

FIRST REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR  
**SENATE BILLS NOS. 189,  
217, 246, 252 & 79**

96TH GENERAL ASSEMBLY

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Reported from the Committee on Jobs, Economic Development and Local Government, March 17, 2011, with recommendation that the Senate Committee Substitute do pass.

0836S.03C

TERRY L. SPIELER, Secretary.

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**AN ACT**

To repeal sections 30.750, 30.753, 30.756, 30.758, 30.760, 30.765, 144.062, 196.1115, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.271, 620.1039, 620.1878, 620.1881, and 640.150, RSMo, and to enact in lieu thereof twenty-eight new sections relating to taxation, with existing penalty provisions.

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

Section A. Sections 30.750, 30.753, 30.756, 30.758, 30.760, 30.765, 144.062, 196.1115, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.271, 620.1039, 620.1878, 620.1881, and 640.150, RSMo, are repealed and twenty-eight new sections enacted in lieu thereof, to be known as sections 30.750, 30.753, 30.756, 30.758, 30.760, 30.765, 30.865, 67.3000, 144.062, 144.540, 196.1115, 348.250, 348.251, 348.256, 348.261, 348.262, 348.263, 348.264, 348.265, 348.268, 348.269, 348.271, 348.273, 348.274, 620.1039, 620.1878, 620.1881, and 640.150, to read as follows:

30.750. As used in sections 30.750 to 30.767, the following terms mean:

(1) "Eligible agribusiness", a person engaged in the processing or adding of value to agricultural products produced in Missouri;

(2) "Eligible alternative energy consumer", an individual who wishes to borrow moneys for the purchase, installation, or construction of facilities or equipment related to the production of fuel or power primarily for **[their] the individual's** own use from energy sources other than fossil fuels, including but

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

8 not limited to solar, hydroelectric, wind, and qualified biomass;

9 (3) "Eligible alternative energy operation", a business enterprise engaged  
10 in the production of fuel or power from energy sources other than fossil fuels,  
11 including but not limited to solar, hydroelectric, wind, and qualified  
12 biomass. Such business enterprise shall conform to the characteristics of  
13 paragraphs (a), (b), and (d) of subdivision (6) of this section;

14 (4) "Eligible beginning farmer":

15 (a) For any beginning farmer who seeks to participate in the linked  
16 deposit program alone, a farmer who:

17 a. Is a Missouri resident;

18 b. Wishes to borrow for a farm operation located in Missouri;

19 c. Is at least eighteen years old; and

20 d. In the preceding five years has not owned, either directly or indirectly,  
21 farm land greater than fifty percent of the average size farm in the county where  
22 the proposed farm operation is located or farm land with an appraised value  
23 greater than four hundred fifty thousand dollars. A farmer who qualifies as an  
24 eligible farmer under this provision may utilize the proceeds of a linked deposit  
25 loan to purchase agricultural land, farm buildings, new and used farm equipment,  
26 livestock and working capital;

27 (b) For any beginning farmer who is participating in both the linked  
28 deposit program and the beginning farmer loan program administered by the  
29 Missouri agriculture and small business development authority, a farmer who:

30 a. Qualifies under the definition of a beginning farmer utilized for  
31 eligibility for federal tax-exempt financing, including the limitations on the use  
32 of loan proceeds; and

33 b. Meets all other requirements established by the Missouri agriculture  
34 and small business development authority;

35 (5) **"Eligible energy-saving enterprise", any individual,**  
36 **partnership, corporation, cooperative, or limited liability company**  
37 **organized or incorporated under the laws of this state and conducting**  
38 **business in this state that has had an energy audit conducted on such**  
39 **business within the two years immediately preceding the date of the**  
40 **linked deposit loan application, and where such audit provided**  
41 **recommendations for energy savings and such business seeks a loan to**

42 **implement any such recommendations or make any other energy**  
43 **improvements to the business that will result in more efficient use of,**  
44 **or less use of, energy;**

45 (6) "Eligible facility borrower", a borrower qualified under section 30.860  
46 to apply for a reduced-rate loan under sections 30.750 to 30.767;

47 [(6)] (7) "Eligible farming operation", any person engaged in farming in  
48 an authorized farm corporation, family farm, or family farm corporation as  
49 defined in section 350.010 that has all of the following characteristics:

50 (a) Is headquartered in this state;

51 (b) Maintains offices, operating facilities, or farming operations and  
52 transacts business in this state;

53 (c) Employs less than ten employees;

54 (d) Is organized for profit;

55 [(7)] (8) "Eligible governmental entity", any political subdivision of the  
56 state seeking to finance capital improvements, capital outlay, or other significant  
57 programs through an eligible lending institution;

58 [(8)] (9) "Eligible higher education institution", any approved public or  
59 private institution as defined in section 173.205;

60 [(9)] (10) "Eligible job enhancement business", a new, existing, or  
61 expanding firm operating in Missouri, or as a condition of accepting the linked  
62 deposit, will locate a facility or office in Missouri associated with said linked  
63 deposit, which employs ten or more employees in Missouri on a yearly average  
64 and which, as nearly as possible, is able to establish or retain at least one job in  
65 Missouri for each fifty thousand dollars received from a linked deposit loan except  
66 when the applicant can demonstrate significant costs for equipment, capital  
67 outlay, or capital improvements associated with the physical expansion,  
68 renovation, or modernization of a facility or equipment. In such cases, the  
69 maximum amount of the linked deposit shall not exceed fifty thousand dollars per  
70 job created or retained plus the initial cost of the physical expansion, renovation  
71 or capital outlay;

72 [(10)] (11) "Eligible lending institution", a financial institution that is  
73 eligible to make commercial or agricultural or student loans or discount or  
74 purchase such loans, is a public depository of state funds or obtains its funds  
75 through the issuance of obligations, either directly or through a related entity,

76 eligible for the placement of state funds under the provisions of section 15, article  
77 IV, Constitution of Missouri, and agrees to participate in the linked deposit  
78 program;

79        [(11)] **(12)** "Eligible livestock operation", any person engaged in  
80 production of livestock or poultry in an authorized farm corporation, family farm,  
81 or family farm corporation as defined in section 350.010;

82        [(12)] **(13)** "Eligible locally owned business", any person seeking to  
83 establish a new firm, partnership, cooperative company, or corporation that shall  
84 retain at least fifty-one percent ownership by residents in a county in which the  
85 business is headquartered, that consists of the following characteristics:

86            (a) The county has a median population of twelve thousand five hundred  
87 or less; and

88            (b) The median income of residents in the county are equal to or less than  
89 the state median income; or

90            (c) The unemployment rate of the county is equal to or greater than the  
91 state's unemployment rate;

92        [(13)] **(14)** "Eligible marketing enterprise", a business enterprise  
93 operating in this state which is in the process of marketing its goods, products or  
94 services within or outside of this state or overseas, which marketing is designed  
95 to increase manufacturing, transportation, mining, communications, or other  
96 enterprises in this state, which has proposed its marketing plan and strategy to  
97 the department of economic development and which plan and strategy has been  
98 approved by the department for purposes of eligibility pursuant to sections 30.750  
99 to 30.767. Such business enterprise shall conform to the characteristics of  
100 paragraphs (a), (b) and (d) of subdivision (6) of this section and also employ less  
101 than twenty-five employees;

102        [(14)] **(15)** "Eligible multitenant development enterprise", a new  
103 enterprise that develops multitenant space for targeted industries as determined  
104 by the department of economic development and approved by the department for  
105 the purposes of eligibility pursuant to sections 30.750 to 30.767;

106        [(15)] **(16)** "Eligible residential property developer", an individual who  
107 purchases and develops a residential structure of either two or four units, if such  
108 residential property developer uses and agrees to continue to use, for at least the  
109 five years immediately following the date of issuance of the linked deposit loan,

110 one of the units as his principal residence or if such person's principal residence  
111 is located within one-half mile from the developed structure and such person  
112 agrees to maintain the principal residence within one-half mile of the developed  
113 structure for at least the five years immediately following the date of issuance of  
114 the linked deposit loan;

115 [(16)] (17) "Eligible residential property owner", a person, firm or  
116 corporation who purchases, develops or rehabilitates a multifamily residential  
117 structure;

118 [(17)] (18) "Eligible small business", a person engaged in an activity with  
119 the purpose of obtaining, directly or indirectly, a gain, benefit or advantage and  
120 which conforms to the characteristics of paragraphs (a), (b) and (d) of subdivision  
121 (6) of this section, and also employs less than one hundred employees;

122 [(18)] (19) "Eligible student borrower", any person attending, or the  
123 parent of a dependent undergraduate attending, an eligible higher education  
124 institution in Missouri who may or may not qualify for need-based student  
125 financial aid calculated by the federal analysis called Congressional Methodology  
126 Formula pursuant to 20 U.S.C. 1078, as amended (the Higher Education  
127 Amendments of 1986);

128 [(19)] (20) "Eligible water supply system", a water system which serves  
129 fewer than fifty thousand persons and which is owned and operated by:

130 (a) A public water supply district established pursuant to chapter 247; or

131 (b) A municipality or other political subdivision; or

132 (c) A water corporation; and which is certified by the department of  
133 natural resources in accordance with its rules and regulations to have suffered  
134 a significant decrease in its capacity to meet its service needs as a result of  
135 drought;

136 [(20)] (21) "Farming", using or cultivating land for the production of  
137 agricultural crops, livestock or livestock products, forest products, poultry or  
138 poultry products, milk or dairy products, or fruit or other horticultural products;

139 [(21)] (22) "Linked deposit", a certificate of deposit, or in the case of  
140 production credit associations, the subscription or purchase outright of obligations  
141 described in section 15, article IV, Constitution of Missouri, placed by the state  
142 treasurer with an eligible lending institution at rates otherwise provided by law  
143 in section 30.758, provided the institution agrees to lend the value of such

144 deposit, according to the deposit agreement provided in sections 30.750 to 30.767,  
145 to eligible multitenant development enterprises, eligible small businesses, eligible  
146 alternative energy operations, eligible alternative energy consumers, eligible  
147 locally owned businesses, farming operations, eligible job enhancement  
148 businesses, eligible marketing enterprises, eligible residential property  
149 developers, eligible residential property owners, eligible governmental entities,  
150 eligible agribusinesses, eligible beginning farmers, eligible livestock operations,  
151 eligible student borrowers, eligible facility borrowers, **eligible energy-saving**  
152 **enterprises**, or eligible water supply systems at below the present borrowing  
153 rate applicable to each multitenant development enterprise, small business,  
154 alternative energy operation, alternative energy consumer, farming operation,  
155 eligible job enhancement business, eligible marketing enterprise, eligible  
156 residential property developer, eligible residential property owner, eligible  
157 governmental entity, eligible agribusiness, eligible beginning farmer, eligible  
158 livestock operation, eligible student borrower, **eligible energy-saving**  
159 **enterprise**, or supply system at the time of the deposit of state funds in the  
160 institution;

161 [(22)] **(23)** "Market rate", the interest rate more specifically described in  
162 subsection 6 of section 30.260;

163 [(23)] **(24)** "Professional forester", any individual who holds a bachelor  
164 of science degree in forestry from a regionally accredited college or university  
165 with a minimum of two years of professional forest management experience;

166 [(24)] **(25)** "Qualified biomass", any agriculture- derived organic material  
167 or any wood-derived organic material harvested in accordance with a site-specific  
168 forest management plan focused on long-term forest sustainability developed by  
169 a professional forester and qualified, in consultation with the conservation  
170 commission, by the agriculture and small business development authority;

171 [(25)] **(26)** "Water corporation", as such term is defined in section  
172 386.020;

173 [(26)] **(27)** "Water system", as such term is defined in section 386.020.

