

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 912
97TH GENERAL ASSEMBLY

Reported from the Committee on Jobs, Economic Development and Local Government, April 10, 2014, with recommendation that the Senate Committee Substitute do pass.

5819S.03C

TERRY L. SPIELER, Secretary.

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

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

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 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
2 348.251 as enacted by senate substitute for senate committee substitute for
3 senate bill no. 7, ninety-sixth general assembly, first extraordinary session,
4 section 348.251 as enacted by conference committee substitute for senate
5 substitute for senate committee substitute for house substitute for house
6 committee substitute for house bill nos 1248 & 1048, eighty-seventh general
7 assembly, second regular session, section 348.256 as enacted by senate substitute
8 for senate committee substitute for senate bill no. 7, ninety-sixth general
9 assembly, first extraordinary session, section 348.256 as enacted by conference
10 committee substitute for senate substitute for senate committee substitute for
11 house substitute for house bill no. 414, eighty-eighth general assembly, first
12 regular session, section 348.261 as enacted by senate substitute for senate
13 committee substitute for senate bill no. 7, ninety-sixth general assembly, first
14 extraordinary session, section 348.261 as enacted by senate committee substitute
15 for house committee substitute for house bill no. 574, eighty-eighth general
16 assembly, first regular session, section 348.262 as enacted by senate substitute
17 for senate committee substitute for senate bill no. 7, ninety-sixth general
18 assembly, first extraordinary session, section 348.262 as enacted by conference
19 committee substitute for senate substitute for senate committee substitute for

20 house substitute for house committee substitute for house bill nos 1248 & 1048,
21 eighty-seventh general assembly, second regular session, section 348.263 as
22 enacted by senate substitute for senate committee substitute for senate bill no.
23 7, ninety-sixth general assembly, first extraordinary session, section 348.263 as
24 enacted by conference committee substitute for senate substitute for senate
25 committee substitute for house substitute for house committee substitute for
26 house bill nos 1248 & 1048, eighty-seventh general assembly, second regular
27 session, section 348.264 as enacted by senate substitute for senate committee
28 substitute for senate bill no. 7, ninety-sixth general assembly, first extraordinary
29 session, section 348.264 as enacted by conference committee substitute for senate
30 substitute for senate committee substitute for house substitute for house bill no.
31 414, eighty-eighth general assembly, first regular session, section 348.271 as
32 enacted by senate substitute for senate committee substitute for senate bill no.
33 7, ninety-sixth general assembly, first extraordinary session, section 348.300 as
34 enacted by senate substitute for senate committee substitute for senate bill no.
35 7, ninety-sixth general assembly, first extraordinary session, and section 348.300
36 as enacted by senate committee substitute for house committee substitute for
37 house bill no. 1, ninety-fourth general assembly, first extraordinary session,
38 RSMo, are repealed and ten new sections enacted in lieu thereof, to be known as
39 sections 348.251, 348.253, 348.256, 348.257, 348.261, 348.262, 348.263, 348.264,
40 348.265, and 348.300, to read as follows:

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

3 (1) ["Applicable percentage", six percent for the fiscal year beginning July
4 1, 2012, and the next fourteen consecutive fiscal years; five percent for the
5 immediately subsequent five fiscal years; and four percent for the immediately
6 subsequent five fiscal years;

7 (2) "Applied research", any activity that seeks to utilize, synthesize, or
8 apply existing knowledge, information, or resources to the resolution of a specific
9 problem, question, or issue of science and innovation, including but not limited
10 to translational research;

11 (3) "Base year", fiscal year ending June 30, 2010;

12 (4) "Base year gross wages", gross wages paid by science and innovation
13 companies to science and innovation employees during fiscal year ending June 30,
14 2010;

15 (5) "Basic research", any original investigation for the advancement of

16 scientific or technical knowledge of science and innovation;

17 (6) "Commercialization", any of the full spectrum of activities required for
18 a new technology, product, or process to be developed from the basic research or
19 conceptual stage through applied research or development to the marketplace,
20 including without limitation, the steps leading up to and including licensing,
21 sales, and service;

