinking water supply lake of one thousand five hundred acres or
8 more, as measured at its conservation storage level, and within the lake's watershed.

9 3. It shall be the purpose of each authority to promote the general welfare and a safe
10 drinking water supply through the construction, operation, and maintenance of a drinking water
11 supply lake.

12 4. The income of the authority and all property at any time owned by the authority shall be
13 exempt from all taxation or any assessments whatsoever to the state or of any political
14 subdivision, municipality, or other governmental agency thereof.

15 5. No county in which an authority is organized shall be held liable in connection with the
16 construction, operation, or maintenance of any project or program undertaken under sections
17 67.4500 to 67.4520, including any actions taken by the authority in connection with such project
18 or program.

19 67.4510. A county drinking water supply lake authority shall consist of at least six but not
20 more than thirty members, appointed as follows:

21 (1) Members of the water commission shall appoint all members to the authority,
22 one-third of the initial members for a six-year term, one-third for a four-year term, and the
23 remaining one-third for a two-year term, until a successor is appointed; provided that, if there is
24 an odd number of members, the last person appointed shall serve a two-year term. Upon the
25 expiration of each term, a successor shall be appointed for a six-year term;

26 (2) No person shall be appointed to serve on the authority unless he or she is a registered
27 voter in the state for more than five years, a resident in the county where the water commission is
28 located for more than five years, and over the age of twenty-five years. If any member moves
29 outside such county, the seat shall be deemed vacant and a new member shall be appointed by the
30 county commission to complete the unexpired term.

31 67.4515. 1. The water commission shall by resolution establish a date and time for the
32 initial meeting of the authority.

33 2. At the initial meeting, and annually thereafter, the authority shall elect one of its
34 members as chairman and one as vice chairman, and appoint a secretary and a treasurer who may
35 be a member of the authority. If not a member of the authority, the secretary or treasurer shall
36 receive compensation that shall be fixed from time to time by action of the authority. The

1 authority may appoint an executive director who shall not be a member of the authority and who
2 shall serve at its pleasure. If an executive director is appointed, he or she shall receive such
3 compensation as shall be fixed from time to time by action of the authority. The authority may
4 designate the secretary to act in lieu of the executive director. The secretary shall keep a record of
5 the proceedings of the authority and shall be the custodian of all books, documents, and papers
6 filed with the authority, the minute books or journal thereof, and its official seal. The secretary
7 may cause copies to be made of all minutes and other records and documents of the authority and
8 may give certificates under the official seal of the authority to the effect that the copies are true
9 and correct copies, and all persons dealing with the authority may rely on such certificates. The
10 authority, by resolution duly adopted, shall fix the powers and duties of its executive director as it
11 may from time to time deem proper and necessary.

12 3. Each member of the authority shall execute a surety bond in the penal sum of fifty
13 thousand dollars or, in lieu thereof, the chairman of the authority shall execute a blanket bond
14 covering each member and the employees or other officers of the authority, each surety bond to be
15 conditioned upon the faithful performance of the duties of the office or offices covered, to be
16 executed by a surety company authorized to transact business in the state as surety, and to be
17 approved by the attorney general and filed in the office of the secretary of state. The cost of each
18 such bond shall be paid by the authority.

19 4. No authority member shall participate in any deliberations or decisions concerning
20 issues where the authority member has a direct financial interest in contracts, property, supplies,
21 services, facilities, or equipment purchased, sold, or leased by the authority. Authority members
22 shall additionally be subject to the limitations regarding the conduct of public officials as provided
23 in chapter 105.