30.753. 1. The state treasurer may invest in linked deposits; however, the  
2 total amount so deposited at any one time shall not exceed, in the aggregate,  
3 seven hundred twenty million dollars. No more than three hundred thirty million  
4 dollars of the aggregate deposit shall be used for linked deposits to eligible

5 farming operations, eligible locally owned businesses, eligible agribusinesses,  
6 eligible beginning farmers, eligible livestock operations, and eligible facility  
7 borrowers, no more than one hundred ten million of the aggregate deposit shall  
8 be used for linked deposits to small businesses, no more than twenty million  
9 dollars shall be used for linked deposits to eligible multitenant development  
10 enterprises, and no more than twenty million dollars of the aggregate deposit  
11 shall be used for linked deposits to eligible residential property developers and  
12 eligible residential property owners, no more than two hundred twenty million  
13 dollars of the aggregate deposit shall be used for linked deposits to eligible job  
14 enhancement businesses and no more than twenty million dollars of the aggregate  
15 deposit shall be used for linked deposit loans to eligible water systems. Linked  
16 deposit loans may be made to eligible student borrowers, eligible alternative  
17 energy operations, eligible alternative energy consumers, **eligible energy-**  
18 **saving enterprises**, and eligible governmental entities from the aggregate  
19 deposit. If demand for a particular type of linked deposit exceeds the initial  
20 allocation, and funds initially allocated to another type are available and not in  
21 demand, the state treasurer may commingle allocations among the types of linked  
22 deposits.

23         2. The minimum deposit to be made by the state treasurer to an eligible  
24 lending institution for eligible job enhancement business loans shall be ninety  
25 thousand dollars. Linked deposit loans for eligible job enhancement businesses  
26 may be made for the purposes of assisting with relocation expenses, working  
27 capital, interim construction, inventory, site development, machinery and  
28 equipment, or other expenses necessary to create or retain jobs in the recipient  
29 firm.

30.756. 1. An eligible lending institution that desires to receive a linked  
2 deposit shall accept and review applications for linked deposit loans from eligible  
3 multitenant enterprises, eligible farming operations, eligible alternative energy  
4 consumers, eligible alternative energy operations, eligible locally owned  
5 businesses, eligible small businesses, eligible job enhancement businesses,  
6 eligible marketing enterprises, eligible agribusinesses, eligible beginning farmers,  
7 eligible livestock operations, eligible residential property developers, eligible  
8 residential property owners, eligible governmental entities, eligible student  
9 borrowers, eligible facility borrowers, **eligible energy-saving enterprises**, and

10 eligible water supply systems. An eligible residential property owner shall certify  
11 on his or her loan application that the reduced rate loan will be used exclusively  
12 to purchase, develop or rehabilitate a multifamily residential property. The  
13 lending institution shall apply all usual lending standards to determine the  
14 creditworthiness of each eligible multitenant enterprise, eligible farming  
15 operation, eligible alternative energy operation, eligible alternative energy  
16 consumer, eligible locally owned business, eligible small business, eligible job  
17 enhancement business, eligible marketing enterprise, eligible residential property  
18 developer, eligible residential property owner, eligible governmental [entities]  
19 **entity**, eligible agribusiness, eligible beginning farmer, eligible livestock  
20 operation, eligible student borrower, eligible facility borrower, **eligible energy-**  
21 **saving enterprise**, or eligible water supply system. No linked deposit loan  
22 made to any eligible multitenant development enterprise, eligible farming  
23 operation, eligible alternative energy operation, eligible alternative energy  
24 consumer, eligible locally owned business, eligible livestock operation, eligible  
25 agribusiness, eligible beginning farmer, eligible job enhancement business,  
26 eligible marketing enterprise, eligible residential property developer, eligible  
27 residential property owner, eligible governmental entity, eligible student  
28 borrower, eligible water supply system, **eligible energy-saving enterprise**, or  
29 eligible small business shall exceed a dollar limit determined by the state  
30 treasurer in the state treasurer's best judgment, except as otherwise limited. Any  
31 link deposit loan made to an eligible facility borrower shall be in accordance with  
32 the loan amount and loan term requirements in section 30.860. **Any linked**  
33 **deposit loan made to an eligible energy-saving enterprise shall be in**  
34 **accordance with section 30.865.**

35         2. An eligible farming operation, small business or job enhancement  
36 business shall certify on its loan application that the reduced rate loan will be  
37 used exclusively for necessary production expenses or the expenses listed in  
38 subsection 2 of section 30.753 or the refinancing of an existing loan for production  
39 expenses or the expenses listed in subsection 2 of section 30.753 of an eligible  
40 farming operation, small business or job enhancement business. Whoever  
41 knowingly makes a false statement concerning such application is guilty of a class  
42 A misdemeanor. An eligible water supply system shall certify on its loan  
43 application that the reduced rate loan shall be used exclusively to pay the costs



44 of upgrading or repairing an existing water system, constructing a new water  
45 system, or making other capital improvements to a water system which are  
46 necessary to improve the service capacity of the system.

47 3. In considering which eligible farming operations should receive  
48 reduced-rate loans, the eligible lending institution shall give priority to those  
49 farming operations which have suffered reduced yields due to drought or other  
50 natural disasters and for which the receipt of a reduced-rate loan will make a  
51 significant contribution to the continued operation of the recipient farming  
52 operation.

53 4. The eligible financial institution shall forward to the state treasurer a  
54 linked deposit loan package, in the form and manner as prescribed by the state  
55 treasurer. The package shall include such information as required by the state  
56 treasurer, including the amount of each loan requested.

57 The institution shall certify that each applicant is an eligible multitenant  
58 development enterprise, eligible farming operation, eligible alternative energy  
59 operation, eligible alternative energy consumer, eligible locally owned business,  
60 eligible small business, eligible job enhancement business, eligible marketing  
61 enterprise, eligible residential property developer, eligible residential property  
62 owner, eligible governmental entity, eligible agribusiness, eligible beginning  
63 farmer, eligible livestock operation, eligible student borrower, eligible facility  
64 borrower, **eligible energy-saving enterprise**, or eligible water supply system,  
65 and shall, for each eligible multitenant development enterprise, eligible farming  
66 operation, eligible alternative energy operation, eligible alternative energy  
67 consumer, eligible small business, eligible job enhancement business, eligible  
68 marketing enterprise, eligible residential property developer, eligible residential  
69 property owner, eligible governmental entity, eligible agribusiness, eligible  
70 beginning farmer, eligible livestock operation, eligible student borrower, eligible  
71 facility borrower, **eligible energy-saving enterprise**, or eligible water supply  
72 system, certify the present borrowing rate applicable.

73 5. The eligible lending institution shall be responsible for determining if  
74 a student borrower is an eligible student borrower. A student borrower shall be  
75 eligible for an initial or renewal reduced-rate loan only if, at the time of the  
76 application for the loan, the student is a citizen or permanent resident of the  
77 United States, a resident of the state of Missouri as defined by the coordinating

78 board for higher education, is enrolled or has been accepted for enrollment in an  
79 eligible higher education institution, and establishes that the student has  
80 financial need. In considering which eligible student borrowers may receive  
81 reduced-rate loans, the eligible lending institution may give priority to those  
82 eligible student borrowers whose income, or whose family income, if the eligible  
83 student borrower is a dependent, is such that the eligible student borrower does  
84 not qualify for need-based student financial aid pursuant to 20 U.S.C. 1078, as  
85 amended (the Higher Education Amendments of 1986). The eligible lending  
86 institution shall require the eligible student borrower to document that the  
87 student has applied for and has obtained all need-based student financial aid for  
88 which the student is eligible prior to application for a reduced-rate loan pursuant  
89 to this section. In no case shall the combination of all financial aid awarded to  
90 any student in any particular enrollment period exceed the total cost of  
91 attendance at the institution in which the student is enrolled. No eligible lending  
92 institution shall charge any additional fees, including but not limited to an  
93 origination, service or insurance fee on any loan agreement under the provisions  
94 of sections 30.750 to 30.765.

95           6. The eligible lending institution making an initial loan to an eligible  
96 student borrower may make a renewal loan or loans to the student. The total of  
97 such reduced-rate loans from eligible lending institutions made pursuant to this  
98 section to any individual student shall not exceed the cumulative totals  
99 established by 20 U.S.C. 1078, as amended. An eligible student borrower shall  
100 certify on his or her loan application that the reduced-rate loan shall be used  
101 exclusively to pay the costs of tuition, incidental fees, books and academic  
102 supplies, room and board and other fees directly related to enrollment in an  
103 eligible higher education institution. The eligible lending institution shall make  
104 the loan payable to the eligible student borrower and the eligible higher  
105 education institution as co-payees. The method of repayment of the loan shall be  
106 the same as for repayment of loans made pursuant to sections 173.095 to 173.186.

107           7. Beginning August 28, 2005, in considering which eligible multitenant  
108 enterprise, eligible farming operation, eligible alternative energy operation,  
109 eligible alternative energy consumer, eligible locally owned business, eligible  
110 small business, eligible job enhancement business, eligible marketing enterprise,  
111 eligible residential property developer, eligible residential property owner, eligible

112 governmental entity, eligible agribusiness, eligible beginning farmer, eligible  
113 livestock operation, eligible student borrower, eligible facility borrower, **eligible**  
114 **energy-saving enterprise**, or eligible water supply system should receive  
115 reduced-rate loans, the eligible lending institution shall give priority to an  
116 eligible multitenant enterprise, eligible farming operation, eligible alternative  
117 energy operation, eligible alternative energy consumer, eligible locally owned  
118 business, eligible small business, eligible job enhancement business, eligible  
119 marketing enterprise, eligible residential property developer, eligible residential  
120 property owner, eligible governmental entity, eligible agribusiness, eligible  
121 beginning farmer, eligible livestock operation, eligible student borrower, eligible  
122 facility borrower, **eligible energy-saving enterprise**, or eligible water supply  
123 system that has not previously received a reduced-rate loan through the linked  
124 deposit program. However, nothing shall prohibit an eligible lending institution  
125 from making a reduced-rate loan to any entity that previously has received such  
126 a loan, if such entity otherwise qualifies for such a reduced-rate loan.

30.758. 1. The state treasurer may accept or reject a linked deposit loan  
2 package or any portion thereof.

3 2. The state treasurer shall make a good faith effort to ensure that the  
4 linked deposits are placed with eligible lending institutions to make linked  
5 deposit loans to minority- or female-owned eligible multitenant enterprises,  
6 eligible farming operations, eligible alternative energy operations, eligible  
7 alternative energy consumers, eligible locally owned businesses, eligible small  
8 businesses, eligible job enhancement businesses, eligible marketing enterprises,  
9 eligible residential property developers, eligible residential property owners,  
10 eligible governmental entities, eligible agribusinesses, eligible beginning farmers,  
11 eligible livestock operations, eligible student borrowers, eligible facility borrowers,  
12 **eligible energy-saving enterprises**, or eligible water supply systems. Results  
13 of such effort shall be included in the linked deposit review committee's annual  
14 report to the governor.

15 3. Upon acceptance of the linked deposit loan package or any portion  
16 thereof, the state treasurer may place linked deposits with the eligible lending  
17 institution as follows: when market rates are five percent or above, the state  
18 treasurer shall reduce the market rate by up to three percentage points to obtain  
19 the linked deposit rate; when market rates are less than five percent, the state

20 treasurer shall reduce the market rate by up to sixty percent to obtain the linked  
21 deposit rate. All linked deposit rates are determined and calculated by the state  
22 treasurer. When necessary, the treasurer may place linked deposits prior to  
23 acceptance of a linked deposit loan package.