22 (7)] "Corporation", the Missouri technology corporation established under
23 this section;

24 [(8) "Fields of applicable expertise", any of the following fields: science
25 and innovation research, development, or commercialization, including basic
26 research and applied research; corporate finance, venture capital, and private
27 equity related to science and innovation; the business and management of science
28 and innovation companies; education related to science and innovation; or civic
29 or corporate leadership in areas related to science and innovation;

30 (9)] **(2) "Department", the Missouri department of economic**
31 **development;**

32 **(3) "Eligible donation", cash donations received from a taxpayer**
33 **by the Missouri technology corporation and used solely to carry out the**
34 **provisions of sections 348.251 to 348.275;**

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

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

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

51 (12) "Science and innovation company", a corporation, limited liability

52 company, S corporation, partnership, registered limited liability partnership,
53 foundation, association, nonprofit entity, sole proprietorship, business trust,
54 person, group, or other entity that is:

55 (a) Engaged in the research, development, commercialization, or business
56 of science and innovation in the state, including, without limitation, research,
57 development, or production directed toward developing or providing science and
58 innovation products, processes, or services for specific commercial or public
59 purposes, including hospitals, nonprofit research institutions, incubators,
60 accelerators, and universities currently located or involved in the research,
61 development, commercialization, or business of science and innovation in the
62 state; or

63 (b) Identified by the following NAICS industry groups or NAICS codes or
64 any amended or successor code sections covering such areas of research,
65 development, and commercial endeavors: 3251; 3253; 3254; 3391; 51121; 54138;
66 54171; 62231; 111191; 111421; 111920; 111998; 311119; 311211; 311221; 311222;
67 311223; 325193; 325199; 325221; 325222; 325611; 325612; 325613; 325311;
68 325312; 325314; 325320; 325411; 325412; 325414; 333298; 334510; 334516;
69 334517; 339111; 339112; 339113; 339114; 339115; 339116; 424910; 541710;
70 621511; and 621512.

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

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

81 (14)] (5) "Taxpayer", any of the following individuals or entities
82 who make an eligible donation to the Missouri technology corporation:

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

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

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

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

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

94 **(f) Any charitable organization which is exempt from federal**
95 **income tax and whose Missouri unrelated business taxable income, if**
96 **any, would be subject to the state income tax imposed under chapter**
97 **143;**

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

103 **[(15)] (7)** "Technology development", strategically focused research
104 directed at developing investment-grade technologies which are important for
105 market competitiveness.

106 2. The governor may, on behalf of the state and in accordance with
107 chapter 355, establish a private not-for-profit corporation named the "Missouri
108 Technology Corporation", to carry out the provisions of sections 348.251 to
109 348.266. As used in sections **[348.250] 348.251** to 348.275 the word "corporation"
110 means the Missouri technology corporation authorized by this section. Before
111 certification by the governor, the corporation shall conduct a public hearing for
112 the purpose of giving all interested parties an opportunity to review and comment
113 on the articles of incorporation, bylaws and methods of operation of the
114 corporation. Notice of the hearing shall be given at least fourteen days prior to
115 the hearing.

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

3 (1) "Technology application", the introduction and
4 adaptation of refined management practices in fields such as
5 scheduling, inventory management, marketing, product
6 development, and training in order to improve the quality,
7 productivity and profitability of an existing firm. Technology
8 application shall be considered a component of business

9 modernization;

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

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

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

348.253. 1. The Missouri technology corporation may contract with
2 not-for-profit organizations to carry out the provisions of sections 348.251 to
3 348.275. By entering into such contracts, the corporation shall attempt to achieve
4 the following objectives:

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

13 (2) [Technology commercialization, as defined in subdivision (2) of section
14 348.251;

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

17 [(4)] (3) The enhancement of technology application, as defined in

18 subdivision [(1)] (6) of section 348.251.