24 67.4520. 1. The authority may:

25 (1) Acquire, own, construct, lease, and maintain recreational or water quality projects;

26 (2) Acquire, own, lease, sell, or otherwise dispose of interests in and to real property and
27 improvements situated thereon and in personal property necessary to fulfill the purposes of the
28 authority;

29 (3) Contract and be contracted with, and to sue and be sued;

30 (4) Accept gifts, grants, loans, or contributions from the federal government, the state of
31 Missouri, political subdivisions, municipalities, foundations, other public or private agencies,
32 individuals, partnerships, or corporations;

33 (5) Employ such managerial, engineering, legal, technical, clerical, accounting,
34 advertising, stenographic, and other assistance as it may deem advisable. The authority may also
35 contract with independent contractors for any of the foregoing assistance;

36 (6) Disburse funds for its lawful activities and fix salaries and wages of its employees;

1 (7) Fix rates, fees, and charges for the use of any projects and property owned, leased,
2 operated, or managed by the authority;

3 (8) Adopt, alter, or repeal its own bylaws, rules, and regulations governing the manner in
4 which its business may be transacted; however, said bylaws, rules, and regulations shall not
5 exceed the powers granted to the authority by sections 67.4500 to 67.4520;

6 (9) Either jointly with a similar body, or separately, recommend to the proper departments
7 of the government of the United States, or any state or subdivision thereof, or to any other body,
8 the carrying out of any public improvement;

9 (10) Provide for membership in any official, industrial, commercial, or trade association,
10 or any other organization concerned with such purposes, for receptions of officials or others as
11 may contribute to the advancement of the authority and development therein, and for such other
12 public relations activities as will promote the same, and such activities shall be considered a
13 public purpose;

14 (11) Cooperate with municipalities and other political subdivisions as provided in chapter
15 70;

16 (12) Enter into any agreement with any other state, agency, authority, commission,
17 municipality, person, corporation, or the United States, to effect any of the provisions contained in
18 sections 67.4500 to 67.4520;

19 (13) Sell and supply water and construct, own, and operate infrastructure projects in areas
20 within its jurisdiction, including but not limited to roads, bridges, water and sewer systems, and
21 other infrastructure improvements;

22 (14) Issue revenue bonds in the same manner as provided under section 67.789; and

23 (15) Adopt tax increment financing within its boundaries in the same manner as provided
24 under section 67.790.

25 2. The state or any political subdivision or municipal corporation thereof may in its
26 discretion, with or without consideration, transfer or cause to be transferred to the authority or
27 may place in its possession or control, by deed, lease, or other contract or agreement, either for a
28 limited period or in fee, any property wherever situated.

29 3. The state or any political subdivision may appropriate, allocate, and expend such funds
30 of the state or political subdivision for the benefit of the authority as are reasonable and necessary
31 to carry out the provisions of sections 67.4500 to 67.4520.

32 4. The authority shall have the authority to exercise all zoning and planning powers that
33 are granted to cities, towns, and villages under chapter 89, except that the authority shall not
34 exercise such powers inside the corporate limits of any city, town, or village which has adopted a
35 city plan under the laws of this state before August 28, 2011.” ; and
36

Further amend said bill, Page 22, Section 105.716, Line 40, by inserting after all of said section and line the following:

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

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

(2) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use. The term "blighted area" shall also include any area which produces or generates or has the potential to produce or generate electrical energy from a renewable energy resource, and which, by reason of obsolescence, decadence, blight, dilapidation, deteriorating or inadequate site improvements, substandard conditions, the predominance or defective or inadequate street layout, unsanitary or unsafe conditions, improper subdivision or obsolete platting, or the existence of conditions which endanger the life or property by fire or other means, or any combination of such factors, is underutilized, unutilized, or diminishes the economic usefulness of the land, improvements, or lock and dam site within such area for the production, generation, conversion, and conveyance of electrical energy from a renewable energy resource;

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

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

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

(8) "Employee", a person employed by the enhanced business enterprise that is scheduled

1 to work an average of at least one thousand hours per year, and such person at all times has health
2 insurance offered to him or her, which is partially paid for by the employer;

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

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

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

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

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

25 (12) "Facility base employment", the greater of the number of employees located at the
26 facility on the date of the notice of intent, or for the twelve-month period prior to the date of the
27 notice of intent, the average number of employees located at the facility, or in the event the project
28 facility has not been in operation for a full twelve-month period, the average number of employees
29 for the number of months the facility has been in operation prior to the date of the notice of intent;

