

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1583
97TH GENERAL ASSEMBLY

5150H.04C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 348.250, 348.253, 348.257, 348.265, 348.269, section 348.251 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section 348.251 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house committee substitute for house bill nos 1248 & 1048, eighty-seventh general assembly, second regular session, section 348.256 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section 348.256 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house bill no. 414, eighty-eighth general assembly, first regular session, section 348.261 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section 348.261 as enacted by senate committee substitute for house committee substitute for house bill no. 574, eighty-eighth general assembly, first regular session, section 348.262 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section 348.262 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house committee substitute for house bill nos 1248 & 1048, eighty-seventh general assembly, second regular session, section 348.263 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section 348.263 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house committee substitute for house bill nos 1248 & 1048, eighty-seventh general assembly, second regular session, section 348.264 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section 348.264 as enacted

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

by conference committee substitute for senate substitute for senate committee substitute for house substitute for house bill no. 414, eighty-eighth general assembly, first regular session, section 348.271 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section 348.300 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, and section 348.300 as enacted by senate committee substitute for house committee substitute for house bill no. 1, ninety-fourth general assembly, first extraordinary session, RSMo, and to enact in lieu thereof ten new sections relating to the Missouri technology corporation.

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

Section A. Sections 348.250, 348.253, 348.257, 348.265, 348.269, section 348.251 as
2 enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth
3 general assembly, first extraordinary session, section 348.251 as enacted by conference
4 committee substitute for senate substitute for senate committee substitute for house substitute
5 for house committee substitute for house bill nos 1248 & 1048, eighty-seventh general assembly,
6 second regular session, section 348.256 as enacted by senate substitute for senate committee
7 substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section
8 348.256 as enacted by conference committee substitute for senate substitute for senate committee
9 substitute for house substitute for house bill no. 414, eighty-eighth general assembly, first regular
10 session, section 348.261 as enacted by senate substitute for senate committee substitute for
11 senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section 348.261 as
12 enacted by senate committee substitute for house committee substitute for house bill no. 574,
13 eighty-eighth general assembly, first regular session, section 348.262 as enacted by senate
14 substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly,
15 first extraordinary session, section 348.262 as enacted by conference committee substitute for
16 senate substitute for senate committee substitute for house substitute for house committee
17 substitute for house bill nos 1248 & 1048, eighty-seventh general assembly, second regular
18 session, section 348.263 as enacted by senate substitute for senate committee substitute for
19 senate bill no. 7, ninety-sixth general assembly, first extraordinary session, section 348.263 as
20 enacted by conference committee substitute for senate substitute for senate committee substitute
21 for house substitute for house committee substitute for house bill nos 1248 & 1048, eighty-
22 seventh general assembly, second regular session, section 348.264 as enacted by senate substitute
23 for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first
24 extraordinary session, section 348.264 as enacted by conference committee substitute for senate

25 substitute for senate committee substitute for house substitute for house bill no. 414, eighty-
26 eighth general assembly, first regular session, section 348.271 as enacted by senate substitute for
27 senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first
28 extraordinary session, section 348.300 as enacted by senate substitute for senate committee
29 substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session, and
30 section 348.300 as enacted by senate committee substitute for house committee substitute for
31 house bill no. 1, ninety-fourth general assembly, first extraordinary session, RSMo, are repealed
32 and ten new sections enacted in lieu thereof, to be known as sections 348.251, 348.253, 348.256,
33 348.257, 348.261, 348.262, 348.263, 348.264, 348.265, and 348.300, to read as follows:

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

- 2 (1) ["Applicable percentage", six percent for the fiscal year beginning July 1, 2012, and
3 the next fourteen consecutive fiscal years; five percent for the immediately subsequent five fiscal
4 years; and four percent for the immediately subsequent five fiscal years;
- 5 (2) "Applied research", any activity that seeks to utilize, synthesize, or apply existing
6 knowledge, information, or resources to the resolution of a specific problem, question, or issue
7 of science and innovation, including but not limited to translational research;
- 8 (3) "Base year", fiscal year ending June 30, 2010;
- 9 (4) "Base year gross wages", gross wages paid by science and innovation companies to
10 science and innovation employees during fiscal year ending June 30, 2010;
- 11 (5) "Basic research", any original investigation for the advancement of scientific or
12 technical knowledge of science and innovation;
- 13 (6) "Commercialization", any of the full spectrum of activities required for a new
14 technology, product, or process to be developed from the basic research or conceptual stage
15 through applied research or development to the marketplace, including without limitation, the
16 steps leading up to and including licensing, sales, and service;
- 17 (7) "Corporation", the Missouri technology corporation established under this section;
- 18 [(8) "Fields of applicable expertise", any of the following fields: science and innovation
19 research, development, or commercialization, including basic research and applied research;
20 corporate finance, venture capital, and private equity related to science and innovation; the
21 business and management of science and innovation companies; education related to science and
22 innovation; or civic or corporate leadership in areas related to science and innovation;
- 23 (9) (2) "Department", the Missouri department of economic development;
- 24 (3) "Eligible donation", cash donations received from a taxpayer by the Missouri
25 technology corporation and used solely to carry out the provisions of sections 348.251 to
26 348.275;

27 (4) "Inherent conflict of interest", a fundamental or systematic conflict of interest that
28 prevents a person from serving as a disinterested director of the corporation and from routinely
29 performing his or her duties as a director of the corporation;

30 [(10) "NAICS industry groups" or "NAICS codes", the North American Industry
31 Classification System developed under the auspices of the United States Office of Management
32 and Budget and adopted in 1997, as may be amended, revised, or replaced by similar
33 classification systems for similar uses from time to time;

34 (11) "Science and innovation", the use of compositions and methods in research,
35 development, and manufacturing processes for such diverse areas as agriculture-biotechnology,
36 animal health, biochemistry, bioinformatics, energy, environment, forestry, homeland security,
37 information technology, medical devices, medical diagnostics, medical instruments, medical
38 therapeutics, microbiology, nanotechnology, pharmaceuticals, plant biology, and veterinary
39 medicine, including future developments in such areas;

40 (12) "Science and innovation company", a corporation, limited liability company, S
41 corporation, partnership, registered limited liability partnership, foundation, association,
42 nonprofit entity, sole proprietorship, business trust, person, group, or other entity that is:

43 (a) Engaged in the research, development, commercialization, or business of science and
44 innovation in the state, including, without limitation, research, development, or production
45 directed toward developing or providing science and innovation products, processes, or services
46 for specific commercial or public purposes, including hospitals, nonprofit research institutions,
47 incubators, accelerators, and universities currently located or involved in the research,
48 development, commercialization, or business of science and innovation in the state; or

49 (b) Identified by the following NAICS industry groups or NAICS codes or any amended
50 or successor code sections covering such areas of research, development, and commercial
51 endeavors: 3251; 3253; 3254; 3391; 51121; 54138; 54171; 62231; 111191; 111421; 111920;
52 111998; 311119; 311211; 311221; 311222; 311223; 325193; 325199; 325221; 325222; 325611;
53 325612; 325613; 325311; 325312; 325314; 325320; 325411; 325412; 325414; 333298; 334510;
54 334516; 334517; 339111; 339112; 339113; 339114; 339115; 339116; 424910; 541710; 621511;
55 and 621512.