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

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

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

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

27 (1) The director of the department of economic development, or the
28 director's designee;

29 (2) The president of the University of Missouri system, or the president's
30 designee;

31 (3) A member of the state senate, appointed by the president pro tem of
32 the senate;

33 (4) A member of the house of representatives, appointed by the speaker
34 of the house;

35 (5) Eleven members appointed by the governor, with the advice and
36 consent of the senate, who are recognized for outstanding knowledge, leadership,
37 and expertise in one or more of the fields of applicable expertise.

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

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

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

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

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

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

67 become immediately effective;

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

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

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

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

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

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

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

101 12. The board may adopt, repeal, and amend such articles of
102 incorporation, bylaws, and methods of operation that are not contrary to law or

103 inconsistent with sections [348.250] **348.251** to 348.275, as it deems expedient
104 for its own governance and for the governance and management of the corporation
105 and its committees and advisory boards; provided that any changes in the articles
106 of incorporation or bylaws approved by the board must also be approved by the
107 governor.

108 13. A president shall direct and supervise the administrative affairs and
109 the general management of the corporation. The president shall be a person of
110 national prominence that has expertise and credibility in one or more of the fields
111 of applicable expertise with a demonstrated track record of success in leading a
112 mission-driven organization. The president's salary and other terms and
113 conditions of employment shall be set by the board. The board may negotiate and
114 enter into an employment agreement with the president of the corporation, which
115 may provide for compensation, allowances, benefits, and expenses. The president
116 of the corporation shall not be eligible to serve as a member of the board until two
117 years after the end of his or her employment with the corporation. The president
118 of the corporation shall be bound by, and agree to obey, the corporation's conflicts
119 of interest policy, including annually completing and submitting to the board a
120 disclosure and compliance certificate in accordance with such conflicts of interest
121 policy.

122 14. The corporation may employ such employees as it may require and
123 upon such terms and conditions as it may establish that are consistent with state
124 and federal law. The corporation may establish personnel, payroll, benefit, and
125 other such systems as authorized by the board, and provide death and disability
126 benefits. Corporation employees, including the president, shall be considered
127 state employees for the purposes of membership in the Missouri state employees'
128 retirement system and the Missouri consolidated health care plan. Compensation
129 paid by the corporation shall constitute pay from a department for purposes of
130 accruing benefits under the Missouri state employees' retirement system. The
131 corporation may also adopt, in accordance with requirements of the federal
132 Internal Revenue Code of 1986, as amended, a defined contribution plan
133 sponsored by the corporation with respect to employees, including the president,
134 employed by the corporation. Nothing in sections [348.250] **348.251** to 348.275
135 shall be construed as placing any officer or employee of the corporation or
136 member of the board in the classified or the unclassified service of the state of
137 Missouri under Missouri laws and regulations governing civil service. No
138 employee of the corporation shall be eligible to serve as a member of the board

139 until two years immediately following the end of his or her employment with the
140 corporation. All employees of the corporation shall be bound by, and agree to
141 obey, the corporation's conflicts of interest policy, including annually completing
142 and submitting to the board a disclosure and compliance certificate in accordance
143 with such conflicts of interest policy.

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

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

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

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

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

159 [(5)] (4) Whether or not the corporation made any distribution during the
160 prior fiscal year to a research project or other project for which a report shall be
161 filed under subsection 4 of section 38(d) of article III of the Constitution of the
162 State of Missouri. If such a distribution was made, the corporation shall disclose
163 in the annual report the amount of the distribution, the recipient of the
164 distribution, and the project description.

165 16. The corporation shall keep its books and records in accordance with
166 generally accepted accounting procedures. Within four months following the end
167 of each fiscal year, the corporation shall cause a firm of independent certified
168 public accountants of national repute to conduct and deliver to the board an audit
169 of the financial statements of the corporation and an opinion thereon, to be
170 conducted in accordance with generally accepted audit standards, provided,
171 however, that this section shall be inapplicable if the board of directors of the
172 corporation determines that insufficient funds have been appropriated to pay for
173 the costs of compliance with these requirements.

