

SECOND REGULAR SESSION

# HOUSE BILL NO. 1583

## 97TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE BERRY.

5150L.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal sections 348.250, 348.257, and 348.265, RSMo, and section 348.251 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session and 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, and section 348.256 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session and 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, and section 348.261 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session and 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, and section 348.262 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session and 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, and section 348.263 as enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session and 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, and section 348.264 as enacted by senate

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.

substitute for senate committee substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session and section 348.264 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, and to enact in lieu thereof eight new sections relating to Missouri technology corporations.

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

Section A. Sections 348.250, 348.257, and 348.265, RSMo, and 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 and 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, and 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 and  
8 section 348.256 as enacted by conference committee substitute for senate substitute for senate  
9 committee substitute for house substitute for house bill no. 414, eighty-eighth general assembly,  
10 first regular session, and section 348.261 as enacted by senate substitute for senate committee  
11 substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session and  
12 section 348.261 as enacted by senate committee substitute for house committee substitute for  
13 house bill no. 574, eighty-eighth general assembly, first regular session, and section 348.262 as  
14 enacted by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth  
15 general assembly, first extraordinary session and section 348.262 as enacted by conference  
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17 for house committee substitute for house bill nos 1248 & 1048, eighty-seventh general assembly,  
18 second regular session, and section 348.263 as enacted by senate substitute for senate committee  
19 substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary session and  
20 section 348.263 as enacted by conference committee substitute for senate substitute for senate  
21 committee substitute for house substitute for house committee substitute for house bill nos 1248  
22 & 1048, eighty-seventh general assembly, second regular session, and section 348.264 as enacted  
23 by senate substitute for senate committee substitute for senate bill no. 7, ninety-sixth general  
24 assembly, first extraordinary session and section 348.264 as enacted by conference committee  
25 substitute for senate substitute for senate committee substitute for house substitute for house bill  
26 no. 414, eighty-eighth general assembly, first regular session, are repealed and eight new sections  
27 enacted in lieu thereof, to be known as sections 348.251, 348.256, 348.257, 348.261, 348.262,  
28 348.263, 348.264, and 348.265, 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

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

61 (13) "Science and innovation employee", any employee, officer, or director of a science  
62 and innovation company who is a state income taxpayer and any employee of a university who  
63 is associated with or supports the research, development, commercialization, or business of  
64 science and technology in the state and is obligated to pay state income tax to the state;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14           2. The governor may, on behalf of the state and in accordance with  
15 chapter 355, establish a private not-for-profit corporation named the "Missouri  
16 Technology Corporation", to carry out the provisions of sections 348.251 to  
17 348.266. As used in sections 348.251 to 348.266 the word "corporation" means

18 the Missouri technology corporation authorized by this section. Before  
19 certification by the governor, the corporation shall conduct public hearing for the  
20 purpose of giving all interested parties an opportunity to review and comment  
21 upon the articles of incorporation, bylaws and method of operation of the  
22 corporation. Notice of the hearing shall be given at least fourteen days prior to  
23 the hearing.]

348.256. 1. The articles of incorporation, bylaws, and methods of operation of the  
2 Missouri technology corporation shall be consistent with the provisions of sections [348.250]  
3 **348.251** to 348.275.

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

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

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

30

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



14. The corporation may employ such employees as it may require and upon such terms and conditions as it may establish that are consistent with state and federal law. The corporation may establish personnel, payroll, benefit, and other such systems as authorized by the board, and provide death and disability benefits. Corporation employees, including the president, shall be 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** 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, provided, however, that this section shall be inapplicable if the board of directors of the corporation determines that insufficient funds have been appropriated to pay for the costs of compliance with these requirements.

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

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

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

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

21. The corporation shall be exempt from:

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

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

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

Purchases by the corporation to be used for its public purposes shall not be subject to sales or use tax under chapter 144. The exemptions hereby granted shall not extend to persons or entities conducting business on the corporation's property for which payment of state and local taxes would otherwise be required.