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

1 (14) "Governing authority", the body holding primary legislative authority over a county
2 or incorporated municipality;

3 (15) "Megaproject", any manufacturing or assembling facility, approved by the
4 department for construction and operation within an enhanced enterprise zone, which satisfies the
5 following:

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

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

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

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

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

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

19 (17) "New business facility", a facility that does not produce or generate electrical energy
20 from a renewable energy resource and satisfies the following requirements:

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

30 (b) Such facility is acquired by, or leased to, the taxpayer after December 31, 2004. A
31 facility shall be deemed to have been acquired by, or leased to, the taxpayer after December 31,
32 2004, if the transfer of title to the taxpayer, the transfer of possession pursuant to a binding
33 contract to transfer title to the taxpayer, or the commencement of the term of the lease to the
34 taxpayer occurs after December 31, 2004;

35 (c) If such facility was acquired by the taxpayer from another taxpayer and such facility
36 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) of this section;

(18) "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 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) "New business facility investment", the value of real and depreciable tangible personal property, acquired by the taxpayer 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 135.967 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 calendar months during such period;

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

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

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

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

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

1 intent; or

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

5 (24) "Related taxpayer":

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

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

8 or

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

18 (25) "Renewable energy generation zone", an area which has been found, by a resolution
19 or ordinance adopted by the governing authority having jurisdiction of such area, to be a blighted
20 area and which contains land, improvements, or a lock and dam site which is unutilized or
21 underutilized for the production, generation, conversion, and conveyance of electrical energy from
22 a renewable energy resource;

23 (26) "Renewable energy resource", shall include:

24 (a) Wind;

25 (b) Solar thermal sources or photovoltaic cells and panels;

26 (c) Dedicated crops grown for energy production;

27 (d) Cellulosic agricultural residues;

28 (e) Plant residues;

29 (f) Methane from landfills, agricultural operations, or wastewater treatment;

30 (g) Thermal depolymerization or pyrolysis for converting waste material to energy;

31 (h) Clean and untreated wood such as pallets;

32 (i) Hydroelectric power, which shall include electrical energy produced or generated by
33 hydroelectric power generating equipment, as such term is defined in section 137.010;

34 (j) Fuel cells using hydrogen produced by one or more of the renewable resources
35 provided in paragraphs (a) to (i) of this subdivision; or

36 (k) Any other sources of energy, not including nuclear energy, that are certified as

1 renewable by rule by the department of natural resources;

2 (27) "Replacement business facility", a facility otherwise described in subdivision (17) of
3 this section, hereafter referred to in this subdivision as "new facility", which replaces another
4 facility, hereafter referred to in this subdivision as "old facility", located within the state, which
5 the taxpayer or a related taxpayer previously operated but discontinued operating on or before the
6 close of the first taxable year for which the credit allowed by this section is claimed. A new
7 facility shall be deemed to replace an old facility if the following conditions are met:

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

11 (b) The old facility was employed by the taxpayer or a related taxpayer in the operation of
12 an enhanced business enterprise and the taxpayer continues the operation of the same or
13 substantially similar enhanced business enterprise at the new facility. Notwithstanding the
14 preceding provisions of this subdivision, a facility shall not be considered a replacement business
15 facility if the taxpayer's new business facility investment, as computed in subdivision (19) of this
16 section, in the new facility during the tax period for which the credits allowed in section 135.967
17 are claimed exceed one million dollars and if the total number of employees at the new facility
18 exceeds the total number of employees at the old facility by at least two;

19 ~~[(26)]~~ (28) "Same or substantially similar enhanced business enterprise", an enhanced
20 business enterprise in which the nature of the products produced or sold, or activities conducted,
21 are similar in character and use or are produced, sold, performed, or conducted in the same or
22 similar manner as in another enhanced business enterprise.