56 Each of the above listed four-digit and five-digit codes shall include all six-digit codes in such
57 four-digit and five-digit industry; however, each six-digit code shall stand alone and not indicate
58 the inclusion of other omitted six-digit codes that also are subsets of the pertinent four-digit or
59 five-digit industry to which the included six-digit code belongs;

60 (13) "Science and innovation employee", any employee, officer, or director of a science
61 and innovation company who is a state income taxpayer and any employee of a university who

62 is associated with or supports the research, development, commercialization, or business of
63 science and technology in the state and is obligated to pay state income tax to the state;

64 (14)] (5) "Taxpayer", any of the following individuals or entities who make an
65 eligible donation to the Missouri technology corporation:

66 (a) A person, firm, partner in a firm, corporation, or a shareholder in an S
67 corporation doing business in the state of Missouri and subject to the state income tax
68 imposed in chapter 143;

69 (b) A corporation subject to the annual corporation franchise tax imposed in
70 chapter 147;

71 (c) An insurance company paying an annual tax on its gross premium receipts in
72 this state;

73 (d) Any other financial institution paying taxes to the state of Missouri or any
74 political subdivision of this state under chapter 148;

75 (e) An individual subject to the state income tax imposed in chapter 143;

76 (f) Any charitable organization that is exempt from federal income tax and whose
77 Missouri unrelated business taxable income, if any, would be subject to the state income
78 tax imposed under chapter 143;

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

83 [(15)] (7) "Technology development", strategically focused research directed at
84 developing investment-grade technologies which are important for market competitiveness.

85 2. The governor may, on behalf of the state and in accordance with chapter 355, establish
86 a private not-for-profit corporation named the "Missouri Technology Corporation", to carry out
87 the provisions of sections 348.251 to 348.266. As used in sections [348.250] **348.251** to 348.275
88 the word "corporation" means the Missouri technology corporation authorized by this section.
89 Before certification by the governor, the corporation shall conduct a public hearing for the
90 purpose of giving all interested parties an opportunity to review and comment on the articles of
91 incorporation, bylaws and methods of operation of the corporation. Notice of the hearing shall
92 be given at least fourteen days prior to the hearing.

mean:
2

3 (1) "Technology application", the introduction and adaptation of refined
4 management practices in fields such as scheduling, inventory management,
5 marketing, product development, and training in order to improve the quality,

productivity and profitability of an existing firm. Technology application shall be considered a component of business modernization;

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

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

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

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

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

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

(3)] The establishment of a finance corporation to assist in the implementation of section 348.261; and

[(4)] (3) The enhancement of technology application, as defined in subdivision [(1)] (6) of section 348.251.

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

348.256. 1. The articles of incorporation, bylaws, and methods of operation of the Missouri technology corporation shall be consistent with the provisions of sections [348.250] **348.251** to 348.275.

2. The purposes of the corporation are to contribute to the strengthening of the economy of the state through the development of science and innovation, to promote the modernization of Missouri businesses by supporting the transfer of science, technology and quality improvement methods to the workplace; to enhance the productivity and modernization of Missouri businesses by providing leadership in the establishment of methods of technology application, technology commercialization and technology development; to make Missouri businesses, institutions, and universities more competitive and increase their likelihood of success; to support and enhance local and regional strategies and initiatives that capitalize on the unique science and innovation assets across the state; to make Missouri a highly desirable state in which to conduct, facilitate, support, fund, and perform science and innovation research, development, and commercialization; to facilitate and effect the creation, attraction, retention, growth, and enhancement of both existing and new science and innovation companies in the state; to make Missouri a national and international leader in economic activity based on science and innovation; to enhance workforce development; to create and retain quality jobs; to advance scientific knowledge; and to improve the quality of life for the citizens of the state of Missouri in both urban and rural communities.

3. The board of directors of the corporation shall be composed of fifteen persons. The governor shall annually appoint one of its members, who must be from the private sector, as chairperson. The board shall consist of the following members:

- (1) The director of the department of economic development, or the director's designee;
- (2) The president of the University of Missouri system, or the president's designee;
- (3) A member of the state senate, appointed by the president pro tem of the senate;
- (4) A member of the house of representatives, appointed by the speaker of the house;
- (5) Eleven members appointed by the governor, with the advice and consent of the senate, who are recognized for outstanding knowledge, leadership, and expertise in one or more of the fields of applicable expertise.

Each of the directors of the corporation who is appointed by the governor shall serve for a term of four years and until a successor is duly appointed.

4. Any changes in the articles of incorporation or bylaws must be approved by the governor.

5. At the discretion of the state auditor, the corporation is subject to an audit by the state auditor and the corporation shall bear the full cost of the audit.

36 6. Each of the directors of the corporation provided for in subdivisions (1) and (2) of
37 subsection 3 of this section shall remain a director until the designating individual specified in
38 such subdivisions designates a replacement by sending a written communication to the governor
39 and the chairperson of the board of the corporation; provided, however, that if the director of
40 economic development or the president of the University of Missouri system designates himself
41 or herself to the corporation board, such person's service as a corporation director shall cease
42 immediately when that person no longer serves as the director of economic development or as
43 the president of the University of Missouri system. Each of the directors of the corporation
44 provided for in subdivisions (3) and (4) of subsection 3 of this section shall remain a director
45 until the appointing member of the general assembly specified in such subdivisions appoints a
46 replacement by sending a written communication to the governor and the chairperson of the
47 corporation board; provided, however, that if the speaker of the house or the president pro tem
48 of the senate appoints himself or herself to the corporation board, such person's service as a
49 corporation director shall cease immediately when that person no longer serves as the speaker
50 of the house or the president pro tem of the senate.