24 4. The eligible lending institution shall enter into a deposit agreement  
25 with the state treasurer, which shall include requirements necessary to carry out  
26 the purposes of sections 30.750 to 30.767. The deposit agreement shall specify  
27 the length of time for which the lending institution will lend funds upon receiving  
28 a linked deposit, and the original deposit plus renewals shall not exceed five  
29 years, except as otherwise provided in this chapter. The agreement shall also  
30 include provisions for the linked deposit of a linked deposit for an eligible facility  
31 borrower, eligible multitenant enterprise, eligible farming operation, eligible  
32 alternative energy operation, eligible alternative energy consumer, eligible locally  
33 owned business, eligible small business, eligible marketing enterprise, eligible  
34 residential property developer, eligible residential property owner, eligible  
35 governmental entity, eligible agribusiness, eligible beginning farmer, eligible  
36 livestock operation, eligible student borrower, **eligible energy-saving**  
37 **enterprise**, or job enhancement business. Interest shall be paid at the times  
38 determined by the state treasurer.

39 5. The period of time for which such linked deposit is placed with an  
40 eligible lending institution shall be neither longer nor shorter than the period of  
41 time for which the linked deposit is used to provide loans at reduced interest  
42 rates. The agreement shall further provide that the state shall receive market  
43 interest rates on any linked deposit or any portion thereof for any period of time  
44 for which there is no corresponding linked deposit loan outstanding to an eligible  
45 multitenant enterprise, eligible farming operation, eligible alternative energy  
46 operation, eligible alternative energy consumer, eligible locally owned business,  
47 eligible small business, eligible job enhancement business, eligible marketing  
48 enterprise, eligible residential property developer, eligible residential property  
49 owner, eligible governmental entity, eligible agribusiness, eligible beginning  
50 farmer, eligible livestock operation, eligible student borrower, eligible facility  
51 borrower, **eligible energy-saving enterprise**, or eligible water supply system,  
52 except as otherwise provided in this subsection. Within thirty days after the  
53 annual anniversary date of the linked deposit, the eligible lending institution

54 shall repay the state treasurer any linked deposit principal received from  
55 borrowers in the previous yearly period and thereafter repay such principal  
56 within thirty days of the yearly anniversary date calculated separately for each  
57 linked deposit loan, and repaid at the linked deposit rate. Such principal  
58 payment shall be accelerated when more than thirty percent of the linked deposit  
59 loan is repaid within a single monthly period. Any principal received and not  
60 repaid, up to the point of the thirty percent or more payment, shall be repaid  
61 within thirty days of that payment at the linked deposit rate. Finally, when the  
62 linked deposit is tied to a revolving line of credit agreement between the banking  
63 institution and its borrower, the full amount of the line of credit shall be excluded  
64 from the repayment provisions of this subsection.

30.760. 1. Upon the placement of a linked deposit with an eligible lending  
2 institution, such institution is required to lend such funds to each approved  
3 eligible multitenant enterprise, eligible farm operation, eligible alternative energy  
4 operation, eligible alternative energy consumer, eligible locally owned business,  
5 eligible small business, eligible job enhancement business, eligible marketing  
6 enterprise, eligible residential property developer, eligible residential property  
7 owner, eligible governmental entity, eligible agribusiness, eligible beginning  
8 farmer, eligible livestock operation, eligible student borrower, eligible facility  
9 borrower, **eligible energy-saving enterprise**, or eligible water supply system  
10 listed in the linked deposit loan package required by section 30.756 and in  
11 accordance with the deposit agreement required by section 30.758. The loan shall  
12 be at a fixed rate of interest reduced by the amount established under subsection  
13 3 of section 30.758 to each eligible multitenant enterprise, eligible farming  
14 operation, eligible alternative energy operation, eligible alternative energy  
15 consumer, eligible locally owned business, eligible small business, eligible job  
16 enhancement business, eligible marketing enterprise, eligible residential property  
17 developer, eligible residential property owner, eligible governmental entity,  
18 eligible agribusiness, eligible beginning farmer, eligible livestock operation,  
19 eligible student borrower, eligible facility borrower, **eligible energy-saving**  
20 **enterprise**, or eligible water supply system as determined pursuant to rules and  
21 regulations promulgated by the state treasurer under the provisions of chapter  
22 536, including emergency rules issued pursuant to section 536.025. In addition,  
23 the loan agreement shall specify that the eligible multitenant enterprise, eligible

24 farming operation, eligible alternative energy operation, eligible alternative  
25 energy consumer, eligible locally owned business, eligible small business, eligible  
26 job enhancement business, eligible marketing enterprise, eligible residential  
27 property developer, eligible residential property owner, eligible governmental  
28 entity, eligible agribusiness, eligible beginning farmer, eligible livestock  
29 operation, eligible student borrower, eligible facility borrower, **eligible energy-**  
30 **saving enterprise**, or eligible water supply system shall use the proceeds as  
31 required by sections 30.750 to 30.765, and that in the event the loan recipient  
32 does not use the proceeds in the manner prescribed by sections 30.750 to 30.765,  
33 the remaining proceeds shall be immediately returned to the lending institution  
34 and that any proceeds used by the loan recipient shall be repaid to the lending  
35 institution as soon as practicable. All records and documents pertaining to the  
36 programs established by sections 30.750 to 30.765 shall be segregated by the  
37 lending institution for ease of identification and examination. A certification of  
38 compliance with this section in the form and manner as prescribed by the state  
39 treasurer shall be required of the eligible lending institution. Any lender or  
40 lending officer of an eligible lending institution who knowingly violates the  
41 provisions of sections 30.750 to 30.765 is guilty of a class A misdemeanor.

42           2. The state treasurer shall take any and all steps necessary to implement  
43 the linked deposit program and monitor compliance of eligible multitenant  
44 enterprises, eligible lending institutions, eligible farming operations, eligible  
45 alternative energy operations, eligible alternative energy consumers, eligible  
46 locally owned businesses, eligible small businesses, eligible job enhancement  
47 businesses, eligible marketing enterprises, eligible residential property  
48 developers, eligible residential property owners, eligible governmental entities,  
49 eligible agribusinesses, eligible beginning farmers, eligible livestock operations,  
50 eligible facility borrowers, **eligible energy-saving enterprises**, or eligible  
51 water supply systems.

          30.765. The state and the state treasurer are not liable to any eligible  
2 lending institution in any manner for payment of the principal or interest on the  
3 loan to an eligible multitenant enterprise, eligible farm operation, eligible  
4 alternative energy operation, eligible alternative energy consumer, eligible locally  
5 owned business, eligible small business, eligible job enhancement business,  
6 eligible marketing enterprise, eligible residential property developer, eligible

7 residential property owner, eligible governmental entity, eligible agribusiness,  
8 eligible beginning farmer, eligible livestock operation, eligible student borrower,  
9 eligible facility borrower, **eligible energy-saving enterprise**, or eligible water  
10 supply system. Any delay in payments or default on the part of an eligible  
11 multitenant enterprise, eligible farming operation, eligible alternative energy  
12 operation, eligible alternative energy consumer, eligible locally owned business,  
13 eligible small business, eligible job enhancement business, eligible marketing  
14 enterprise, eligible residential property developer, eligible residential property  
15 owner, eligible governmental entity, eligible agribusiness, eligible beginning  
16 farmer, eligible livestock operation, eligible student borrower, eligible facility  
17 borrower, **eligible energy-saving enterprise**, or eligible water supply system  
18 does not in any manner affect the deposit agreement between the eligible lending  
19 institution and the state treasurer.

**30.865. The state treasurer shall work in conjunction with the**  
2 **department of natural resources in making linked deposits for eligible**  
3 **energy-saving enterprises under sections 30.750 to 30.767. The**  
4 **department of natural resources shall serve as a technical advisor and,**  
5 **as such, shall review all loan application packages for eligible energy-**  
6 **saving enterprises and shall provide the state treasurer's office with**  
7 **information regarding the potential energy savings associated with**  
8 **each project. The state treasurer shall use the department's**  
9 **information to ensure that funding priority is given to projects with the**  
10 **greatest energy savings potential. The state treasurer shall require a**  
11 **copy of the energy audit conducted by an eligible energy-saving**  
12 **enterprise as part of the application for the linked deposit.**

**67.3000. 1. As used in this section, the following words shall**  
2 **mean:**

3 **(1) "Active Member", an organization located in the state of**  
4 **Missouri, which solicits and services sports events, sports**  
5 **organizations, and other types of sports-related activities in that**  
6 **community;**

7 **(2) "Applicant" or "applicants", one or more certified sponsors,**  
8 **endorsing counties, endorsing municipalities, or a local organizing**  
9 **committee, acting individually or collectively;**

10           **(3) "Certified sponsor" or "certified sponsors", a nonprofit**  
11 **organization which is an active member of the National Association of**  
12 **Sports Commissions;**

13           **(4) "Department", the Missouri department of economic**  
14 **development;**

15           **(5) "Director", the director of revenue;**

16           **(6) "Eligible costs", shall include:**

17           **(a) Costs necessary for conducting the sporting event;**

18           **(b) Costs relating to the preparations necessary for the conduct**  
19 **of the sporting event; and**

20           **(c) An applicant's pledged obligations to the site selection**  
21 **organization as evidenced by the support contract for the sporting**  
22 **event.**

23 **Eligible costs shall not include any cost associated with (i) the**  
24 **rehabilitation or construction of any facilities used to host the sporting**  
25 **event but may include costs associated with the retrofitting of a facility**  
26 **necessary to accommodate the sporting event, and (ii) direct payments**  
27 **to a for-profit site selection organization;**

28           **(7) "Endorsing municipality" or "endorsing municipalities", any**  
29 **city, town, incorporated village, or county that contains a site selected**  
30 **by a site selection organization for one or more sporting events;**

31           **(8) "Joinder agreement", an agreement entered into by one or**  
32 **more applicants, acting individually or collectively, and a site selection**  
33 **organization setting out representations and assurances by each**  
34 **applicant in connection with the selection of a site in this state for the**  
35 **location of a sporting event;**

36           **(9) "Joinder undertaking", an agreement entered into by one or**  
37 **more applicants, acting individually or collectively, and a site selection**  
38 **organization that each applicant will execute a joinder agreement in**  
39 **the event that the site selection organization selects a site in this state**  
40 **for a sporting event;**

41           **(10) "Local organizing committee", a nonprofit corporation or its**  
42 **successor in interest that:**

43           **(a) Has been authorized by one or more certified sponsors,**



44 endorsing municipalities, or endorsing counties, acting individually or  
45 collectively, to pursue an application and bid on its or the applicant's  
46 behalf to a site selection organization for selection as the site of one or  
47 more sporting events; or

48 (b) With the authorization of one or more certified sponsors,  
49 endorsing municipalities, or endorsing counties, acting individually or  
50 collectively, executes an agreement with a site selection organization  
51 regarding a bid to host one or more sporting events;

52 (11) "Site selection organization", the National Collegiate Athletic  
53 Association (NCAA); an NCAA member conference, university, or  
54 institution; the National Association of Intercollegiate Athletics (NAIA);  
55 the United States Olympic Committee (USOC); a National Governing  
56 Body (NGB) or international federation of a sport recognized by the  
57 USOC; the United States Golf Association (USGA); the United States  
58 Tennis Association (USTA); the Amateur Athletic Union (AAU); the  
59 Amateur Softball Association of America (ASA); other major regional,  
60 national, and international sports associations, leagues, and  
61 organizations that promote, organize, or administer sporting games,  
62 competitions, or events; or other major regional, national, and  
63 international organizations that promote or organize eligible events;

64 (12) "Sporting event" or "sporting events", a NCAA national  
65 championship, including the Final Four, Frozen Four, wrestling  
66 championships, and other Division I, III, and III men's and women's  
67 national championship events; NCAA postseason basketball regional  
68 and first and second rounds; college football bowl game; NCAA post-  
69 season college football game; college football or basketball game played  
70 at a neutral site; collegiate athletic conference championship or  
71 tournament; NAIA tournament or championship; a regional or national  
72 championship of an amateur sport sanctioned by the national  
73 governing body of a sport recognized by the USOC; Olympic trials or  
74 other Olympic competition; USGA amateur event; Davis Cup or Fed Cup  
75 tennis match; World Cup soccer match; AAU, ASA, US Youth Soccer, or  
76 other major regional or national youth sports tournaments; or other  
77 major sporting events approved by the department that generate new

78 tax revenue for the state of Missouri. The term includes any event and  
79 activity related to or associated with a sporting event;

80 (13) "Support contract" or "support contracts", an event award  
81 notification, joinder undertaking, joinder agreement, or contract  
82 executed by an applicant and a site selection organization;

83 (14) "Tax credit" or "tax credits", a credit or credits issued by the  
84 department against the tax otherwise due under chapter 143 or 148,  
85 excluding withholding tax imposed by sections 143.191 to 143.265.