23 135.953. 1. For purposes of sections 135.950 to 135.970, an area shall meet the following
24 criteria in order to qualify as an enhanced enterprise zone:

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

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

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

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

33 (3) The resident population of the area shall be at least five hundred but not more than one
34 hundred thousand at the time of designation as an enhanced enterprise zone if the area lies within
35 a metropolitan statistical area, as established by the United States Census Bureau, or if the area
36 does not lie within a metropolitan statistical area, the resident population of the area at the time of

1 designation shall be at least five hundred but not more than forty thousand inhabitants. If the
2 population of the jurisdiction of the governing authority does not meet the minimum population
3 requirements set forth in this subdivision, the population of the area must be at least fifty percent
4 of the population of the jurisdiction. However, no enhanced enterprise zone shall be created
5 which consists of the total area within the political boundaries of a county; and

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

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

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

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

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

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

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

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

32 5. Notwithstanding the requirements of subsections 1 and 4 of this section to the contrary,
33 a renewable energy generation zone may be designated as an enhanced enterprise zone if the
34 renewable energy generation zone meets the criteria set forth in subdivision (25) of section
35 135.950.

36 135.963. 1. Improvements made to real property as such term is defined in section

1 137.010 which are made in an enhanced enterprise zone subsequent to the date such zone or
2 expansion thereto was designated, may, upon approval of an authorizing resolution or ordinance
3 by the governing authority having jurisdiction of the area in which the improvements are made, be
4 exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more
5 affected political subdivisions. Improvements made to real property, as such term is defined in
6 section 137.010, which are locally assessed and in a renewable energy generation zone designated
7 as an enhanced enterprise zone, subsequent to the date such enhanced enterprise zone or
8 expansion thereto was designated, may, upon approval of an authorizing resolution or ordinance
9 by the governing authority having jurisdiction of the area in which the improvements are made, be
10 exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more
11 affected political subdivisions. In addition to enhanced business enterprises, a speculative
12 industrial or warehouse building constructed by a public entity or a private entity if the land is
13 leased by a public entity may be subject to such exemption.

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

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

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

1 by an enhanced business enterprise. The two- and five-year time periods indicated for speculative
2 buildings shall not be an addition to the local abatement time period for such facility.

3 5. No exemption shall be granted for a period more than twenty-five years following the
4 date on which the original enhanced enterprise zone was designated by the department.

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

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

15 137.010. The following words, terms and phrases when used in laws governing taxation
16 and revenue in the state of Missouri shall have the meanings ascribed to them in this section,
17 except when the context clearly indicates a different meaning:

18 (1) "Grain and other agricultural crops in an unmanufactured condition" shall mean grains
19 and feeds including, but not limited to, soybeans, cow peas, wheat, corn, oats, barley, kafir, rye,
20 flax, grain sorghums, cotton, and such other products as are usually stored in grain and other
21 elevators and on farms; but excluding such grains and other agricultural crops after being
22 processed into products of such processing, when packaged or sacked. The term "processing"
23 shall not include hulling, cleaning, drying, grating, or polishing;

24 (2) "Hydroelectric power generating equipment", very-low-head turbine generators with a
25 nameplate generating capacity of at least four hundred kilowatts but not more than six hundred
26 kilowatts and machinery and equipment used directly in the production, generation, conversion,
27 storage, or conveyance of hydroelectric power to land-based devices and appurtenances used in
28 the transmission of electrical energy;

29 (3) "Intangible personal property", for the purpose of taxation, shall include all property
30 other than real property and tangible personal property, as defined by this section;

31 [(3)] (4) "Real property" includes land itself, whether laid out in town lots or otherwise,
32 and all growing crops, buildings, structures, improvements and fixtures of whatever kind thereon,
33 hydroelectric power generating equipment, the installed poles used in the transmission or
34 reception of electrical energy, audio signals, video signals or similar purposes, provided the owner
35 of such installed poles is also an owner of a fee simple interest, possessor of an easement, holder
36 of a license or franchise, or is the beneficiary of a right-of-way dedicated for public utility