51 7. Each of the eleven members of the board appointed by the governor shall:

52 (1) Hold office for the term of appointment and until the governor duly appoints his or
53 her successor; provided that if a vacancy is created by the death, permanent disability,
54 resignation, or removal of a director, such vacancy shall become immediately effective;

55 (2) Be eligible for reappointment, but members of the board shall not be eligible to serve
56 more than two consecutive four-year terms and shall not be reappointed to the board until they
57 have not served on the board for a period of at least four interim years;

58 (3) Not have a known inherent conflict of interest at the time of appointment; and

59 (4) Not have served in an elected office or a cabinet position in state government for a
60 period of two years prior to appointment, unless otherwise provided in this section.

61 8. Any member of the board may be removed by affirmative vote of eleven members of
62 the board for malfeasance or misfeasance in office, regularly failing to attend meetings, failure
63 to comply with the corporation's conflicts of interest policy, conviction of a felony, or for any
64 cause that renders the member incapable of or unfit to discharge the duties of a director of the
65 corporation.

66 9. The board shall meet at least four times per year and at such other times as it deems
67 appropriate, or upon call by the president or the chairperson, or upon written request of a
68 majority of the directors of the board. Unless otherwise restricted by Missouri law, the directors
69 may participate in a meeting of the board by means of telephone conference or other electronic
70 communications equipment whereby all persons participating in the meeting can communicate

71 clearly with each other, and participation in a meeting in such manner will constitute presence
72 in person at such meeting.

73 10. A majority of the total voting membership of the board shall constitute a quorum for
74 meetings. The board may act by a majority of those at any meeting where a quorum is present,
75 except upon such issues as the board may determine shall require a vote of more members of the
76 board for approval or as required by law. All resolutions and orders of the board shall be
77 recorded and authenticated by the signature of the secretary or any assistant secretary of the
78 board.

79 11. Members of the board shall serve without compensation. Members of the board
80 attending meetings of the board, or attending committee or advisory meetings thereof, shall be
81 paid mileage and all other applicable expenses, provided that such expenses are reasonable,
82 consistent with policies established from time to time by the board, and not otherwise
83 inconsistent with law.

84 12. The board may adopt, repeal, and amend such articles of incorporation, bylaws, and
85 methods of operation that are not contrary to law or inconsistent with sections [348.250] **348.251**
86 to 348.275, as it deems expedient for its own governance and for the governance and
87 management of the corporation and its committees and advisory boards; provided that any
88 changes in the articles of incorporation or bylaws approved by the board must also be approved
89 by the governor.

90 13. A president shall direct and supervise the administrative affairs and the general
91 management of the corporation. The president shall be a person of national prominence that has
92 expertise and credibility in one or more of the fields of applicable expertise with a demonstrated
93 track record of success in leading a mission-driven organization. The president's salary and other
94 terms and conditions of employment shall be set by the board. The board may negotiate and
95 enter into an employment agreement with the president of the corporation, which may provide
96 for compensation, allowances, benefits, and expenses. The president of the corporation shall not
97 be eligible to serve as a member of the board until two years after the end of his or her
98 employment with the corporation. The president of the corporation shall be bound by, and agree
99 to obey, the corporation's conflicts of interest policy, including annually completing and
100 submitting to the board a disclosure and compliance certificate in accordance with such conflicts
101 of interest policy.

102 14. The corporation may employ such employees as it may require and upon such terms
103 and conditions as it may establish that are consistent with state and federal law. The corporation
104 may establish personnel, payroll, benefit, and other such systems as authorized by the board, and
105 provide death and disability benefits. Corporation employees, including the president, shall be
106 considered state employees for the purposes of membership in the Missouri state employees'

retirement system and the Missouri consolidated health care plan. Compensation paid by the corporation shall constitute pay from a department for purposes of accruing benefits under the Missouri state employees' retirement system. The corporation may also adopt, in accordance with requirements of the federal Internal Revenue Code of 1986, as amended, a defined contribution plan sponsored by the corporation with respect to employees, including the president, employed by the corporation. Nothing in sections [348.250] **348.251** to 348.275 shall be construed as placing any officer or employee of the corporation or member of the board in the classified or the unclassified service of the state of Missouri under Missouri laws and regulations governing civil service. No employee of the corporation shall be eligible to serve as a member of the board until two years immediately following the end of his or her employment with the corporation. All employees of the corporation shall be bound by, and agree to obey, the corporation's conflicts of interest policy, including annually completing and submitting to the board a disclosure and compliance certificate in accordance with such conflicts of interest policy.

15. No later than the first day of January each year, the corporation shall submit an annual report to the governor and to the Missouri general assembly which the corporation may contract with a third party to prepare and which shall include:

(1) A complete and detailed description of the operating and financial conditions of the corporation during the prior fiscal year;

(2) Complete and detailed information about the distributions from the Missouri [science and innovation reinvestment] **technology investment** fund and from any income of the corporation;

(3) [Information about the growth of science and innovation research and industry in the state;

(4)] Information regarding financial or performance audits performed in such year, including any recommendations with reference to additional legislation or other action that may be necessary to carry out the purposes of the corporation; and

[(5)] (4) Whether or not the corporation made any distribution during the prior fiscal year to a research project or other project for which a report shall be filed under subsection 4 of section 38(d) of article III of the Constitution of the State of Missouri. If such a distribution was made, the corporation shall disclose in the annual report the amount of the distribution, the recipient of the distribution, and the project description.

16. The corporation shall keep its books and records in accordance with generally accepted accounting procedures. Within four months following the end of each fiscal year, the corporation shall cause a firm of independent certified public accountants of national repute to conduct and deliver to the board an audit of the financial statements of the corporation and an opinion thereon, to be conducted in accordance with generally accepted audit standards,

143 provided, however, that this section shall be inapplicable if the board of directors of the
144 corporation determines that insufficient funds have been appropriated to pay for the costs of
145 compliance with these requirements.

146 17. Within four months following the end of every odd numbered fiscal year, beginning
147 with fiscal year 2016, the corporation shall cause an independent firm of national repute that has
148 expertise in science and innovation research and industry to conduct and deliver to the board an
149 evaluation of the performance of the corporation for the prior two fiscal years, including detailed
150 recommendations for improving the performance of the corporation, provided, however, that this
151 section shall be inapplicable if the board of directors of the corporation determines that
152 insufficient funds have been appropriated to pay for the costs of compliance with these
153 requirements.