86 2. An applicant may submit a copy of a support contract for a  
87 sporting event to the department. Within sixty days of receipt of the  
88 sporting event support contract, the department shall review the  
89 applicant's support contract and certify such support contract if it  
90 complies with the requirements of this section. Upon certification of  
91 the support contract by the department, the applicant shall be  
92 authorized to receive the tax credit under subsection 5 of this section.  
93 In addition, at any time, including during the site selection process, an  
94 applicant may request that the department estimate the receipts from  
95 the total tax imposed by chapter 144, determined in the manner set  
96 forth in subsection 3 of this section, that is directly attributable to the  
97 preparation for and conduct of the sporting event. The applicant may  
98 submit the department's estimate to a site selection organization.

99 3. In making the determinations of the estimated or actual tax  
100 receipts provided for in this section, the department, in consultation  
101 with the director, shall determine the geographic boundaries of the  
102 market area for the sporting event and the time period for which there  
103 is likely to be an economic impact attributable to the sporting  
104 event. The market area shall be the geographic area in which there is  
105 a reasonable likelihood of a measurable economic impact directly  
106 attributable to the preparation for and conduct of the sporting event,  
107 including areas likely to provide venues, accommodations, and services  
108 in connection with the sporting event based on the support contract  
109 entered into by the applicant and the site selection organization. An  
110 endorsing municipality that has been selected as the site for the  
111 sporting event shall be included in the market area for the sporting

112 event. The tax revenues in the market area of the sporting event shall  
113 be calculated from the total tax imposed by chapter 144. The time  
114 period shall be the greater of:

115 (1) The period for which the primary venue is contracted by the  
116 site selection organization for the sporting event; or

117 (2) The two-week period that ends at the end of the day after the  
118 date on which a sporting event will be held or such longer period as  
119 determined by the department.

120 4. No more than thirty days following the conclusion of the  
121 sporting event, the applicant shall submit eligible costs and  
122 documentation of the costs evidenced by receipts, paid invoices, or  
123 other documentation in a manner prescribed by the department.

124 5. No later than sixty days following the conclusion of the  
125 sporting event, the department, in consultation with the director, shall  
126 determine the amount of tax revenues which are directly attributable  
127 to the sporting event or related events, in the manner provided under  
128 subsection 3 of this section. No later than sixty days following the  
129 receipt of eligible costs and documentation of such costs from the  
130 applicant as required in subsection 4 of this section, the department  
131 shall issue a refundable tax credit to the applicant for the lesser of one  
132 hundred percent of eligible costs incurred by the applicant or fifty  
133 percent of the increase in tax revenues within the market area directly  
134 attributable to the supporting event. Tax credits authorized by this  
135 section may be claimed against taxes imposed by chapters 143 and 148  
136 and shall be claimed within one year of the close of the taxable year for  
137 which the credits were issued. Tax credits authorized by this section  
138 may be transferred, sold, or assigned by filing a notarized endorsement  
139 thereof with the department that names the transferee, the amount of  
140 tax credit transferred, and the value received for the credit, as well as  
141 any other information reasonably requested by the department.

142 6. In no event shall the amount of tax credits issued by the  
143 department under this section exceed ten million dollars in any fiscal  
144 year. In any fiscal year, no more than eight million dollars in tax  
145 credits shall be available to all applicants which submit support

146 **contracts for sporting events to be held in any city not within a county**  
147 **or counties with a population in excess of three hundred thousand**  
148 **inhabitants.**

149 **7. An applicant shall provide any information necessary as**  
150 **determined by the department for the department and the director to**  
151 **fulfill the duties required by this section. At any time upon the request**  
152 **of the state of Missouri, a certified sponsor will subject itself to an**  
153 **audit conducted by the state.**

154 **8. This section shall not be construed as creating or requiring a**  
155 **state guarantee of obligations imposed on an endorsing municipality**  
156 **under a support contract or any other agreement relating to hosting**  
157 **one or more sporting events in this state.**

158 **9. The department shall only certify an applicant's support**  
159 **contract for a sporting event in which the site selection organization**  
160 **has yet to select a location for the sporting event as of August 28,**  
161 **2011. Support contracts shall not be certified by the department after**  
162 **August 28, 2017, provided that the support contracts may be certified**  
163 **prior to August 28, 2017 for sporting events that will be held after such**  
164 **date.**

165 **10. The department may promulgate rules, statements of policy,**  
166 **procedures, forms, and guidelines as necessary to implement the**  
167 **provisions of this section. Any rule or portion of a rule, as that term is**  
168 **defined in section 536.010 that is created under the authority delegated**  
169 **in this section shall become effective only if it complies with and is**  
170 **subject to all of the provisions of chapter 536, and, if applicable, section**  
171 **536.028. This section and chapter 536 are nonseverable and if any of**  
172 **the powers vested with the general assembly pursuant to chapter 536,**  
173 **to review, to delay the effective date, or to disapprove and annul a rule**  
174 **are subsequently held unconstitutional, then the grant of rulemaking**  
175 **authority and any rule proposed or adopted after August 28, 2011, shall**  
176 **be invalid and void.**

144.062. 1. With respect to exempt sales at retail of tangible personal  
2 property and materials for the purpose of constructing, repairing or remodeling  
3 facilities for:

4 (1) A county, other political subdivision or instrumentality thereof exempt  
5 from taxation under subdivision (10) of section 39 of article III of the Constitution  
6 of Missouri; or

7 (2) An organization sales to which are exempt from taxation under the  
8 provisions of subdivision (19) of subsection 2 of section 144.030; or

9 (3) Any institution of higher education supported by public funds or any  
10 private not-for-profit institution of higher education, exempt from taxation under  
11 subdivision (20) of subsection 2 of section 144.030; or

12 (4) Any private not-for-profit elementary or secondary school exempt from  
13 taxation under subdivision (22) of subsection 2 of section 144.030; or

14 (5) Any authority exempt from taxation under subdivision (39) of  
15 subsection 2 of section 144.030; or

16 (6) After June 30, 2007, the department of transportation or the state  
17 highways and transportation commission; **or**

18 **(7) After August 28, 2011, any information technology company**  
19 **exempt from taxation under section 144.540;**

20 hereinafter collectively referred to as exempt entities, such exemptions shall be  
21 allowed for such purchases if the purchases are related to the entities' exempt  
22 functions and activities. In addition, the sales shall not be rendered nonexempt  
23 nor shall any material supplier or contractor be obligated to pay, collect or remit  
24 sales tax with respect to such purchases made by or on behalf of an exempt entity  
25 due to such purchases being billed to or paid for by a contractor or the exempt  
26 entity contracting with any entity to render any services in relation to such  
27 purchases, including but not limited to selection of materials, ordering, pickup,  
28 delivery, approval on delivery, taking of delivery, transportation, storage,  
29 assumption of risk of loss to materials or providing warranties on materials as  
30 specified by contract, use of materials or other purchases for construction of the  
31 building or other facility, providing labor, management services, administrative  
32 services, design or technical services or advice to the exempt entity, whether or  
33 not the contractor or other entity exercises dominion or control in any other  
34 manner over the materials in conjunction with services or labor provided to the  
35 exempt entity.

36 2. When any exempt entity contracts for the purpose of constructing,  
37 repairing or remodeling facilities, and purchases of tangible personal property

38 and materials to be incorporated into or consumed in the construction of the  
39 project are to be made on a tax-exempt basis, such entity shall furnish to the  
40 contractor an exemption certificate authorizing such purchases for the  
41 construction, repair or remodeling project. The form and content of such project  
42 exemption certificate shall be approved by the director of revenue. The project  
43 exemption certificate shall include but not be limited to:

44 (1) The exempt entity's name, address, Missouri tax identification number  
45 and signature of authorized representative;

46 (2) The project location, description, and unique identification number;

47 (3) The date the contract is entered into, which is the earliest date  
48 materials may be purchased for the project on a tax-exempt basis;

49 (4) The estimated project completion date; and

50 (5) The certificate expiration date. Such certificate is renewable for a  
51 given project at the option of the exempt entity, only for the purpose of revising  
52 the certificate expiration date as necessary to complete the project.

53 3. The contractor shall furnish the certificate prescribed in subsection 2  
54 of this section to all subcontractors, and any contractor purchasing materials  
55 shall present such certificate to all material suppliers as authorization to  
56 purchase, on behalf of the exempt entity, all tangible personal property and  
57 materials to be incorporated into or consumed in the construction of that project  
58 and no other on a tax-exempt basis. Such suppliers shall execute to the  
59 purchasing contractor invoices bearing the name of the exempt entity and the  
60 project identification number. Nothing in this section shall be deemed to exempt  
61 the purchase of any construction machinery, equipment or tools used in  
62 constructing, repairing or remodeling facilities for the exempt entity. All invoices  
63 for all personal property and materials purchased under a project exemption  
64 certificate shall be retained by the purchasing contractor for a period of five years  
65 and shall be subject to audit by the director of revenue.

66 4. Any excess resalable tangible personal property or materials which  
67 were purchased for the project by a contractor under a project exemption  
68 certificate but which were not incorporated into or consumed in the construction  
69 of the project shall either be returned to the supplier for credit or the appropriate  
70 sales or use tax on such excess property or materials shall be reported on a  
71 return and paid by such contractor not later than the due date of the contractor's

72 Missouri sales or use tax return following the month in which it was determined  
73 that the materials were not to be used in the project.

74 5. No contractor or material supplier shall, upon audit, be required to pay  
75 tax on tangible personal property and materials incorporated into or consumed  
76 in the construction of the project due to the failure of the exempt entity to revise  
77 the certificate expiration date as necessary to complete any work required by the  
78 contract. If it is determined that tax is owed on such property and materials due  
79 to the failure of the exempt entity to revise such certificate expiration date, the  
80 exempt entity shall be liable for the tax owed.