174 17. Within four months following the end of every odd numbered fiscal

175 year, beginning with fiscal year 2016, the corporation shall cause an independent
176 firm of national repute that has expertise in science and innovation research and
177 industry to conduct and deliver to the board an evaluation of the performance of
178 the corporation for the prior two fiscal years, including detailed recommendations
179 for improving the performance of the corporation, provided, however, that this
180 section shall be inapplicable if the board of directors of the corporation
181 determines that insufficient funds have been appropriated to pay for the costs of
182 compliance with these requirements.

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

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

192 20. [Except as provided under section 348.266, the state hereby pledges
193 to, and agrees with, recipients of corporation funding or beneficiaries of
194 corporation programs under sections 348.250 to 348.275 that the state shall not
195 limit or alter the rights vested in the corporation under sections 348.250 to
196 348.275 to fulfill the terms of any agreements made or obligations incurred by the
197 corporation with or to such third parties, or in any way impair the rights and
198 remedies of such third parties until the obligations of the corporation and the
199 state are fully met and discharged in accordance with sections 348.250 to 348.275.

200 21. The corporation shall be exempt from:

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

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

205 (3) Any taxes or assessments upon any project or any property or local
206 obligation acquired or used by the corporation under the provisions of sections
207 348.250 to 348.275, or upon income therefrom.

208 Purchases by the corporation to be used for its public purposes shall not be
209 subject to sales or use tax under chapter 144. The exemptions hereby granted
210 shall not extend to persons or entities conducting business on the corporation's

211 property for which payment of state and local taxes would otherwise be required.

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

219 [23.] 21. The corporation shall adopt and maintain a conflicts of interest
220 policy to protect the corporation's interests by requiring disclosure by an
221 interested party, appropriate recusal by such person, and appropriate action by
222 the interested party or the board where a conflict of interest may exist or arise
223 between the corporation and a director, officer, employee, or agent of the
224 corporation.

225 22. Sections 348.251 to 348.275 shall be subject to the provisions
226 of section 196.1127.

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

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

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

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

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

20 (c) A member of the state senate, appointed by the

21 president pro tem of the senate;

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

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

29 (f) Each of the directors of the corporation who is appointed
30 by the governor shall serve for a term of four years and until a
31 successor is duly appointed; except that, of the directors serving on
32 the corporation as of August 28, 1995, three directors shall be
33 designated by the governor to serve a term of four years, three
34 directors shall be designated to serve a term of three years, three
35 directors shall be designated to serve a term of two years, and two
36 directors shall be designated to serve a term of one year. Each
37 director shall continue to serve until a successor is duly appointed
38 by the governor;

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

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

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

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

55 (7) The corporation is subject to an annual audit by the
56 state auditor and that the corporation shall

57 bear the full cost of the audit.]

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

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

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

20 4. The board shall establish and maintain a research alliance of Missouri
21 to be comprised of the chief research officers, or their designee, of the state's
22 leading research universities and a representative of other leading not-for-profit
23 research institutes headquartered in Missouri. Members of the research alliance
24 of Missouri shall be selected for such terms of membership under such terms and
25 conditions as the board deems necessary and appropriate to advance the purposes
26 of sections 348.250 to 348.275 and as comparable to other similar public sector
27 bodies. The research alliance of Missouri shall elect a chairperson on an annual
28 basis. The research alliance of Missouri shall prepare annual reports at the
29 direction of the corporation that:

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

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

34 (3) Evaluate and summarize the best national and international practices
35 for technology commercialization of university research and describe efforts that

36 each university member has undertaken to implement best practices, including
37 a description of the specific outcomes university members have achieved in
38 technology commercialization; and

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

41 5.] The board may establish [other] committees, both permanent and
42 temporary, as it deems necessary. Such committees may include national
43 strategic, scientific and/or commercialization advisory boards comprised of
44 individuals of national or international prominence in science and innovation
45 and/or the business and commercialization of science and innovation.