1 purposes for the underlying land; attached wires, transformers, amplifiers, substations, and other
2 such devices and appurtenances used in the transmission or reception of electrical energy, audio
3 signals, video signals or similar purposes when owned by the owner of the installed poles,
4 otherwise such items are considered personal property; and stationary property used for
5 transportation of liquid and gaseous products, including, but not limited to, petroleum products,
6 natural gas, water, and sewage;

7 [(4)] (5) "Tangible personal property" includes every tangible thing being the subject of
8 ownership or part ownership whether animate or inanimate, other than money, and not forming
9 part or parcel of real property as herein defined, but does not include household goods, furniture,
10 wearing apparel and articles of personal use and adornment, as defined by the state tax
11 commission, owned and used by a person in his home or dwelling place.

12 137.016. 1. As used in section 4(b) of article X of the Missouri Constitution, the
13 following terms mean:

14 (1) "Agricultural and horticultural property", all real property used for agricultural
15 purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding and
16 management of livestock which shall include breeding, showing, and boarding of horses; to
17 dairying, or to any other combination thereof; and buildings and structures customarily associated
18 with farming, agricultural, and horticultural uses. Agricultural and horticultural property shall
19 also include land devoted to and qualifying for payments or other compensation under a soil
20 conservation or agricultural assistance program under an agreement with an agency of the federal
21 government. Agricultural and horticultural property shall further include land and improvements,
22 exclusive of structures, on privately owned airports that qualify as reliever airports under the
23 Nation Plan of Integrated Airports System, to receive federal airport improvement project funds
24 through the Federal Aviation Administration. Real property classified as forest croplands shall
25 not be agricultural or horticultural property so long as it is classified as forest croplands and shall
26 be taxed in accordance with the laws enacted to implement section 7 of article X of the Missouri
27 Constitution. Agricultural and horticultural property shall also include any sawmill or planing
28 mill defined in the U.S. Department of Labor's Standard Industrial Classification (SIC) Manual
29 under Industry Group 242 with the SIC number 2421;

30 (2) "Residential property", all real property improved by a structure which is used or
31 intended to be used for residential living by human occupants, vacant land in connection with an
32 airport, land used as a golf course, and manufactured home parks, but residential property shall
33 not include other similar facilities used primarily for transient housing. For the purposes of this
34 section, "transient housing" means all rooms available for rent or lease for which the receipts from
35 the rent or lease of such rooms are subject to state sales tax pursuant to subdivision (6) of
36 subsection 1 of section 144.020;

1 (3) "Utility, industrial, commercial, railroad and other real property", all real property
2 used directly or indirectly, for any commercial, mining, industrial, manufacturing, trade,
3 professional, business, or similar purpose, including all property centrally assessed by the state tax
4 commission but shall not include floating docks, portions of which are separately owned and the
5 remainder of which is designated for common ownership and in which no one person or business
6 entity owns more than five individual units. All other real property not included in the property
7 listed in subclasses (1) and (2) of section 4(b) of article X of the Missouri Constitution, as such
8 property is defined in this section, shall be deemed to be included in the term "utility, industrial,
9 commercial, railroad and other real property".

10 2. Pursuant to article X of the state constitution, any taxing district may adjust its
11 operating levy to recoup any loss of property tax revenue, except revenues from the surtax
12 imposed pursuant to article X, subsection 2 of section 6 of the constitution, as the result of
13 changing the classification of structures intended to be used for residential living by human
14 occupants which contain five or more dwelling units if such adjustment of the levy does not
15 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this section,
16 loss in revenue shall include the difference between the revenue that would have been collected on
17 such property under its classification prior to enactment of this section and the amount to be
18 collected under its classification under this section. The county assessor of each county or city not
19 within a county shall provide information to each taxing district within its boundaries regarding
20 the difference in assessed valuation of such property as the result of such change in classification.