154 18. The corporation shall provide the state auditor a copy of the financial and
155 performance evaluations prepared under subsections 16 and 17 of this section.

156 19. The corporation shall have perpetual existence until an act of law expressly dissolves
157 the corporation; provided that no such law shall take effect so long as the corporation has
158 obligations or bonds outstanding unless adequate provision has been made for the payment or
159 retirement of such debts or obligations. Upon any such dissolution of the corporation, all
160 property, funds, and assets thereof shall be vested in the state.

161 20. [Except as provided under section 348.266, the state hereby pledges to, and agrees
162 with, recipients of corporation funding or beneficiaries of corporation programs under sections
163 348.250 to 348.275 that the state shall not limit or alter the rights vested in the corporation under
164 sections 348.250 to 348.275 to fulfill the terms of any agreements made or obligations incurred
165 by the corporation with or to such third parties, or in any way impair the rights and remedies of
166 such third parties until the obligations of the corporation and the state are fully met and
167 discharged in accordance with sections 348.250 to 348.275.

168 21. The corporation shall be exempt from:

169 (1) Any general ad valorem taxes upon any property of the corporation acquired and used
170 for its public purposes;

171 (2) Any taxes or assessments upon any projects or upon any operations of the corporation
172 or the income therefrom;

173 (3) Any taxes or assessments upon any project or any property or local obligation
174 acquired or used by the corporation under the provisions of sections 348.250 to 348.275, or upon
175 income therefrom.

176 Purchases by the corporation to be used for its public purposes shall not be subject to sales or use
177 tax under chapter 144. The exemptions hereby granted shall not extend to persons or entities

178 conducting business on the corporation's property for which payment of state and local taxes
179 would otherwise be required.

180 22.] No funds of the corporation shall be distributed to its employees or members of the
181 board; except that, the corporation may make reasonable payments for expenses incurred on its
182 behalf relating to any of its lawful purposes and the corporation shall be authorized and
183 empowered to pay reasonable compensation for services rendered to, or for, its benefit relating
184 to any of its lawful purposes, including to pay its employees reasonable compensation.

185 [23.] 21. The corporation shall adopt and maintain a conflicts of interest policy to
186 protect the corporation's interests by requiring disclosure by an interested party, appropriate
187 recusal by such person, and appropriate action by the interested party or the board where a
188 conflict of interest may exist or arise between the corporation and a director, officer, employee,
189 or agent of the corporation.

2 [348.256. The articles of incorporation and bylaws of the Missouri
3 technology corporation shall provide that:

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

11 (2) The board of directors of the corporation is composed of fifteen
12 persons. The governor shall annually appoint one of its members, who must be
13 from the private sector, as chairman. The board shall consist of the following
14 members:

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

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

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

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

23 (e) Eleven members appointed by the governor, two of which shall be
24 from the public sector and nine members from the private sector who shall
25 include, but shall not be limited to, individuals who represent technology-based
26 businesses and industrial interests;

27 (f) Each of the directors of the corporation who is appointed by the
28 governor shall serve for a term of four years and until a successor is duly
29 appointed; except that, of the directors serving on the corporation as of August
28, 1995, three directors shall be designated by the governor to serve a term of

four years, three directors shall be designated to serve a term of three years, three directors shall be designated to serve a term of two years, and two directors shall be designated to serve a term of one year. Each director shall continue to serve until a successor is duly appointed by the governor;

(3) The corporation may receive money from any source, may borrow money, may enter into contracts, and may expend money for any activities appropriate to its purpose;

(4) The corporation may appoint staff and do all other things necessary or incidental to carrying out the functions listed in section 348.261;

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

(6) The corporation shall submit an annual report to the governor and to the Missouri general assembly. The report shall be due on the first day of November for each year and shall include detailed information on the structure, operation and financial status of the corporation. The corporation shall conduct an annual public hearing to receive comments from interested parties regarding the report, and notice of the hearing shall be given at least fourteen days prior to the hearing; and

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

348.257. 1. [The board shall establish an executive committee of the corporation, to be composed of the chairperson, the vice chairperson, and the secretary of the corporation, and two additional directors. The chairperson of the corporation shall serve as the chairperson of the executive committee.

2. The executive committee, in intervals between meetings of the board, may transact any business of the board that has been expressly delegated to the executive committee by the board. If so stipulated by the board, action delegated to the executive committee may be subject to subsequent ratification by the board; provided, however, that until ratified or rejected by the board, any action delegated to, and taken by, the executive committee between meetings of the board will be binding upon the corporation as if ratified, and may be relied upon by third parties.

3. The board shall establish an audit committee of the corporation, to be composed of the chairperson of the corporation and four additional directors. The secretary of the corporation shall serve as the chairperson of the audit committee. The audit committee shall be responsible for oversight of the administration of the conflicts of interest policy, working with the president of the corporation to facilitate communications with the corporation's contract auditors, and such other responsibilities delegated to it by the board.

4. The board shall establish and maintain a research alliance of Missouri to be comprised of the chief research officers, or their designee, of the state's leading research universities and a representative of other leading not-for-profit research institutes headquartered in Missouri.

20 Members of the research alliance of Missouri shall be selected for such terms of membership
21 under such terms and conditions as the board deems necessary and appropriate to advance the
22 purposes of sections 348.250 to 348.275 and as comparable to other similar public sector bodies.
23 The research alliance of Missouri shall elect a chairperson on an annual basis. The research
24 alliance of Missouri shall prepare annual reports at the direction of the corporation that:

25 (1) Evaluate the specific areas of Missouri's research strengths and weaknesses and
26 outline current research priorities of the state;

27 (2) Evaluate the ability of each member to realign their research and development
28 resources, policies, and practices to seize emerging opportunities;

29 (3) Evaluate and summarize the best national and international practices for technology
30 commercialization of university research and describe efforts that each university member has
31 undertaken to implement best practices, including a description of the specific outcomes
32 university members have achieved in technology commercialization; and

33 (4) Describe research collaborations by and between members and identify collaboration
34 best practices that can or should be instituted in Missouri.

35 5.] The board may establish [other] committees, both permanent and temporary, as it
36 deems necessary. Such committees may include national strategic, scientific and/or
37 commercialization advisory boards comprised of individuals of national or international
38 prominence in science and innovation and/or the business and commercialization of science and
39 innovation.

40 [6.] 2. The board may establish rules, policies, and procedures for the selection and
41 conduct of committees and advisory boards[, and the research alliance of Missouri]; provided,
42 however, that the members of such committees and advisory boards agree to be bound by a
43 conflict of interest policy consistent with the highest ethical standards that is suitable for such
44 advisory roles and annually complete and certify to the board a disclosure and compliance
45 certificate in accordance with such conflicts of interest policy.