81 6. If an entity issues exemption certificates for the purchase of tangible  
82 personal property and materials which are incorporated into or consumed in the  
83 construction of its project and such entity is found not to have had the authority  
84 granted by this section to issue such exemption certificates, then such entity shall  
85 be liable for the tax owed on such personal property and materials. In addition,  
86 if an entity which does have the authority granted by this section to issue  
87 exemption certificates issues such certificates for the purchase of tangible  
88 personal property and materials which are incorporated into or consumed in the  
89 construction of a project, or part of a project, which is found not to be related to  
90 such entity's exempt functions and activities, then such entity shall be liable for  
91 the tax owed on such personal property and materials.

**144.540. 1. The terms used in this section shall have the meaning**  
2 **provided in section 620.1878, unless the context clearly indicates**  
3 **otherwise. The following additional terms used in this section shall**  
4 **mean:**

5 (1) "Information technology company", a qualified company, as  
6 defined under section 620.1878, with a primary NAICS code of 5182;

7 (2) "New job", the number of full-time employees located at the  
8 project facility that exceeds the project facility base employment less  
9 any decrease in the number of full-time employees at related facilities  
10 below the related facility base employment. No job that was created  
11 prior to the date of the notice of intent shall be deemed a new job. An  
12 employee that spends less than fifty percent of the employee's work  
13 time at the facility shall be considered to be located at a facility if the  
14 employee receives his or her directions and control from that facility,

15 is on the facility's payroll, one hundred percent of the employee's  
16 income from such employment is Missouri income, and the employee is  
17 paid at or above the applicable percentage of the county average wage;

18 (3) "Taxpayer", the purchaser of tangible personal property or a  
19 service that is subject to state or local sales or use tax and from whom  
20 state or local sales or use tax is owed. "Taxpayer" shall not mean the  
21 seller charged by law with collecting the sales tax from the purchaser.

22 2. Beginning August 28, 2011, in addition to the exemptions  
23 granted under this chapter, the department of economic development  
24 may approve an information technology company for an exemption of  
25 up to one hundred percent of the state sales and use taxes defined,  
26 levied, or calculated under sections 144.010 to 144.525, sections 144.600  
27 to 144.761, or section 238.235, for a period not to exceed three years  
28 from the date of approval, of sales and leases of tangible personal  
29 property purchased for use in the project facility, and of sales and  
30 leases of tangible personal property and materials for the purpose of  
31 constructing, repairing, or remodeling the project facility. To qualify  
32 for the exemption provided in this subsection, the information  
33 technology company shall, within a period of two years from the date  
34 of approval, create at least twenty new jobs at the project facility with  
35 an average wage of the new payroll equal to or in excess of ninety  
36 percent of the county average wage.

37 3. Beginning August 28, 2011, in addition to the exemptions  
38 granted under this chapter, the department of economic development  
39 may approve an information technology company for an exemption of  
40 up to one hundred percent of the state sales and use taxes defined,  
41 levied, or calculated under sections 144.010 to 144.525, sections 144.600  
42 to 144.761, or section 238.235 of electrical energy, gas, water, and other  
43 utilities including telecommunication services purchased for use in the  
44 project facility. The exemption may be for a period not to exceed five  
45 years from the date of approval. The annual amount of the exemption  
46 shall be equal to the difference between the amount of state sales and  
47 use taxes that would otherwise be due for the twelve months  
48 immediately following approval and the amount of state sales and use



49 taxes paid for the purchase of electrical energy, gas, water, and other  
50 utilities including telecommunication services purchased for use in the  
51 project facility for the twelve months immediately preceding approval.  
52 To qualify for the exemption provided in this subsection, the  
53 information technology company shall satisfy the requirements of  
54 subsection 2 of this section.

55 4. The governing body of a city, county, or other political  
56 subdivision may approve an information technology company for an  
57 exemption of up to one hundred percent of local sales and use taxes  
58 defined, levied, or calculated under section 32.085 imposed by the  
59 governing body, of sales and leases of tangible personal property  
60 purchased for use in the project facility, and of sales and leases of  
61 building materials for the purpose of constructing, repairing, or  
62 remodeling the project facility. To qualify for the exemption provided  
63 in this subsection, the information technology company shall satisfy the  
64 requirements of subsection 2 of this section.

65 5. The governing body of a city, county, or other political  
66 subdivision may approve an information technology company for an  
67 exemption of up to one hundred percent of the local sales and use tax  
68 defined, levied, or calculated under section 32.085 imposed by the  
69 governing body, of electrical energy, gas, water, and other utilities  
70 including telecommunication services purchased for use in the project  
71 facility. The exemption may be for a period as approved by the  
72 political subdivision. The annual amount of the exemption shall be  
73 equal to the difference between the amount of local sales and use taxes  
74 that would otherwise be due for the twelve months immediately  
75 following approval and the amount of local sales and use taxes paid for  
76 the purchase of electrical energy, gas, water, and other utilities  
77 including telecommunication services purchased for use in the project  
78 facility for the twelve months immediately preceding approval. To  
79 qualify for the exemption provided in this subsection, the information  
80 technology company shall satisfy the requirements of subsection 2 of  
81 this section.

82 6. Any information technology company seeking an exemption

83 from state sales and use taxes under this section shall submit such  
84 information as the department of economic development may  
85 reasonably require to review the information technology company's  
86 request for the exemption. The percentage of any exemption from state  
87 sales or use taxes awarded to an information technology company  
88 under this section shall not exceed the projected net fiscal benefit to  
89 the state over a period of six years, as determined by the department  
90 of economic development, and shall not exceed the least amount  
91 necessary to obtain the information technology company's commitment  
92 to initiate the project.

93           7. Upon approval of an exemption from state sales and use taxes  
94 under this section, the department of economic development shall  
95 certify the taxpayer's eligibility to the department of revenue. The  
96 department of revenue shall issue the information technology company  
97 an exemption certificate in the amount and for the duration specified  
98 by the department of economic development in its certification.

99           (1) Any information technology company approved for an  
100 exemption for state sales and use taxes under this section shall  
101 annually certify, to the department, the amount of state sales and use  
102 taxes exempted under this section that would have otherwise been due  
103 during the previous year.

104           (2) If the information technology company fails to satisfy any of  
105 the requirements of this section at any time during the project period,  
106 the information technology company shall remit to the department of  
107 revenue an amount equal to the sales and use taxes exempted under  
108 this section, plus interest of nine percent per annum from the date the  
109 exemption certificate was issued. However, the director of the  
110 department of economic development may, in his or her discretion,  
111 provide an extension of up to two additional years or reduce such  
112 payment, if such failure is caused by documented unforeseen events  
113 that negatively affected the operations at the project facility that were  
114 not under the control of the information technology company.

115           (3) The department of revenue shall credit any amounts remitted  
116 by the information technology company under this subsection to the

117 **fund to which the sales and use taxes exempted would have otherwise**  
118 **been credited.**

119 **8. Upon approval of an exemption from local sales and use taxes**  
120 **under this section, the governing body of the city, county, or other**  
121 **political subdivision approving the exemption from local sales and use**  
122 **taxes under this section shall certify the taxpayer's eligibility to the**  
123 **department of revenue. The department of revenue shall issue the**  
124 **information technology company an exemption certificate in the**  
125 **amount and for the duration specified by the political subdivision in its**  
126 **certification.**

127 **(1) Any information technology company approved for an**  
128 **exemption from local sales and use taxes under this section shall**  
129 **annually certify to the governing body of the city, county, or other**  
130 **political subdivision the amount of local sales and use taxes exempted**  
131 **under this section that would have otherwise been due during the**  
132 **previous year.**

133 **(2) If the information technology company fails to satisfy any of**  
134 **the requirements of this section at any time during the project period,**  
135 **the information technology company shall remit to the department of**  
136 **revenue an amount equal to the sales and use taxes exempted under**  
137 **this section, plus interest of nine percent per annum from the date the**  
138 **exemption certificate was issued. However, the governing body may,**  
139 **in its discretion, provide an extension of up to two additional years or**  
140 **reduce such payment, if such failure is caused by documented**  
141 **unforeseen events that negatively affected the operations at the project**  
142 **facility that were not under the control of the information technology**  
143 **company.**

144 **(3) The department of revenue shall credit any amounts remitted**  
145 **by the information technology company under this subsection to the**  
146 **city, county, or other political subdivision approving the exemption.**

147 **9. The department of economic development and the department**  
148 **of revenue shall jointly prescribe such rules and regulations necessary**  
149 **to carry out the provisions of this section. Any rule or portion of a**  
150 **rule, as that term is defined in section 536.010, that is created under**

151 **the authority delegated in this section shall become effective only if it**  
152 **complies with and is subject to all of the provisions of chapter 536 and,**  
153 **if applicable, section 536.028. This section and chapter 536 are**  
154 **nonseverable and if any of the powers vested with the general assembly**  
155 **pursuant to chapter 536 to review, to delay the effective date, or to**  
156 **disapprove and annul a rule are subsequently held unconstitutional,**  
157 **then the grant of rulemaking authority and any rule proposed or**  
158 **adopted after August 28, 2011, shall be invalid and void.**

196.1115. 1. The moneys appropriated to the life sciences research board  
2 that are not distributed by the board in any fiscal year to a center for excellence  
3 or a center for excellence endorsed program pursuant to section 196.1112, if any,  
4 shall be held in reserve by the board or shall be awarded on the basis of peer  
5 review panel recommendations for capacity building initiatives proposed by public  
6 and private not-for-profit academic, research, or health care institutions or  
7 organizations, or individuals engaged in competitive research in targeted fields  
8 consistent with the provisions of sections 196.1100 to 196.1130.

9 2. The life sciences research board may, in view of the limitations  
10 expressed in section 196.1130:

11 (1) Award and enter into grants or contracts relating to increasing  
12 Missouri's research capacity at public or private not-for-profit institutions;

13 (2) Make provision for peer review panels to recommend and review  
14 research projects;

15 (3) Contract for administrative and support services;

16 (4) Lease or acquire facilities and equipment;

17 (5) Employ administrative staff; and

18 (6) Receive, retain, hold, invest, disburse or administer any moneys that  
19 it receives from appropriations or from any other source.

20 **3. The Missouri technology corporation, established under**  
21 **section 348.251, shall serve as the administrative agent for the life**  
22 **sciences research board.**

23 4. The life sciences research board shall utilize as much of the moneys as  
24 reasonably possible for building capacity at public and private not-for-profit  
25 institutions to do research rather than for administrative expenses. The board  
26 shall not in any fiscal year expend more than two percent of the total moneys

27 appropriated to it and of the moneys that it has in reserve or has received from  
28 other sources for its own administrative expenses; provided, however, that the  
29 general assembly by appropriation from the life sciences research trust fund may  
30 authorize a limited amount of additional moneys to be expended for  
31 administrative costs.