21 3. All reclassification of property as the result of changing the classification of structures
22 intended to be used for residential living by human occupants which contain five or more dwelling
23 units shall apply to assessments made after December 31, 1994.

24 4. Where real property is used or held for use for more than one purpose and such uses
25 result in different classifications, the county assessor shall allocate to each classification the
26 percentage of the true value in money of the property devoted to each use; except that, where
27 agricultural and horticultural property, as defined in this section, also contains a dwelling unit or
28 units, the farm dwelling, appurtenant residential-related structures and up to five acres
29 immediately surrounding such farm dwelling shall be residential property, as defined in this
30 section.

31 5. All real property which is vacant, unused, or held for future use; which is used for a
32 private club, a not-for-profit or other nonexempt lodge, club, business, trade, service organization,
33 or similar entity; or for which a determination as to its classification cannot be made under the
34 definitions set out in subsection 1 of this section, shall be classified according to its immediate
35 most suitable economic use, which use shall be determined after consideration of:

36 (1) Immediate prior use, if any, of such property;

- 1 (2) Location of such property;
- 2 (3) Zoning classification of such property; except that, such zoning classification shall not
- 3 be considered conclusive if, upon consideration of all factors, it is determined that such zoning
- 4 classification does not reflect the immediate most suitable economic use of the property;
- 5 (4) Other legal restrictions on the use of such property;
- 6 (5) Availability of water, electricity, gas, sewers, street lighting, and other public services
- 7 for such property;
- 8 (6) Size of such property;
- 9 (7) Access of such property to public thoroughfares; and
- 10 (8) Any other factors relevant to a determination of the immediate most suitable economic
- 11 use of such property.

12 6. All lands classified as forest croplands shall not, for taxation purposes, be classified as

13 subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in section

14 4(b) of article X of the Missouri Constitution and defined in this section, but shall be taxed in

15 accordance with the laws enacted to implement section 7 of article X of the Missouri Constitution.

16 7. No property tax classification changes resulting from this section shall have the effect of

17 eliminating employer obligations under chapter 287.” ; and

18

19 Further amend said bill, Page 40, Section 205.205, Line 67, by inserting after all of said section

20 and line the following:

21 “226.224. Notwithstanding any provision of the law to the contrary, the state highways and

22 transportation commission may enter into binding highway infrastructure improvement

23 agreements to reimburse or repay, in an amount and in such terms agreed upon by the parties, any

24 funds advanced by or for the benefit of a county, political subdivision, or private entity to expedite

25 state road construction or improvement. Such highway infrastructure improvement agreements

26 may provide for the assignment of the state highways and transportation commission's

27 reimbursement or repayment obligations in order to facilitate the funding of such improvements.

28 The funds advanced by or for the benefit of the county, political subdivision, or private entity for

29 the construction or improvement of state highway infrastructure shall be repaid by the state

30 highways and transportation commission from funds from the state road fund in a manner, time

31 period, and interest rate agreed to upon by the respective parties. The state highways and

32 transportation commission may condition the reimbursement or repayment of such advanced

33 funds upon projected highway revenues only if terms of the contract explicitly state such a

34 condition. The contract shall further provide for a date or dates certain for repayment of funds and

35 the commission may delay repayment of the advanced funds if highway revenues fall below the

36 projections used to determine the repayment schedule, or if repayment would jeopardize the

1 receipt of federal highway moneys, only if terms of the contract state such a condition and the
2 contract provides for a date or dates certain for repayment of funds.”; and

3
4 Further amend said bill, Page 49, Section 447.708, Line 224, by inserting after all of said section
5 and line the following:

6 “620.2300. 1. As used in this section, the following terms shall mean;

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

8 (2) "Biomass facility", a biomass renewable energy facility or biomass fuel production
9 facility that will not be a major source for air quality permitting purposes;

10 (3) "Commission", the Missouri public service commission;