348.261. 1. The corporation shall have all of the powers necessary or convenient to carry
2 out the purposes and provisions of sections [348.250] **348.251** to 348.275, including the powers
3 as specified therein, and without limitation, the power to:

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

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

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

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

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

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

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

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

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

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

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

32 (12) Contract with innovation centers, as established in section 348.271, small business
33 development corporations, as established in sections 620.1000 to 620.1007, centers for advanced
34 technology, as established in section 348.272, and other entities or organizations for the
35 provision of technology application, technology commercialization and technology development
36 services;

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

41 (14) Make and execute contracts, guarantees, or any other instruments and agreements
42 necessary or convenient for the exercise of its powers and functions;

43 (15) Contract for and to accept any gifts, grants, and loans of funds, property, or any
44 other aid in any form from the federal government, the state, any state agency, or any other
45 source, or any combination thereof, and to comply with the provisions of the terms and
46 conditions thereof;

47 (16) Procure such insurance, participate in such insurance plans, or provide such self
48 insurance or both as it deems necessary or convenient; provided, however, the purchase of
49 insurance, participation in an insurance plan, or creation of a self-insurance fund by the
50 corporation shall not be deemed as a waiver or relinquishment of any sovereign immunity to
51 which the corporation or its officers, directors, employees, or agents are otherwise entitled;

52 (17) Partner with universities or other research institutions in Missouri to attract and
53 recruit world-class science and innovation talent to Missouri;

54 (18) Expend any and all funds from the Missouri [science and innovation reinvestment]
55 **technology investment** fund and all other assets and resources of the corporation for the
56 exclusive purpose of fulfilling any purpose, power, or duty of the corporation under sections
57 [348.250] **348.251** to 348.275, including but not limited to implementing the powers, purposes,
58 and duties of the corporation as enumerated in this section;

59 (19) Participate in joint ventures and collaborate with any taxpayer, governmental body
60 or agency, insurer, university, or college of the state, or any other entity to facilitate any activities
61 or programs consistent with the purpose and intent of sections [348.250] **348.251** to 348.275; and

62 (20) In carrying out any activities authorized by sections [348.250] **348.251** to 348.275,
63 the corporation provides appropriate assistance, including the making of investments, grants, and
64 loans, and providing time of employees, to any taxpayer, governmental body[,] or agency,
65 insurer, university, or college of the state, or any other entity, whether or not any such taxpayer,
66 governmental body or agency, insurer, university, or college of the state, or any other entity, is
67 owned or controlled in whole or in part, directly or indirectly, by the corporation.

68 2. The corporation shall endeavor to maximize the amount of leveraging of nonstate
69 resources, including public and private, cash and in-kind, attained with its investments, grants,
70 loans, or other forms of support. In the case of investments, grants, loans, or other forms of
71 support that emphasize or are specifically intended to impact a particular Missouri county,
72 municipality, or other geographic subdivision of the state, or are otherwise local in nature, the
73 corporation shall give consideration and weight to local matching funds and other matching
74 resources, public and private.

75 3. Except as expressly provided in sections [348.250] **348.251** to 348.275, all moneys
76 earned or received by the corporation, including all funds derived from the commercialization
77 of science and innovation products, methods, services, and technology by the corporation, or any
78 affiliate or subsidiary thereof, or from the Missouri [science and innovation reinvestment]
79 **technology investment** fund, shall belong exclusively to and be subject to the exclusive control
80 of the corporation.

81 4. The corporation shall have all the powers of a not-for-profit corporation established
82 under Missouri law.

83 5. The corporation shall assume all moneys, property, or other assets remaining with the
84 Missouri seed capital investment board, established in section 620.641. All powers, duties, and
85 functions performed by the Missouri seed capital investment board shall be transferred to the
86 Missouri technology corporation.

87 6. The corporation shall not be subject to the provisions of chapter 34.

88 7. At least ten days prior to releasing funds to a recipient of financial assistance pursuant
89 to the powers established in this section, the corporation shall submit to the president pro tem
90 of the senate and the speaker of the house of representatives the name of the recipient of such
91 assistance, and post such information on the corporation's website.

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

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

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

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

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

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

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

22 (7) Advise universities of the research needs of Missouri business and
23 improve the exchange of scientific and technological information for the mutual
24 benefit of universities and private business;

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

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

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

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

34 (12) Contract with innovation centers, as established in section 348.271, small business
35 development corporations, as established in sections 620.1000 to 620.1007, centers for advanced
36 technology, as established in section 348.272, and other entities or organizations for the
37 provision of technology application, technology commercialization and technology development
38 services. Such contracting procedures shall not be subject to the provisions of chapter 34; and
39 (13) Make direct seed capital or venture capital investments in Missouri
40 business investment funds or businesses which demonstrate the promise of
41 growth and job creation. Investments from the corporation may be in the form
42 of debt or equity in the respective businesses.]
43

348.262. In order to assist the corporation in achieving the objectives identified in
2 section 348.261, the department of economic development may contract with the corporation for
3 activities consistent with the corporation's purpose, as specified in sections [348.250] **348.251**
4 to 348.275. When contracting with the corporation under the provisions of this section, the
5 department of economic development may directly enter into agreements with the corporation
6 and shall not be bound by the provisions of chapter 34.

[348.262. In order to assist the corporation in achieving the objectives
2 identified in section 348.261, the department of economic development may
3 contract with the corporation for activities consistent with the corporation's
4 purpose, as specified in section 348.256. When contracting with the corporation
5 under the provisions of this section, the department of economic development
6 may directly enter into agreements with the corporation and shall not be bound
7 by the provisions of chapter 34.]
8

348.263. 1. Except as otherwise provided in sections [348.250] **348.251** to 348.275, the
2 corporation shall be subject to requirements applicable to governmental bodies and records
3 contained in sections 610.010 to 610.225.