46 [6.] 2. The board may establish rules, policies, and procedures for the
47 selection and conduct of committees and advisory boards[, and the research
48 alliance of Missouri]; provided, however, that the members of such committees
49 and advisory boards agree to be bound by a conflict of interest policy consistent
50 with the highest ethical standards that is suitable for such advisory roles and
51 annually complete and certify to the board a disclosure and compliance certificate
52 in accordance with such conflicts of interest policy.

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

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

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

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

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

18 (5) Assist in establishing cooperative associations of universities in
19 Missouri and of private enterprises for the purpose of coordinating research and

20 development programs that will, consistent with the primary educational function
21 of the universities, aid in the creation of new jobs in Missouri;

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

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

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

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

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

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

36 (12) Contract with innovation centers, as established in section 348.271,
37 small business development corporations, as established in sections 620.1000 to
38 620.1007, centers for advanced technology, as established in section 348.272, and
39 other entities or organizations for the provision of technology application,
40 technology commercialization and technology development services;

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

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

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

52 (16) Procure such insurance, participate in such insurance plans, or
53 provide such self insurance or both as it deems necessary or convenient; provided,
54 however, the purchase of insurance, participation in an insurance plan, or
55 creation of a self-insurance fund by the corporation shall not be deemed as a

56 waiver or relinquishment of any sovereign immunity to which the corporation or
57 its officers, directors, employees, or agents are otherwise entitled;

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

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

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

70 (20) In carrying out any activities authorized by sections [348.250]
71 **348.251** to 348.275, the corporation provides appropriate assistance, including the
72 making of investments, grants, and loans, and providing time of employees, to
73 any taxpayer, governmental body[,] or agency, insurer, university, or college of
74 the state, or any other entity, whether or not any such taxpayer, governmental
75 body or agency, insurer, university, or college of the state, or any other entity, is
76 owned or controlled in whole or in part, directly or indirectly, by the corporation.

77 2. The corporation shall endeavor to maximize the amount of leveraging
78 of nonstate resources, including public and private, cash and in-kind, attained
79 with its investments, grants, loans, or other forms of support. In the case of
80 investments, grants, loans, or other forms of support that emphasize or are
81 specifically intended to impact a particular Missouri county, municipality, or
82 other geographic subdivision of the state, or are otherwise local in nature, the
83 corporation shall give consideration and weight to local matching funds and other
84 matching resources, public and private.

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

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

94 5. The corporation shall assume all moneys, property, or other assets
95 remaining with the Missouri seed capital investment board, established in section
96 620.641. All powers, duties, and functions performed by the Missouri seed capital
97 investment board shall be transferred to the Missouri technology corporation.

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

99 7. At least ten days prior to releasing funds to a recipient of financial
100 assistance pursuant to the powers established in this section, the corporation
101 shall submit to the president pro tem of the senate and the speaker of the house
102 of representatives the name of the recipient of such assistance, and post such
103 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
4 to assist Missouri businesses in identifying ways to enhance
5 productivity and market competitiveness;

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

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

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

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

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

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

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

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

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

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

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

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

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 sections [348.250] **348.251** to 348.275. When contracting
5 with the corporation under the provisions of this section, the department of

6 economic development may directly enter into agreements with the corporation
7 and shall not be bound by the provisions of chapter 34.

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

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

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

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

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

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

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

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

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

24 3. In addition to the exceptions available under sections 610.010 to
25 610.225, the corporation, including the board[, executive committee, audit
26 committee, and research alliance of Missouri, or] **and** other [such] committees or

27 boards that the corporation may authorize from time to time, may discuss,
28 consider, and take action on any of the following in closed session, when upon
29 determination by the corporation, including as appropriate the board[, executive
30 committee, audit committee, and research alliance of Missouri, or other such]
31 **and other** committees or boards that the corporation may authorize from time
32 to time, disclosure of such items would be harmful to the competitive position of
33 the corporation:

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

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

38 (3) Contracts for applied research; basic research; science and innovation
39 product development, manufacturing, or commercialization; construction and
40 renovation of science and innovation facilities; or marketing or operational
41 strategies.