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

16 Notwithstanding the provisions of this subdivision to the contrary, for any project that is
17 relocating employees from a Missouri county with a higher county average wage, the company
18 shall obtain the endorsement of the governing body of the community from which jobs are being
19 relocated or the county average wage for their project shall be the county average wage for the
20 county from which the employees are being relocated;

21 (5) "Full-time employee", an employee of the project facility that is scheduled to work an
22 average of at least thirty-five hours per week for a twelve-month period, and one for which the
23 employer offers health insurance and pays at least fifty percent of such insurance premiums;

24 (6) "Major source", the same meaning as is provided under 40 CFR 70.2;

25 (7) "New job", the number of full-time employees located at the project facility that
26 exceeds the project facility base employment less any decrease in the number of full-time
27 employees at related facilities below the related facility base employment. An employee that
28 spends less than fifty percent of the employee's work time at the project facility is still considered
29 to be located at a facility if the employee receives his or her directions and control from that
30 facility, is on the facility's payroll, one hundred percent of the employee's income from such
31 employment is Missouri income, and the employee is paid at or above the state average wage;

32 (8) "Park", an area consisting of a parcel or tract of land, or any combination of parcels or
33 contiguous land that meet all of the following requirements:

34 (a) The area consists of at least fifty contiguous acres;

35 (b) The property within the area is subject to remediation under a clean up program
36 supervised by the Missouri department of natural resources or United States environmental

1 protection agency;

2 (c) The area contains a manufacturing facility that is closed, undergoing closure, idle,
3 underutilized, or curtailed and that at one time employed at least two hundred employees;

4 (d) The development plan for the area includes a biomass facility; and

5 (e) Property located within the area will be used for the development of renewable energy
6 and the demonstration of industrial on-site energy generation;

7 (9) "Project", a cleanfields renewable energy demonstration project located within a park
8 that will result in the creation of at least fifty new jobs and the retention of at least fifty existing
9 jobs;

10 (10) "Project application", an application submitted to the department, by an owner of all
11 or a portion of a park, on a form provided by the department, requesting benefits provided under
12 this section;

13 (11) "Project facility", a biomass facility at which the new jobs will be located. A project
14 facility may include separate buildings that are located within fifty miles of each other or within
15 the same county such that their purpose and operations are interrelated;

16 (12) "Project facility base employment", the greater of the number of full-time employees
17 located at the project facility on the date of the project application or for the twelve-month period
18 prior to the date of the project application, the average number of full-time employees located at
19 the project facility. In the event the project facility has not been in operation for a full
20 twelve-month period, the average number of full-time employees for the number of months the
21 project facility has been in operation prior to the date of the project application.

22 2. The owner of a park seeking to establish a project shall submit a project application to
23 the department for certification of such project. The department shall review all project
24 applications received under this section and, in consultation with the department of natural
25 resources, verify satisfaction of the requirements of this section. If the department approves a
26 project application, the department shall forward such application and approval to the
27 commission.

28 3. Notwithstanding provisions of section 393.1030 to the contrary, upon receipt of an
29 application and approval from the department, the commission shall assign double credit to any
30 electric power, renewable energy, renewable energy credits, or any successor credit generated
31 from:

32 (1) Renewable energy resources purchased from the biomass facility located in the park by
33 an electric power supplier;

34 (2) Electric power generated off-site by utilizing biomass fuel sold by the biomass facility
35 located at the park; or

36 (3) Electric power generated off-site by renewable energy resources utilizing storage

1 equipment manufactured at the park that increases the quantity of electricity delivered to the
2 electric power supplier.” ; and

3
4 Further amend said bill, Page 51, Section B, Line 2, by inserting immediately after the word
5 “revenue” the following:

6 “and because of the need to ensure the creation of jobs through the utilization of alternative
7 energy sources” ; and

8
9 Further amend said bill, page and section, Lines 3 and 6 by deleting “and 205.205” and inserting
10 in lieu thereof the following:

11
12 “, 205.205, and 620.2300” ; and

13
14 Further amend said bill by amending the title, enacting clause, and intersectional references
15 accordingly.