**348.250. Sections 348.250 to 348.275, may be cited as the "Missouri  
2 Science and Innovation Reinvestment Act".**

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**  
4 **beginning July 1, 2012, and the next fourteen consecutive fiscal years;**  
5 **five percent for the immediately subsequent five fiscal years; and four**  
6 **percent for the immediately subsequent five fiscal years;**

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

11 (3) **"Base year", fiscal year ending June 30, 2011;**

12 (4) **"Base year gross wages", gross wages paid by science and**  
13 **innovation companies to science and innovation employees during**  
14 **fiscal year ending June 30, 2011;**

15 (5) **"Basic research", any original investigation for the**  
16 **advancement of scientific or technical knowledge;**

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

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

24 (8) **"Fields of applicable expertise", any of the following fields:**  
25 **science and innovation research, development, or commercialization,**  
26 **including basic research and applied research; corporate finance,**  
27 **venture capital, and private equity related to science and innovation;**

28 the business and management of science and innovation companies;  
29 education related to science and innovation; or civic or corporate  
30 leadership in areas related to science and innovation;

31 (9) "Inherent conflict of interest", a fundamental or systematic  
32 conflict of interest that prevents a person from serving as a  
33 disinterested director of the corporation and from routinely performing  
34 his or her duties as a director of the corporation;

35 (10) "NAICS industry groups" or "NAICS codes", the North  
36 American Industry Classification System developed under the auspices  
37 of the United States Office of Management and Budget and adopted in  
38 1997, as may be amended, revised, or replaced by similar classification  
39 systems for similar uses from time to time;

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

48 (12) "Science and innovation company", a corporation, limited  
49 liability company, S corporation, partnership, registered limited  
50 liability partnership, foundation, association, non-profit entity, sole  
51 proprietorship, business trust, person, group, or other entity that is:

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

61 (b) Identified by the following NAICS industry groups or NAICS

62 **codes: 3251; 3253; 3254; 3391; 51121; 621311; 62231; 54138; 54171; 333298;**  
63 **424910; 311119; 311221; 311222; 311223; 325193; 325199; 325221; 325222;**  
64 **325611; 325612; 325613; 325311; 325312; 325314; 325320; 325414; 325411;**  
65 **325412; 325414; 334510; 334516; 334517; 339111; 339112; 339113; 339114;**  
66 **339115; 339116; 541380; 541710; 621511; 621512; 111191; 111421; 111920;**  
67 **111998; and 311211. Each of the above listed four-digit codes shall**  
68 **include all six-digit codes in such four-digit industry; however, each**  
69 **six-digit code shall stand alone and not indicate the inclusion of other,**  
70 **omitted six-digit codes that also are subsets of the pertinent four-digit**  
71 **industry to which the included six-digit code belongs;**

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

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

83 **[(2)] (15) "Technology commercialization", the process of moving**  
84 **investment-grade technology from a business, university or laboratory into the**  
85 **marketplace for application;**

86 **[(3)] (16) "Technology development", strategically focused research**  
87 **directed at developing investment-grade technologies which are important for**  
88 **market competitiveness.**

89 **2. The governor may, on behalf of the state and in accordance with**  
90 **chapter 355, RSMo, establish a private not-for-profit corporation named the**  
91 **"Missouri Technology Corporation", to carry out the provisions of sections 348.251**  
92 **to 348.266. As used in sections 348.251 to 348.266 the word "corporation" means**  
93 **the Missouri technology corporation authorized by this section. Before**  
94 **certification by the governor, the corporation shall conduct a public hearing for**  
95 **the purpose of giving all interested parties an opportunity to review and comment**

96 upon the articles of incorporation, bylaws and method of operation of the  
97 corporation. Notice of the hearing shall be given at least fourteen days prior to  
98 the hearing.

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

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

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

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

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

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

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

23 (e) Eleven members appointed by the governor, [two of which shall be  
24 from the public sector and nine members from the private sector who shall  
25 include, but shall not be limited to, individuals who represent technology-based  
26 businesses and industrial interests;] **with the advice and consent of the**  
27 **senate, who are recognized for outstanding knowledge, leadership, and**  
28 **expertise in one or more of the fields of applicable expertise. Each of**  
29 **the directors of the corporation who is appointed by the governor shall**  
30 **serve for a term of four years and until a successor is duly appointed.**

31 [(f) Each of the directors of the corporation who is appointed by the



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

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

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

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

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

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

55 **2. Each of the directors of the corporation provided for in**  
56 **paragraphs (a) and (b) of subdivision (2) of subsection 1 of this section**  
57 **shall remain a director until the designating individual specified in**  
58 **such subdivisions designates a replacement by sending a written**  
59 **communication to the governor and the chairperson of the board of the**  
60 **corporation; provided however, that if the director of economic**  
61 **development or the president of the University of Missouri system**  
62 **designates himself or herself to the corporation board, such person's**  
63 **service as a corporation director shall cease immediately when that**  
64 **person no longer serves as the director of economic development or as**  
65 **the president of the University of Missouri system. Each of the**

66 directors of the corporation provided for in paragraphs (c) and (d) of  
67 subdivision (2) of subsection 1 of this section shall remain a director  
68 until the appointing member of the general assembly specific in such  
69 subdivisions appoints a replacement by sending a written  
70 communication to the governor and the chairperson of the corporation  
71 board; provided however, that if the speaker of the house or the  
72 president pro tem of the senate appoints himself or herself to the  
73 corporation board, such person's service as a corporation director shall  
74 cease immediately when that person no longer serves as the speaker of  
75 the house or the president pro tem of the senate.

76 3. Each of the eleven members of the board appointed by the  
77 governor shall:

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

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

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

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

91 4. Any member of the board may be removed by affirmative vote  
92 of eleven members of the board for malfeasance or misfeasance in  
93 office, regularly failing to attend meetings, failure to comply with the  
94 corporation's conflicts of interest policy, conviction of a felony, or for  
95 any cause that renders the member incapable of, or unfit to, discharge  
96 the duties of a director of the corporation.

97 5. The board shall meet at least four times per year and at such  
98 other times as it deems appropriate, or upon call by the president or  
99 the chairperson, or upon written request of a majority of the directors

100 of the board. Unless otherwise restricted by Missouri law, the directors  
101 may participate in a meeting of the board by means of telephone  
102 conference or other electronic communications equipment whereby all  
103 persons participating in the meeting can communicate clearly with  
104 each other, and participation in a meeting in such manner will  
105 constitute presence in person at such meeting.

106 6. A majority of the total voting membership of the board shall  
107 constitute a quorum for meetings. The board may act by a majority of  
108 those at any meeting where a quorum is present, except upon such  
109 issues as the board may determine shall require a vote of more  
110 members of the board for approval or as required by law. All  
111 resolutions and orders of the board shall be recorded and  
112 authenticated by the signature of the secretary or any assistant  
113 secretary of the board.

114 7. Members of the board shall serve without  
115 compensation. Members of the board attending meetings of the board,  
116 or attending committee or advisory meetings thereof, shall be paid  
117 mileage and all other applicable expenses, provided that such expenses  
118 are reasonable, consistent with policies established from time to time  
119 by the board, and not otherwise inconsistent with law.

120 8. The board may adopt, repeal, and amend such articles of  
121 incorporation, bylaws, and methods of operation that are not contrary  
122 to law or inconsistent with sections 348.250 to 348.275, as it deems  
123 expedient for its own governance and for the governance and  
124 management of the corporation and its committees and advisory  
125 boards; provided that any changes in the articles of incorporation or  
126 bylaws approved by the board must also be approved by the governor.

127 9. A president shall direct and supervise the administrative  
128 affairs and the general management of the corporation. The president  
129 shall be a person of national prominence that has expertise and  
130 credibility in one or more of the fields of applicable expertise with a  
131 demonstrated track record of success in leading a mission-driven  
132 organization. The president's salary and other terms and conditions of  
133 employment shall be set by the board. The board may negotiate and

134 enter into an employment agreement with the president of the  
135 corporation, which may provide for compensation, allowances, benefits,  
136 and expenses. The president of the corporation shall not be eligible to  
137 serve as a member of the board until two years after the end of his or  
138 her employment with the corporation. The president of the corporation  
139 shall be bound by, and agree to obey, the corporation's conflicts of  
140 interest policy, including annually completing and submitting to the  
141 board a disclosure and compliance certificate in accordance with such  
142 conflicts of interest policy.

143       10. The corporation may employ such employees as it may  
144 require and upon such terms and conditions as it may establish that  
145 are consistent with state and federal law. The corporation may  
146 establish personnel, payroll, benefit, and other such systems as  
147 authorized by the board, and provide death and disability  
148 benefits. Corporation employees, including the president, shall be  
149 considered state employees for the purposes of membership in the  
150 Missouri state employees retirement system and the Missouri  
151 consolidated health care plan. The corporation may also adopt, in  
152 accordance with requirements of the federal Internal Revenue Code, a  
153 retirement plan or plans sponsored by the corporation with respect to  
154 employees, including the president, employed by the  
155 corporation. Nothing in sections 348.250 to 348.275 shall be construed  
156 as placing any officer or employee of the corporation or member of the  
157 board in the classified or the unclassified service of the state of  
158 Missouri under Missouri laws and regulations governing civil service.  
159 No employee of the corporation shall be eligible to serve as a member  
160 of the board until two years immediately following the end of his or her  
161 employment with the corporation. All employees of the corporation  
162 shall be bound by, and agree to obey, the corporation's conflicts of  
163 interest policy, including annually completing and submitting to the  
164 board a disclosure and compliance certificate in accordance with such  
165 conflicts of interest policy.

166       11. No later than the first day of January each year, the  
167 corporation shall submit a report to the governor and to the Missouri

168 **general assembly which shall include:**

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

171 **(2) Complete and detailed information about the distributions**  
172 **from the Missouri science and innovation reinvestment fund and from**  
173 **any income of the corporation;**

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

176 **(4) Information regarding financial or performance audits**  
177 **performed in such year, including any recommendations with reference**  
178 **to additional legislation or other action that may be necessary to carry**  
179 **out the purposes of the corporation.**

180 **12. The corporation shall keep its books and records in**  
181 **accordance with generally accepted accounting procedures. Within**  
182 **four months following the end of each fiscal year, the corporation shall**  
183 **cause a firm of independent certified public accountants of national**  
184 **repute to conduct, and deliver to the board, an audit of the financial**  
185 **statements of the corporation and an opinion thereon.**

186 **13. Within four months following the end of every odd numbered**  
187 **fiscal year, beginning with fiscal year 2016, the corporation shall cause**  
188 **an independent firm of national repute that has expertise in science**  
189 **and innovation research and industry to conduct, and deliver to the**  
190 **board, an audit of the performance of the corporation for the prior two**  
191 **fiscal years, including detailed recommendations for improving the**  
192 **performance of the corporation.**

193 **14. The corporation shall provide the state auditor a copy of the**  
194 **financial and performance audit reports prepared pursuant to this**  
195 **section.**

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

202 vested in the state.