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

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

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

4 technology investment fund in this section], which shall consist of all moneys
5 which may be appropriated to it by the general assembly [based on the applicable
6 percentage of the amount by which science and innovation employees' gross wages
7 for the year exceeds the base year gross wages pursuant to section 348.265, other
8 funds appropriated to it by the general assembly], and also any gifts,
9 contributions, grants or bequests received from federal, private or other
10 sources. Money in the Missouri [science and innovation reinvestment]
11 **technology investment** fund shall be used to carry out the provisions of
12 sections [348.250] **348.251** to 348.275. Moneys for business modernization
13 programs, technology application programs, technology commercialization
14 programs and technology development programs established pursuant to the
15 provisions of sections [348.250] **348.251** to 348.275 shall be available from
16 appropriations made by the general assembly from the Missouri [science and
17 innovation reinvestment] **technology investment** fund. Any moneys remaining
18 in the Missouri [science and innovation reinvestment] **technology investment**
19 fund at the end of any fiscal year shall not lapse to the general revenue fund, as
20 provided in section 33.080, but shall remain in the Missouri [science and
21 innovation reinvestment] **technology investment** fund.

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

19 lapse to the general revenue fund, as provided in section 33.080,
20 but shall remain in the Missouri technology investment fund.

21 2. Notwithstanding the provisions of sections 173.500 to
22 173.565, the Missouri technology investment fund shall be utilized
23 to fund projects which would previously have been funded through
24 the higher education applied projects fund.]

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

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

27 3. Local political subdivisions may contribute to the Missouri science and
28 innovation reinvestment fund through a grant, contract, or loan by dedicating a
29 portion of any sales tax or property tax increase resulting from increases in
30 science and innovation company economic activity occurring after February 3,

31 2012, or other such taxes or fees as such local political subdivisions may
32 establish.] For all taxable years beginning on or after January 1, 2014,
33 any taxpayer shall be allowed a credit against the taxes otherwise due
34 under chapter 147, 148, or 143, excluding withholding tax imposed by
35 sections 143.191 to 143.265, in an amount equal to fifty percent of the
36 amount of an eligible donation, subject to the restrictions in this
37 section. The amount of the tax credit claimed shall not exceed the
38 amount of the taxpayer's state income tax liability in the tax year for
39 which the credit is claimed. Any amount of credit that the taxpayer is
40 prohibited by this section from claiming in a tax year shall not be
41 refundable, but may be carried forward to any of the taxpayer's four
42 subsequent taxable years.

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

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

50 (2) A statement attesting to the eligible donation received, which
51 shall include the name and taxpayer identification number of the
52 individual making the eligible donation, the amount of the eligible
53 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
56 credit for which application is made. If the corporation's application
57 meets all criteria required by this subsection, the department shall
58 issue a certificate in the appropriate amount.

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

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

68 5. Upon enactment of this section, the corporation shall prepare a
69 strategic plan for the use of the funding to be generated by the provisions of this
70 section, and may consult with science and innovation partners, including but not
71 limited to [the research alliance of Missouri, as established in section 348.257;]
72 the life sciences research board established in section 196.1103; and the
73 innovation centers or centers for advanced technology, as established in section
74 348.272. The corporation shall make a draft strategic plan available for public
75 comment prior to publication of the final strategic plan.

76 **6. The department may promulgate rules to implement the**
77 **provisions of this section. Any rule or portion of a rule, as that term is**
78 **defined in section 536.010 that is created under the authority delegated**
79 **in this section shall become effective only if it complies with and is**
80 **subject to all of the provisions of chapter 536, and, if applicable, section**
81 **536.028. This section and chapter 536 are nonseverable and if any of**
82 **the powers vested with the general assembly pursuant to chapter 536,**
83 **to review, to delay the effective date, or to disapprove and annul a rule**
84 **are subsequently held unconstitutional, then the grant of rulemaking**
85 **authority and any rule proposed or adopted after August 28, 2014, shall**
86 **be invalid and void.**

