

HB 1927 -- SHOW ME RURAL JOBS ACT

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This bill establishes the Show Me Rural Jobs Act. Beginning October 1, 2016, the Department of Agriculture will accept and review applications for approved investment companies that invest in rural business concerns. Applications must include the amount of growth capital the applicant is seeking and a \$5,000 application fee to be deposited into the newly created "Show Me Rural Jobs Fund" to be used solely for the administration of the Show Me Rural Jobs Act. The bill requires growth capital to be comprised of 60% or less credit-eligible capital contribution and 40% or more cash investments. The bill lists other information that must be included such as evidence that the applicant meets certain criteria and information on the potential benefit to the state. For the credit-eligible capital contributions, each investor must submit an affidavit stating a commitment to make the contribution and the amount.

The department must make an application determination within 30 days of receipt of the application in the order received. The department can approve up to \$166,666,667 in growth capital and up to \$100 million in credit-eligible capital contributions. The department can deny an application only for certain enumerated reasons and an applicant has a chance to provide additional information to cure any defect in the application that led to denial. Upon approval, the department will provide written notice to the applicant with the amount of growth capital and a tax credit certificate for each investor whose affidavit was attached.

Within 60 days of the notice of approval, the approved investment company can collect the credit-eligible capital contributions from the investors who signed affidavits and one or more cash investments that will compose the remaining amount of growth capital. Within 65 days, the approved investment company will provide the Department of Economic Development with documentation that the amounts have been collected. If the company fails to comply, the Department of Economic Development shall award lapsed growth capital to each approved investment company that received less than it requested. Any remaining capital may be awarded to newly approved companies.

The bill authorizes a tax credit for taxpayers for capital contributions to an approved investment company. The tax credit cannot be refunded, transferred, or sold, but can be allocated to an affiliate or carried forward up to 5 years. The taxpayer may claim up to 20% of the credit for each year after July 1, 2018. The total amount of tax credits authorized cannot exceed \$20

million annually.

The Department of Economic Development shall revoke tax credit certificates issued under this bill in several situations depending on the approved investment company's actions. The Department of Economic Development must provide notice to the approved investment company before revoking the tax credit certificates and the company has 90 days to correct any violations to avoid revocation. If the tax credit certificates are revoked, they no longer count toward the limits above and may be reallocated. After 5 years an approved investment company may leave the program. If state and local tax revenues fall short of the amount anticipated in the application, the state may recover a percentage of the distributions.

Each approved investment company must submit a report to the departments of Agriculture and Economic Development roughly two years after it collects the total growth investment. This report must contain specific information. After that, the approved investment company must submit an annual report each April.

This bill is the same as SB 885 (2016).