4 2. In addition to the exceptions available under sections 610.010 to 610.225, the records
5 of the corporation shall not be subject to the provisions of sections 610.010 to 610.225, when,
6 upon determination by the corporation, the disclosure of the information in the records would
7 be harmful to the competitive position of the corporation and such records contain:

8 (1) Proprietary information gathered by, or in the possession of, the corporation from
9 third parties pursuant to a promise of confidentiality;

10 (2) Contract cost estimates prepared for confidential use in awarding contracts for
11 research, development, construction, renovation, commercialization, or the purchase of goods
12 or services;

13 (3) Data, records, or information of a proprietary nature produced or collected by, or for,
14 the corporation, its employees, officers, or members of its board;

15 (4) Third-party financial statements, records, and related data not publicly available that
16 may be shared with the corporation;

17 (5) Consulting or other reports paid for by the corporation to assist the corporation in
18 connection with its strategic planning and goals; or

19 (6) The determination of marketing and operational strategies where disclosure of such
20 strategies would be harmful to the competitive position of the corporation.

21 3. In addition to the exceptions available under sections 610.010 to 610.225, the
22 corporation, including the board[, executive committee, audit committee, and research alliance
23 of Missouri, or] **and** other [such] committees or boards that the corporation may authorize from
24 time to time, may discuss, consider, and take action on any of the following in closed session,
25 when upon determination by the corporation, including as appropriate the board[, executive
26 committee, audit committee, and research alliance of Missouri, or other such] **and other**
27 committees or boards that the corporation may authorize from time to time, disclosure of such
28 items would be harmful to the competitive position of the corporation:

29 (1) Plans that could affect the value of property, real or personal, owned, or desirable for
30 ownership by the corporation;

31 (2) The condition, acquisition, use, or disposition of real or personal property; or

32 (3) Contracts for applied research; basic research; science and innovation product
33 development, manufacturing, or commercialization; construction and renovation of science and
34 innovation facilities; or marketing or operational strategies.

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

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

2 348.264. There is hereby established in the state treasury a special fund to be known as
the "Missouri [Science and Innovation Reinvestment] **Technology Investment** Fund",

3 [previously established as the Missouri technology investment fund in this section,] which shall
 4 consist of all moneys which may be appropriated to it by the general assembly [based on the
 5 applicable percentage of the amount by which science and innovation employees' gross wages
 6 for the year exceeds the base year gross wages pursuant to section 348.265, other funds
 7 appropriated to it by the general assembly], and also any gifts, contributions, grants or bequests
 8 received from federal, private or other sources. Money in the Missouri [science and innovation
 9 reinvestment] **technology investment** fund shall be used to carry out the provisions of sections
 10 [348.250] **348.251** to 348.275. Moneys for business modernization programs, technology
 11 application programs, technology commercialization programs and technology development
 12 programs established pursuant to the provisions of sections [348.250] **348.251** to 348.275 shall
 13 be available from appropriations made by the general assembly from the Missouri [science and
 14 innovation reinvestment] **technology investment** fund. Any moneys remaining in the Missouri
 15 [science and innovation reinvestment] **technology investment** fund at the end of any fiscal year
 16 shall not lapse to the general revenue fund, as provided in section 33.080, but shall remain in the
 17 Missouri [science and innovation reinvestment] **technology investment** fund. **Public funds**
 18 **shall not be expended, paid, or granted to or on behalf of an existing or proposed research**
 19 **project that involves abortion services, human cloning, or prohibited human research as**
 20 **those terms are defined in section 196.1127. Any business that performs or induces**
 21 **abortions, assists in the performing or inducing of abortions, refers for abortions or**
 22 **engages in or performs human cloning as those terms are defined in section 196.1127 or**
 23 **human embryonic stem cell research are not eligible for state monies and incentives.**

2 [348.264. 1. There is hereby established in the state treasury a special
 3 fund to be known as the "Missouri Technology Investment Fund", which shall
 4 consist of all moneys which may be appropriated to it by the general assembly,
 5 and also any gifts, contributions, grants or bequests received from federal, private
 6 or other sources. Such moneys shall include federal funds which may be received
 7 from the National Institute for Science and Technology, the Small Business
 8 Administration, the Department of Defense, the Technology Research Program, the Missouri technology investment fund, and
 9 to carry out the provisions of sections 348.251 to 348.275. Moneys for business modernization
 10 programs, technology application programs, technology commercialization programs and
 11 technology development programs established pursuant to the provisions of sections 348.251 to
 12 348.275 shall be available from appropriations made by the general assembly from the Missouri
 13 technology investment fund. Any moneys remaining in the Missouri technology investment fund
 14 at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section
 15 33.080, but shall remain in the Missouri technology investment fund.

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

19

348.265. 1. [As soon as practicable after February 3, 2012, the director of the
2 department of economic development, with the assistance of the director of the department of
3 revenue, shall establish the base year gross wages and report the amount of the base year gross
4 wages to the president and board of the corporation, the governor, and the general assembly.
5 Within one hundred eighty days after the end of each fiscal year beginning with the fiscal year
6 ending June 30, 2011, and for each subsequent fiscal year prior to the end of the last funding
7 year, the director of economic development, with the assistance of the director of the department
8 of revenue, shall determine and report to the president and board of the corporation, governor,
9 and general assembly the amount by which aggregate science and innovation employees' gross
10 wages for the fiscal year exceeds the base year gross wages. The director of economic
11 development and the director of the department of revenue may consider any verifiable evidence,
12 including but not limited to the NAICS codes assigned or recorded by the United States
13 Department of Labor for companies with employees in the state, when determining which
14 organizations should be classified as science and innovation companies.

15 2. Notwithstanding section 23.250 to the contrary, for each of the twenty-five funding
16 years, beginning July 1, 2012, subject to appropriation, the director of revenue shall transfer to
17 the Missouri science and innovation reinvestment fund an amount not to exceed an amount equal
18 to the product of the applicable percentage multiplied by an amount equal to the increase in
19 aggregate science and innovation employees' gross wages for the prior fiscal year, over the base
20 year gross wages. The director of revenue may make estimated payments to the Missouri science
21 and innovation reinvestment fund more frequently based on estimates provided by the director
22 of revenue and reconciled annually.