87 **7. Under section 23.253 of the Missouri sunset act:**

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

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

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

 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, development,
4 prototype fabrication, and subsequent precommercialization activity, or any
5 activity related thereto, conducted in Missouri for the purpose of producing a
6 service or a product or process for manufacture, assembly or sale or developing
7 a service based on such a product or process by any person, corporation,

8 partnership, joint venture, unincorporated association, trust or other organization
9 doing business in Missouri. Subsequent to January 1, 1999, a commercial activity
10 located in Missouri shall mean only such activity that is located within a
11 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 and
18 whose Missouri unrelated business taxable income, if any, would be subject to the
19 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 [348.250]
27 **348.251** to 348.275;

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 [348.250] **348.251** to 348.275 this interest and make corresponding distributions
40 thereto in the event the qualified economic development organization holding
41 such interest is dissolved or ceases to do business for a period of one year or
42 more;

43 (7) "Qualified investment", any investment of seed capital, start-up

- 44 capital, or follow-up capital in any commercial activity located in Missouri;
- 45 (8) "Seed capital", capital provided to a commercial activity located in
46 Missouri for research, development and precommercialization activities to prove
47 a concept for a new product or process or service, and for activities related
48 thereto;
- 49 (9) "Start-up capital", capital provided to a commercial activity located in
50 Missouri for use in preproduction product development or service development or
51 initial marketing thereof, and for activities related thereto;
- 52 (10) "State tax liability", any state tax liability incurred by a taxpayer
53 under the provisions of chapters 143, 147 and 148, exclusive of the provisions
54 relating to the withholding of tax as provided for in sections 143.191 to 143.265
55 and related provisions;
- 56 (11) "Uninvested capital", the amount of any distribution, other than of
57 earnings, by a qualified fund made within five years of the issuance of a
58 certificate of tax credit as provided by sections 348.300 to 348.318; or the portion
59 of all qualified contributions to a qualified fund which are not invested as
60 qualified investments within five years of the issuance of a certificate of tax credit
61 as provided by sections 348.300 to 348.318 to the extent that the amount not so
62 invested exceeds ten percent of all such qualified contributions.

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

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

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

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

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

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

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

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

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

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

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

66 (11) "Uninvested capital", the amount of any distribution,
67 other than of earnings, by a qualified fund made within five years
68 of the issuance of a certificate of tax credit as provided by sections
69 348.300 to 348.318; or the portion of all qualified contributions to
70 a qualified fund which are not invested as qualified investments
71 within five years of the issuance of a certificate of tax credit as
72 provided by sections 348.300 to 348.318 to the extent that the
73 amount not so invested exceeds ten percent of all such qualified
74 contributions.]

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

[348.269. 1. Nothing contained in sections 348.250 to
2 348.275 shall be construed as a restriction or limitation upon any
3 powers that the corporation might otherwise have under chapter
4 355, and the provisions of sections 348.250 to 348.275 are
5 cumulative to such powers.

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

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

13 sunset.

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

17 5. If any provision of this act or the application thereof is
18 held invalid, the invalidity shall not affect other provisions or
19 applications of the act that can be given effect without the invalid
20 provision or application, and to this end the provisions of this act
21 are severable. Insofar as the provisions of sections 348.250 to
22 348.275 are inconsistent with the provisions of any other law,
23 general, specific or local, the provisions of sections 348.250 to
24 348.275 shall be controlling.]

[348.271. 1. In order to foster the growth of Missouri's
2 economy and to stimulate the creation of new jobs in science and
3 innovation-based industry for the state's work force, the Missouri
4 technology corporation, in accordance with the provisions of this
5 section and within the limits of appropriations therefor, is
6 authorized to contract with Missouri not-for-profit corporations for
7 the operation of innovation centers within the state. The primary
8 emphasis of some, if not of all, innovation centers, shall be in the
9 areas of science and innovation-based business ventures. Such
10 assistance may include the provision of facilities, equipment,
11 administrative and managerial support, planning assistance, and
12 such other services and programs that enhance the development of
13 such ventures and such assistance may be provided for fees or
14 other consideration.

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

25 graduated from the center, and the number of jobs created by the
26 businesses involved in the center.

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

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