203           **16. Except as provided under section 348.266, the state hereby**  
204 **pledges to, and agrees with, recipients of corporation funding or**  
205 **beneficiaries of corporation programs under sections 348.250 to 348.275**  
206 **that the state shall not limit or alter the rights vested in the**  
207 **corporation under sections 348.250 to 348.275 to fulfill the terms of any**  
208 **agreements made or obligations incurred by the corporation with or to**  
209 **such third parties, or in any way impair the rights and remedies of**  
210 **such third parties until the obligations of the corporation and the state**  
211 **are fully met and discharged in accordance with sections 348.250 to**  
212 **348.275.**

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

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

          348.261. The corporation[, after being certified by the governor as  
2 provided by section 348.251, may] shall have all of the powers necessary or  
3 convenient to carry out the purposes and provisions of sections 348.250  
4 to 348.275, including, but not limited to, the 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, RSMo, centers for advanced technology, as established in section  
39 348.272, and other entities or organizations for the provision of technology  
40 application, technology commercialization and technology development  
41 services. Such contracting procedures shall not be subject to the provisions of  
42 chapter 34, RSMo; [and]

43 (13) Make direct seed capital or venture capital investments in Missouri  
44 business investment funds or businesses which demonstrate the promise of

45 growth and job creation. Investments from the corporation may be in the form  
46 of debt or equity in the respective businesses;

47 **(14) Assume all moneys, property, or other assets remaining with**  
48 **the Missouri seed capital investment board, established in section**  
49 **620.641. All powers, duties, and functions performed by the Missouri**  
50 **seed capital investment board on August 28, 2011, shall be transferred**  
51 **to the Missouri technology corporation;**

52 **(15) Establish a proof of concept finance program to make proof**  
53 **of concept loans to early-stage science and innovation companies;**

54 **(16) Establish an angel investment finance program to make**  
55 **angel co-investments in science and innovation companies that meets**  
56 **the requirements of the United States Small Business Administration's**  
57 **qualification size standards for its business loan program, as defined**  
58 **in 13 CFR 121.301(a) of the Small Business Investment Act of 1958, as**  
59 **amended. An investment may be in the form of a traditional**  
60 **commercial loan, a loan convertible to equity, equity, a loan with stock**  
61 **subscription or similar warrants that are beneficially owned by the**  
62 **Missouri technology corporation, or such other form that is consistent**  
63 **with sections 348.250 to 348.275; and**

64 **(17) Establish a venture capital co-investment fund to make**  
65 **investments in professionally managed venture capital funds, including**  
66 **providing for the costs of organizing and promoting such a fund. Any**  
67 **such fund must set forth a clear investment strategy substantially**  
68 **focused on investing in science and innovation companies. Any such**  
69 **investments made pursuant to this subdivision by the corporation shall**  
70 **be leveraged at least three times by investments from sources other**  
71 **than those controlled by the corporation.**

348.262. In order to assist the corporation in achieving the objectives  
2 identified in section 348.261, the department of economic development may  
3 contract with the corporation for activities consistent with the corporation's  
4 purpose, as specified in [section 348.256] **sections 348.250 to 348.275**. When  
5 contracting with the corporation under the provisions of this section, the  
6 department of economic development may directly enter into agreements with the  
7 corporation and shall not be bound by the provisions of chapter 34, RSMo.



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

17 **3. Except as otherwise provided in sections 348.250 to 348.275,**  
18 **the corporation shall be subject to requirements applicable to**  
19 **governmental bodies and records contained in sections 610.010 to**  
20 **610.225.**

21 **4. In addition to the exceptions available under sections 610.010**  
22 **to 610.225, the records of the corporation shall not be subject to the**  
23 **provisions of sections 610.010 to 610.225, when, in the opinion of the**  
24 **corporation, the disclosure of the information in the records would be**  
25 **harmful to the competitive position of the corporation and such records**  
26 **contain:**

27 **(1) Proprietary information gathered by, or in the possession of,**  
28 **the corporation from third parties pursuant to a promise of**  
29 **confidentiality;**

30 **(2) Contract cost estimates prepared for confidential use in**  
31 **awarding contracts for research, development, construction,**  
32 **renovation, commercialization, or the purchase of goods or services;**

33 **(3) Data, records, or information of a proprietary nature**  
34 **produced or collected by, or for, the corporation, its employees,**

35 **officers, or members of its board;**

36 **(4) Third party financial statements, records, and related data**  
37 **not publicly available that may be shared with the corporation;**

38 **(5) Consulting or other reports paid for by the corporation to**  
39 **assist the corporation in connection with its strategic planning and**  
40 **goals; or**

41 **(6) The determination of marketing and operational strategies**  
42 **where disclosure of such strategies would be harmful to the**  
43 **competitive position of the corporation.**

44 **5. In addition to the exceptions available under sections 610.010**  
45 **to 610.225, the corporation may discuss, consider, and take action on**  
46 **any of the following in closed session, when in the opinion of the**  
47 **corporation, disclosure of such items would be harmful to the**  
48 **competitive position of the corporation:**

49 **(1) Plans that could affect the value, condition, acquisition, use,**  
50 **or disposition of property, real or personal, owned, or desirable for**  
51 **ownership by the corporation; or**

52 **(2) Contracts for applied research; basic research; science and**  
53 **innovation product development, manufacturing, or commercialization;**  
54 **construction and renovation of science and innovation facilities; or**  
55 **marketing or operational strategies.**

348.264. [1.] There is hereby established in the state treasury a special  
2 fund to be known as the "Missouri [Technology Investment] **Science and**  
3 **Innovation Reinvestment** Fund", which shall consist of all moneys which may  
4 be appropriated to it by the general assembly **based on the applicable**  
5 **percentage of the amount by which science and innovation employees'**  
6 **gross wages for the year exceeds the base year gross wages pursuant**  
7 **to section 348.265; other funds appropriated to it by the general**  
8 **assembly**, and also any gifts, contributions, grants or bequests received from  
9 federal, private or other sources. [Such moneys shall include federal funds which  
10 may be received from the National Institute for Science and Technology, the  
11 Small Business Administration and the Department of Defense through its  
12 Technology Reinvestment Program.] Money in the Missouri [technology  
13 investment program] **science and innovation reinvestment fund** shall be

14 used to carry out the provisions of sections 348.251 to 348.275. Moneys for  
15 business modernization programs, technology application programs, technology  
16 commercialization programs and technology development programs established  
17 pursuant to the provisions of sections 348.251 to 348.275 shall be available from  
18 appropriations made by the general assembly from the Missouri [technology  
19 investment] **science and innovation reinvestment** fund. Any moneys  
20 remaining in the Missouri [technology investment] **science and innovation**  
21 **reinvestment** fund at the end of any fiscal year shall not lapse to the general  
22 revenue fund, as provided in section 33.080, RSMo, but shall remain in the  
23 Missouri [technology investment] **science and innovation reinvestment** fund.

24 [2. Notwithstanding the provisions of sections 173.500 to 173.565, RSMo,  
25 the Missouri technology investment fund shall be utilized to fund projects which  
26 would previously have been funded through the higher education applied projects  
27 fund.]

348.265. 1. As soon as practicable after August 28, 2011, the  
2 director of the department of economic development, with the  
3 assistance of the director of the department of revenue, shall establish  
4 the base year gross wages and report the amount of the base year gross  
5 wages to the board of the corporation, the governor, and the general  
6 assembly. Within one hundred eighty days after the end of each fiscal  
7 year beginning with the fiscal year ending June 30, 2011, and for each  
8 subsequent fiscal year prior to the end of the last funding year, the  
9 director of economic development, with the assistance of the director  
10 of the department of revenue, shall determine and report to the  
11 governor and the general assembly the amount by which aggregate  
12 science and innovation employees' gross wages for the fiscal year  
13 exceeds the base year gross wages. The director of economic  
14 development and the director of the department of revenue may  
15 consider any verifiable evidence, including but not limited to the  
16 NAICS codes assigned or recorded by the United States Department of  
17 Labor for companies with employees in the state, when determining  
18 which organizations should be classified as science and innovation  
19 companies.

20 2. Local political subdivisions may contribute to the Missouri

21 science and innovation reinvestment fund through a grant, contract, or  
22 loan by dedicating a portion of any sales tax or property tax increase  
23 resulting from increases in science and innovation company economic  
24 activity occurring after August 28, 2011, or other such taxes or fees as  
25 such local political subdivisions may establish.

26 3. The corporation shall prepare a strategic plan for the use of  
27 the monies in the fund, and may consult with science and innovation  
28 partners, including the life sciences research board established in  
29 section 196.1003; and the innovation centers or centers for advanced  
30 technology, as established in section 348.272. The corporation shall  
31 make a draft strategic plan available for public comment prior to  
32 publication of the final strategic plan.

33 4. In order to receive a proof of concept loan, seed capital  
34 investment, or angel investments, established pursuant to section  
35 348.261, the corporation shall require an application that contains:

36 (1) A business plan including a description of the company and  
37 its management, product, and market;

38 (2) A statement of the amount, timing, and projected use of the  
39 capital required;

40 (3) A statement of the potential economic impact of the  
41 enterprise, including the number, location, and types of jobs expected  
42 to be created;

43 (4) A statement of any contribution made by local political  
44 subdivisions in which the company is located; and

45 (5) Such other information as the Missouri technology  
46 corporation shall request.

47 5. Approval of a loan or investment by the corporation, shall only  
48 be made following a finding by the board that the recipient:

49 (1) Is a science and innovation company that is sufficiently  
50 innovative to, or likely to, secure a competitive advantage in the  
51 marketplace;

52 (2) Has the potential for significant growth and the ability to  
53 create high-quality jobs in Missouri;

54 (3) Currently has, or will locate due to investment, fifty percent

55 or more of its employees and assets in Missouri;

56 (4) Will provide average wages that are at least thirty-five  
57 percent higher than the average county wage as determined by the  
58 department of economic development for the most recently completed  
59 full calendar year;

60 (5) Will only use the proceeds to finance the proof of concept or  
61 seed capital needs of the science and innovation company;

62 (6) Has a reasonable probability of success;

63 (7) Requires the corporation's participation and assistance for  
64 the success of the company and its recruitment to, or retention within,  
65 the state;

66 (8) Has leveraged the corporation's loan or investment by at least  
67 one additional equity investment, debt investment, or grant in the  
68 company in an amount equal to or greater than the corporation's  
69 investment;

70 (9) Has registered any securities to be purchased, if required by  
71 law;

72 (10) Has demonstrated a reasonable probability that the Missouri  
73 technology corporation will be repaid the loan, or recoup at least its  
74 initial investment or financial commitment; and

75 (11) Has made binding commitments to the Missouri technology  
76 corporation for adequate reporting of financial data to the corporation,  
77 which shall include an annual report, or if required by the board, an  
78 annual audit of the financial and operational records of the company,  
79 and for such control on the part of the Missouri technology corporation  
80 as the board of directors shall consider prudent over the management  
81 of the company, so as to protect the investment or financial  
82 commitment of the corporation, including in the discretion of the  
83 board, right of access to financial and other records of the company,  
84 and membership or representation on the board of directors of the  
85 company.

348.268. 1. This section shall be known and may be cited as the  
2 "Proof of Concept Technology Business Finance Program Act".

3 2. There is hereby created within the Missouri technology

4 investment fund established under section 348.264 an account to be  
5 known as the "Proof of Concept Technology Business Finance Program  
6 Account". The account shall consist of all moneys which may be  
7 appropriated to it by the general assembly, and also any gifts,  
8 contributions, grants, or bequests received from federal, private, or  
9 other sources. The account shall also consist of payments on loans  
10 made from the account by the Missouri technology corporation under  
11 the proof of concept technology business finance program. Moneys for  
12 the proof of concept technology business finance program established  
13 under this section shall be available from appropriations made by the  
14 general assembly from the proof of concept technology business finance  
15 program account of the Missouri technology investment fund. Any  
16 moneys remaining in the proof of concept technology business finance  
17 program account at the end of any fiscal year shall not lapse to the  
18 general revenue fund, as provided in section 33.080, but shall remain  
19 in the proof of concept technology business finance program account.

20           3. (1) The Missouri technology corporation may use moneys in  
21 the proof of concept technology business finance program account, as  
22 appropriated, to make one-time loans to a company that is at the early  
23 development stage of commercializing advanced technology.

24           (2) The loan amount to any single advanced technology company  
25 shall not exceed seventy-five thousand dollars, provided that no more  
26 than one million two hundred fifty thousand dollars shall be available  
27 for loans to advanced technology companies per fiscal year.

28           (3) Loans shall be repaid to the Missouri technology corporation  
29 in an amount equal to two times the amount loaned. Repayment shall  
30 take place no later than five years from the date of the loan. Early  
31 repayment shall result in prorating of the repayment amount.

32           (4) The Missouri technology corporation's loan shall be leveraged  
33 dollar-for-dollar by at least one additional equity investment in the  
34 company.