23 3. Local political subdivisions may contribute to the Missouri science and innovation
24 reinvestment fund through a grant, contract, or loan by dedicating a portion of any sales tax or
25 property tax increase resulting from increases in science and innovation company economic
26 activity occurring after February 3, 2012, or other such taxes or fees as such local political
27 subdivisions may establish.] **For all taxable years beginning on or after January 1, 2014, any**
28 **taxpayer shall be allowed a credit against the taxes otherwise due under chapter 147, 148,**
29 **or 143, excluding withholding tax imposed by sections 143.191 to 143.265, in an amount**
30 **equal to fifty percent of the amount of an eligible donation, subject to the restrictions in**
31 **this section. The amount of the tax credit claimed shall not exceed the amount of the**
32 **taxpayer's state income tax liability in the tax year for which the credit is claimed. Any**
33 **amount of credit that the taxpayer is prohibited by this section from claiming in a tax year**
34 **shall not be refundable, but may be carried forward to any of the taxpayer's four**
35 **subsequent taxable years.**

36 **2. Notwithstanding the provisions of subsection 1 of this section, in order to be**
37 **eligible to receive a tax credit authorized under this section, a taxpayer must file with the**
38 **MTC a signed affidavit stating that the taxpayer does not own or hold any financial**
39 **interest in any entity to whom the MTC may disburse funds. Any credits issued to the**
40 **taxpayer under this section shall cease, and the taxpayer shall immediately submit payment**
41 **to the state general revenue fund in an amount equal to all credits previously issued to the**
42 **taxpayer less any amounts previously repaid, increased by an additional amount that shall**
43 **provide the state a reasonable rate of return in the event that the taxpayer submitted a**
44 **false affidavit under this section or has since acquired a financial interest in an entity to**
45 **whom the MTC disburses or has disbursed funds.**

46 **3. To claim the credit authorized in this section, the corporation shall submit to the**
47 **department an application for the tax credit authorized by this section on behalf of**
48 **taxpayers. The department shall verify that the corporation has submitted the following**
49 **items accurately and completely:**

50 **(1) A valid application in the form and format required by the department;**
51 **(2) A statement attesting to the eligible donation received, which shall include the**
52 **name and taxpayer identification number of the individual making the eligible donation,**
53 **the amount of the eligible donation, and the date the eligible donation was received by the**
54 **corporation; and**

55 **(3) Payment from the corporation equal to the value of the tax credit for which the**
56 **application is made. If the corporation's application meets all criteria required by this**
57 **subsection, the department shall issue a certificate in the appropriate amount.**

58 **4. Tax credits issued under this section may be assigned, transferred, sold, or**
59 **otherwise conveyed, and the new owner of the tax credit shall have the same rights in the**
60 **credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise**
61 **conveyed, a notarized endorsement shall be filed with the department specifying the name**
62 **and address of the new owner of the tax credit or the value of the credit.**

63 **[4.] 5. Funding generated by the provisions of this section shall be expended by the**
64 **corporation to further its purposes as specified in section 348.256.**

65 **[5.] 6. Upon enactment of this section, the corporation shall prepare a strategic plan for**
66 **the use of the funding to be generated by the provisions of this section, and may consult with**
67 **science and innovation partners, including but not limited to [the research alliance of Missouri,**
68 **as established in section 348.257;] the life sciences research board established in section**
69 **196.1103[;] and the innovation centers or centers for advanced technology, as established in**
70 **section 348.272. The corporation shall make a draft strategic plan available for public comment**
71 **prior to publication of the final strategic plan.**

72 **7. The department may promulgate rules to implement the provisions of this**
73 **section. Any rule or portion of a rule, as that term is defined in section 536.010 that is**
74 **created under the authority delegated in this section shall become effective only if it**
75 **complies with and is subject to all of the provisions of chapter 536, and, if applicable,**
76 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
77 **vested with the general assembly pursuant to chapter 536, to review, to delay the effective**
78 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
79 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2014,**
80 **shall be invalid and void.**

81 **8. Under section 23.253 of the Missouri sunset act:**

82 **(1) The program authorized under this section shall expire six years after the**
83 **effective date of this act unless reauthorized by an act of the general assembly; and**

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

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

348.300. As used in sections 348.300 to 348.318, the following terms mean:

2 (1) "Commercial activity located in Missouri", any research, development, prototype
3 fabrication, and subsequent precommercialization activity, or any activity related thereto,
4 conducted in Missouri for the purpose of producing a service or a product or process for
5 manufacture, assembly or sale or developing a service based on such a product or process by any
6 person, corporation, partnership, joint venture, unincorporated association, trust or other
7 organization doing business in Missouri. Subsequent to January 1, 1999, a commercial activity
8 located in Missouri shall mean only such activity that is located within a distressed community,
9 as defined in section 135.530;

10 (2) "Follow-up capital", capital provided to a commercial activity located in Missouri
11 in which a qualified fund has previously invested seed capital or start-up capital and which does
12 not exceed ten times the amount of such seed and start-up capital;

13 (3) "Person", any individual, corporation, partnership, or other entity, including any
14 charitable corporation which is exempt from federal income tax and whose Missouri unrelated
15 business taxable income, if any, would be subject to the state income tax imposed under chapter
16 143;

17 (4) "Qualified contribution", cash contribution to a qualified fund;

18 (5) "Qualified economic development organization", any corporation organized under
19 the provisions of chapter 355 which has as of January 1, 1991, obtained a contract with the
20 department of economic development to operate an innovation center to promote, assist and

21 coordinate the research and development of new services, products or processes in the state of
22 Missouri; and the Missouri technology corporation organized pursuant to the provisions of
23 sections [348.250] **348.251** to 348.275;

24 (6) "Qualified fund", any corporation, partnership, joint venture, unincorporated
25 association, trust or other organization which is established under the laws of Missouri after
26 December 31, 1985, which meets all of the following requirements established by this
27 subdivision. The fund shall have as its sole purpose and business the making of investments, of
28 which at least ninety percent of the dollars invested shall be qualified investments. The fund
29 shall enter into a contract with one or more qualified economic development organizations which
30 shall entitle the qualified economic development organizations to receive not less than ten
31 percent of all distributions of equity and dividends or other earnings of the fund. Such contracts
32 shall require the qualified fund to transfer to the Missouri technology corporation organized
33 pursuant to the provisions of sections [348.250] **348.251** to 348.275 this interest and make
34 corresponding distributions thereto in the event the qualified economic development organization
35 holding such interest is dissolved or ceases to do business for a period of one year or more;

36 (7) "Qualified investment", any investment of seed capital, start-up capital, or follow-up
37 capital in any commercial activity located in Missouri;

38 (8) "Seed capital", capital provided to a commercial activity located in Missouri for
39 research, development and precommercialization activities to prove a concept for a new product
40 or process or service, and for activities related thereto;

41 (9) "Start-up capital", capital provided to a commercial activity located in Missouri for
42 use in preproduction product development or service development or initial marketing thereof,
43 and for activities related thereto;

44 (10) "State tax liability", any state tax liability incurred by a taxpayer under the
45 provisions of chapters 143, 147 and 148, exclusive of the provisions relating to the withholding
46 of tax as provided for in sections 143.191 to 143.265 and related provisions;

47 (11) "Uninvested capital", the amount of any distribution, other than of earnings, by a
48 qualified fund made within five years of the issuance of a certificate of tax credit as provided by
49 sections 348.300 to 348.318; or the portion of all qualified contributions to a qualified fund
50 which are not invested as qualified investments within five years of the issuance of a certificate
51 of tax credit as provided by sections 348.300 to 348.318 to the extent that the amount not so
52 invested exceeds ten percent of all such qualified contributions.