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

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

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

(1) The purposes of the corporation are to contribute to the strengthening of the economy of the state through the development of science and technology, to promote the modernization of Missouri businesses by supporting the transfer of science, technology and quality improvement methods to the workplace, and 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;

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

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

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

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

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

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

(f) 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; 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

14 for oversight of the administration of the conflicts of interest policy, working with the president  
15 of the corporation to facilitate communications with the corporation's contract auditors, and such  
16 other responsibilities delegated to it by the board.

17 4. The board shall establish and maintain a research alliance of Missouri to be comprised  
18 of the chief research officers, or their designee, of the state's leading research universities and  
19 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, insurer,  
65 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.

2                 [348.261. The corporation, after being certified by the governor as  
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;



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

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

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

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

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

(12) Contract with innovation centers, as established in section 348.271, small business development corporations, as established in sections 620.1000 to 620.1007, centers for advanced technology, as established in section 348.272, and other entities or organizations for the provision of technology application, technology commercialization and technology development services. Such contracting procedures shall not be subject to the provisions of chapter 34; and

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

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

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

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

2. In addition to the exceptions available under sections 610.010 to 610.225, the records 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 other such committees or boards that the corporation may authorize from time  
24 to time, may discuss, consider, and take action on any of the following in closed session, when  
25 upon determination by the corporation, including as appropriate the board, executive committee,  
26 audit committee, and research alliance of Missouri, or other such committees or boards that the  
27 corporation may authorize from time to time, disclosure of such items would be harmful to the  
28 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  
business modernization and technology corporation.

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

348.264. There is hereby established in the state treasury a special fund to be known as  
2 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.

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

16 fund, as provided in section 33.080, but shall remain in the Missouri technology  
17 investment fund.

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

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. To claim the credit authorized in this section, the corporation may submit to the  
37 department an application for the tax credit authorized by this section on behalf of  
38 taxpayers. The department shall verify that the corporation has submitted the following  
39 items accurately and completely:

40 (1) A valid application in the form and format required by the department;

41 (2) A statement attesting to the eligible donation received, which shall include the  
42 name and taxpayer identification number of the individual making the eligible donation,  
43 the amount of the eligible donation, and the date the eligible donation was received by the  
44 corporation; and

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

48 3. Tax credits issued under this section may be assigned, transferred, sold, or  
49 otherwise conveyed, and the new owner of the tax credit shall have the same rights in the  
50 credit as the taxpayer. Whenever a certificate is assigned, transferred, sold, or otherwise  
51 conveyed, a notarized endorsement shall be filed with the department specifying the name  
52 and address of the new owner of the tax credit or the value of the credit.

53 4. Funding generated by the provisions of this section shall be expended by the  
54 corporation to further its purposes as specified in section 348.256.

55 5. Upon enactment of this section, the corporation shall prepare a strategic plan for the  
56 use of the funding to be generated by the provisions of this section, and may consult with science  
57 and innovation partners, including but not limited to [the research alliance of Missouri, as  
58 established in section 348.257;] the life sciences research board established in section 196.1103;  
59 and the innovation centers or centers for advanced technology, as established in section 348.272.  
60 The corporation shall make a draft strategic plan available for public comment prior to  
61 publication of the final strategic plan.

62 6. The department may promulgate rules to implement the provisions of this  
63 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
64 created under the authority delegated in this section shall become effective only if it  
65 complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
66 section 536.028. This section and chapter 536 are nonseverable and if any of the powers  
67 vested with the general assembly pursuant to chapter 536 to review, to delay the effective

68 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the  
69 grant of rulemaking authority and any rule proposed or adopted after August 28, 2014,  
70 shall be invalid and void.

71 7. Under section 23.253 of the Missouri sunset act:

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

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

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

2 [348.250. Sections 348.250 to 348.275 shall be known and may be cited  
as the "Missouri Science and Innovation Reinvestment Act".]

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