[348.300. As used in sections 348.300 to 348.318, the following terms

2 mean:

3 (1) "Commercial activity located in Missouri", any research,
4 development, prototype fabrication, and subsequent precommercialization
5 activity, or any activity related thereto, conducted in Missouri for the purpose of

6 producing a service or a product or process for manufacture, assembly or sale or
7 developing a service based on such a product or process by any person,
8 corporation, partnership, joint venture, unincorporated association, trust or other
9 organization doing business in Missouri. Subsequent to January 1, 1999, a
10 commercial activity located in Missouri shall mean only such activity that is
11 located within a distressed community, as defined in section 135.530;

12 (2) "Follow-up capital", capital provided to a commercial activity located
13 in Missouri in which a qualified fund has previously invested seed capital or
14 start-up capital and which does not exceed ten times the amount of such seed and
15 start-up capital;

16 (3) "Person", any individual, corporation, partnership, or other entity,
17 including any charitable corporation which is exempt from federal income tax
18 and whose Missouri unrelated business taxable income, if any, would be subject
19 to the state income tax imposed under chapter 143;

20 (4) "Qualified contribution", cash contribution to a qualified fund;

21 (5) "Qualified economic development organization", any corporation
22 organized under the provisions of chapter 355 which has as of January 1, 1991,
23 obtained a contract with the department of economic development to operate an
24 innovation center to promote, assist and coordinate the research and development
25 of new services, products or processes in the state of Missouri; and the Missouri
26 technology corporation organized pursuant to the provisions of sections 348.253
27 to 348.266;

28 (6) "Qualified fund", any corporation, partnership, joint venture,
29 unincorporated association, trust or other organization which is established under
30 the laws of Missouri after December 31, 1985, which meets all of the following
31 requirements established by this subdivision. The fund shall have as its sole
32 purpose and business the making of investments, of which at least ninety percent
33 of the dollars invested shall be qualified investments. The fund shall enter into
34 a contract with one or more qualified economic development organizations which
35 shall entitle the qualified economic development organizations to receive not less
36 than ten percent of all distributions of equity and dividends or other earnings of
37 the fund. Such contracts shall require the qualified fund to transfer to the
38 Missouri technology corporation organized pursuant to the provisions of sections
39 348.253 to 348.266 this interest and make corresponding distributions thereto in
40 the event the qualified economic development organization holding such interest
41 is dissolved or ceases to do business for a period of one year or more;

42 (7) "Qualified investment", any investment of seed capital, start-up
43 capital, or follow-up capital in any commercial activity located in Missouri;

44 (8) "Seed capital", capital provided to a commercial activity located in
45 Missouri for research, development and precommercialization activities to prove
46 a concept for a new product or process or service, and for activities related
47 thereto;

(9) "Start-up capital", capital provided to a commercial activity located in Missouri for use in preproduction product development or service development or initial marketing thereof, and for activities related thereto;

(10) "State tax liability", any state tax liability incurred by a taxpayer under the provisions of chapters 143, 147 and 148, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265 and related provisions;

(11) "Uninvested capital", the amount of any distribution, other than of earnings, by a qualified fund made within five years of the issuance of a certificate of tax credit as provided by sections 348.300 to 348.318; or the portion of all qualified contributions to a qualified fund which are not invested as qualified investments within five years of the issuance of a certificate of tax credit as provided by sections 348.300 to 348.318 to the extent that the amount not so invested exceeds ten percent of all such qualified contributions.]

[348.250. Sections 348.250 to 348.275 shall be known and may be cited as the "Missouri Science and Innovation Reinvestment Act".]

[348.269. 1. Nothing contained in sections 348.250 to 348.275 shall be construed as a restriction or limitation upon any powers that the corporation might otherwise have under chapter 355, and the provisions of sections 348.250 to 348.275 are cumulative to such powers.

2. Nothing in sections 348.250 to 348.275 shall be construed as allowing the board to sell the corporation or substantially all of the assets of the corporation, or to merge the corporation with another institution, without prior authorization by the general assembly.

3. Notwithstanding the provisions of section 23.253 to the contrary, the provisions of sections 348.250 to 348.275 shall not sunset.

4. The provisions of sections 348.250 to 348.275 shall not terminate before the satisfaction of all outstanding obligations, notes, and bonds provided for under sections 348.250 to 348.275.

5. If any provision of this act or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are severable. Insofar as the provisions of sections 348.250 to 348.275 are inconsistent with the provisions of any other law, general, specific or local, the provisions of sections 348.250 to 348.275 shall be controlling.]

[348.271. 1. In order to foster the growth of Missouri's economy and to stimulate the creation of new jobs in science and innovation-based industry for the state's work force, the Missouri technology corporation, in accordance with the provisions of this section and within the limits of appropriations therefor, is authorized to contract with Missouri not-for-profit corporations for the operation

6 of innovation centers within the state. The primary emphasis of some, if not of
7 all, innovation centers, shall be in the areas of science and innovation-based
8 business ventures. Such assistance may include the provision of facilities,
9 equipment, administrative and managerial support, planning assistance, and such
10 other services and programs that enhance the development of such ventures and
11 such assistance may be provided for fees or other consideration.

12 2. The innovation centers operated under this section shall counsel and
13 assist the new science and innovation-based business ventures in finding a
14 suitable site in the state of Missouri for location of the business upon its
15 graduation from the innovation program. Each innovation center shall annually
16 submit a report of its activities to the department of economic development and
17 the Missouri technology corporation which shall include, but not be limited to,
18 the success rate of the businesses graduating from the center, the progress and
19 locations of businesses which have graduated from the center, the types of
20 businesses which have graduated from the center, and the number of jobs created
21 by the businesses involved in the center.

22 3. Any contract signed between the corporation and any not-for-profit
23 organization to operate an innovation center in accordance with the provisions
24 of this section shall require that the not-for-profit organization must provide at
25 least a one hundred percent match for the funding received from the corporation
26 pursuant to appropriation therefor.]

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