35           (5) Eligible advanced technology industries shall include animal  
36 health, biotechnology, information technology, communications  
37 technology, aerospace, electronics, robotics, medical devices and

38 instruments, telecommunications, plant sciences, and energy. Ineligible  
39 company industries include banking and lending, development,  
40 management and investment companies, finance, insurance, mining, oil  
41 and gas exploration, real estate, wholesale, and retail.

42 (6) Eligible companies shall be technology-based, sufficiently  
43 innovative to provide a competitive advantage in the marketplace, and  
44 have the potential for significant, high performance growth.

45 (7) An eligible company shall have fifty percent or more of its  
46 employees and assets in Missouri.

47 (8) An eligible company shall have average wage levels at least  
48 thirty-five percent higher than the average county wage level as  
49 determined by the department of economic development for the most  
50 recently completed full calendar year.

51 (9) An eligible company shall be at the early development stage  
52 of commercializing an advanced technology.

53 (10) An eligible company, at the time a proof of concept loan is  
54 made to that company, shall be a small business concern that meets the  
55 requirements of the United States Small Business Administration's  
56 qualification size standards for its business loan program, as defined  
57 in 13 CFR 121.301(a) of the Small Business Investment Act of 1958, as  
58 amended.

59 4. Eligible uses of the proceeds of a proof of concept program  
60 loan shall include intellectual property development, building  
61 prototypes, market studies, identifying and securing a management  
62 team, and business operations.

63 5. The Missouri technology corporation may make proof of  
64 concept loans to eligible advanced technology companies only after:

65 (1) Receipt of an application from the company that contains:

66 (a) A business plan including a description of the company and  
67 its management, product, and market;

68 (b) A statement of the amount, timing, and projected use of the  
69 capital required;

70 (c) A statement of the potential economic impact of the advanced  
71 technology company, including the number, location, and types of jobs

72 **expected to be created; and**

73 **(d) Such other information as the Missouri technology**  
74 **corporation board of directors shall request;**

75 **(2) Approval of the loan by the Missouri technology corporation,**  
76 **which may be made after the board of directors finds, based upon the**  
77 **application submitted by the company and such additional**  
78 **investigation as the staff of the Missouri technology corporation shall**  
79 **make, that:**

80 **(a) The proceeds of the loan will be used only to cover eligible**  
81 **expenses of the company;**

82 **(b) The company has a reasonable chance of success;**

83 **(c) The Missouri technology corporation's participation is**  
84 **instrumental to the success of the company and will assist in its**  
85 **retention within the state;**

86 **(d) The Missouri technology corporation's loan is leveraged by**  
87 **at least one additional equity investment in the company;**

88 **(e) The company has the reasonable potential to enhance**  
89 **employment opportunities within the state;**

90 **(f) The entrepreneur and other founders of the company have**  
91 **already made or are contractually committed to make an appropriate**  
92 **financial and time commitment to the enterprise;**

93 **(g) There is a reasonable possibility that the Missouri technology**  
94 **corporation will be repaid the loan as provided for in this section; and**

95 **(h) Binding commitments have been made to the Missouri**  
96 **technology corporation by the company for adequate reporting of**  
97 **financial data to the Missouri technology corporation, which shall**  
98 **include a requirement for an annual report or, if required by the board,**  
99 **an annual audit of the financial and operational records of the**  
100 **company.**

101 **6. The Missouri technology corporation may adopt such rules,**  
102 **statements of policy, procedures, forms, and guidelines as may be**  
103 **necessary to carry out the provisions of this section. Any rule or**  
104 **portion of a rule, as that term is defined in section 536.010 that is**  
105 **created under the authority delegated in this section shall become**



106 **effective only if it complies with and is subject to all of the provisions**  
107 **of chapter 536, and, if applicable, section 536.028. This section and**  
108 **chapter 536 are nonseverable and if any of the powers vested with the**  
109 **general assembly under chapter 536, to review, to delay the effective**  
110 **date, or to disapprove and annul a rule are subsequently held**  
111 **unconstitutional, then the grant of rulemaking authority and any rule**  
112 **proposed or adopted after August 28, 2011, shall be invalid and void.**

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

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

10 3. **Notwithstanding the provisions of section 23.253 to the**  
11 **contrary, the provisions of sections 348.250 to 348.275 shall not**  
12 **sunset. The provisions of sections 348.250 to 348.275 shall not terminate**  
13 **before the satisfaction of all outstanding obligations, notes, and bonds**  
14 **provided for under sections 348.250 to 348.275.**

348.271. 1. **In order to foster the growth of Missouri's economy and to**  
2 **stimulate the creation of new jobs in [technology-based] science and**  
3 **innovation-based industry for the state's work force, the Missouri technology**  
4 **corporation, in accordance with the provisions of this section and within the**  
5 **limits of appropriations therefor is authorized to contract with Missouri**  
6 **not-for-profit corporations for the operation of innovation centers within the**  
7 **state. The primary emphasis of some, if not of all innovation centers, shall be in**  
8 **the areas of technology commercialization, finance and business**  
9 **modernization. Innovation centers operated under the provisions of this section**  
10 **shall provide assistance to individuals and business organizations during the**  
11 **early stages of the development of new [technology-based] science and**  
12 **innovation-based business ventures. Such assistance may include the provision**  
13 **of facilities, equipment, administrative and managerial support, planning**

14 assistance, and such other services and programs that enhance the development  
15 of such ventures and such assistance may be provided for fees or other  
16 consideration.

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

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

          348.273. As used in sections 348.273 and 348.274, the following  
2 terms shall mean:

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

5           (2) "Distressed community", as defined in section 135.530;

6           (3) "Equity investment", money or money equivalent in  
7 consideration for qualified securities. An equity investment shall be  
8 deemed to have been made on the date of acquisition of the qualified  
9 security, as such date is determined in accordance with the provisions  
10 of the Internal Revenue Code;

11           (4) "Investor":

12           (a) An individual who is an accredited investor, as defined in 17  
13 CFR 230.501(a) as in effect on August 28, 2011; or

14           (b) Any partnership, corporation, trust, limited liability  
15 company, or not-for-profit entity that was established and is operated

16 for the purpose of making preseed and seed stage investments in start-  
17 up companies, and is approved by the department;

18 (5) "Qualified Missouri business", an independently owned and  
19 operated business which is headquartered and located in this state and  
20 which is in need of venture capital. Such business shall have no more  
21 than two hundred employees, eighty percent of which are employed in  
22 this state. Such business shall be involved in commerce for the purpose  
23 of manufacturing, processing, or assembling products, conducting  
24 research and development, or providing services in interstate  
25 commerce but excluding retail, real estate, real estate development,  
26 insurance, and professional services provided by accountants, lawyers,  
27 or physicians. At the time approval is sought, such business shall be a  
28 small business concern that meets the requirements of the United  
29 States Small Business Administration's qualification size standards for  
30 its venture capital program, as defined in the Small Business  
31 Investment Act of 1958, as amended, and rules promulgated in 13 CFR  
32 121.301(c), as amended;

33 (6) "Qualified securities", securities that are not redeemable or  
34 repayable within seven years of issuance and that have been approved  
35 in form and substance by the department. Forms of such equity  
36 securities include:

37 (a) A general or limited partnership interest;

38 (b) Common stock;

39 (c) Preferred stock, with or without voting rights, without regard  
40 to seniority position, and whether or not convertible into common  
41 stock; or

42 (d) Convertible debt.

348.274. 1. Subject to appropriation, the department may  
2 authorize tax credits to encourage equity investment into technology-  
3 based early stage Missouri companies.

4 2. If a qualified Missouri business is approved by the  
5 department, the investors who contribute the first five hundred  
6 thousand dollars in equity investment in the qualified Missouri  
7 business may be issued a tax credit in the year the equity investment

8 is made. The tax credit shall be in a total amount equal to thirty  
9 percent of such investors' equity investment in any qualified Missouri  
10 business, subject to the limitations set forth in subsection 5 of this  
11 section.

12 3. (1) Before an investor may be entitled to receive tax credits,  
13 as authorized by this section, such investor shall have made an equity  
14 investment in a qualified security of a qualified Missouri  
15 business. This business shall have been approved by the department  
16 as a qualified Missouri business prior to the date on which the cash  
17 investment was made. To be designated as a qualified Missouri  
18 business, a business shall make application to the department in  
19 accordance with the provisions of this section. Such application shall  
20 be in form and substance as required by the department but shall  
21 include at least the following:

22 (a) The name of the business and certified copies of the  
23 organizational documents of the business;

24 (b) A business plan, including a description of the business and  
25 the management, product, market, and financial plan of the business;

26 (c) A statement of the business' innovative and proprietary  
27 technology, product, or service;

28 (d) A statement of the potential economic impact of the  
29 enterprise including the number, location, and types of jobs expected  
30 to be created;

31 (e) A description of the qualified securities to be issued, the  
32 consideration to be paid for the qualified securities, the amount of any  
33 tax credits requested, and the earliest year in which the tax credits  
34 may be redeemed;

35 (f) A statement of the amount, timing, and projected use of the  
36 proceeds to be raised from the proposed sale of qualified securities;  
37 and

38 (g) Other information as the department may request, such as  
39 the names, addresses, and taxpayer identification numbers of all  
40 investors who may qualify for the tax credit. Such list of investors who  
41 may qualify for the tax credits shall be amended as new qualified

42 securities are sold or as any information on the list changes.

43 (2) No business shall be designated as a qualified Missouri  
44 business unless such business meets all of the following criteria:

45 (a) The business shall not have had annual gross revenues of  
46 more than three million dollars in the most recent tax year of the  
47 business;

48 (b) The business shall not have ownership interests including,  
49 but not limited to, common or preferred shares of stock that can be  
50 traded by the public via a stock exchange, electronic exchange, bulletin  
51 board, or other public market place on or before the date that a  
52 qualifying investment is made;

53 (c) The business shall not be engaged primarily in any one or  
54 more of the following enterprises:

55 a. The business of banking, savings and loan or lending  
56 institutions, credit or finance, or financial brokerage or investments;

57 b. Professional services, such as legal, accounting, or engineering  
58 services;

59 c. Governmental, charitable, religious, or trade organizations;

60 d. The ownership, development, brokerage, sales, or leasing of  
61 real estate;

62 e. Insurance;

63 f. Construction or construction management or contracting;

64 g. Business consulting or brokerage;

65 h. Any business engaged primarily as a passive business, having  
66 irregular or noncontinuous operations, or deriving substantially all of  
67 the income of the business from passive investments that generate  
68 interest, dividends, royalties, or capital gains, or any business  
69 arrangements the effect of which is to immunize an investor from risk  
70 of loss;

71 i. Any Missouri certified capital formation company;

72 j. Any activity that is in violation of the law; and

73 k. Any business raising money primarily to purchase real estate,  
74 land, or fixtures;

75 (d) The business shall satisfy all other requirements of this

76 **section.**

77 **(3) The portions of documents and other materials submitted to**  
78 **the department that contain trade secrets shall be kept confidential**  
79 **and shall be maintained in a secured environment by the director of**  
80 **the department. For the purposes of this section, such portions of**  
81 **documents and other materials shall mean any customer list, any**  
82 **formula, compound, production data, or compilation of information**  
83 **certain individuals within a commercial concern using such portions**  
84 **of documents and other material means to fabricate, produce, or**  
85 **compound an article of trade, or, any service having commercial value,**  
86 **which gives the user an opportunity to obtain a business advantage**  
87 **over competitors who do not know or use such service.**

88 **(4) A qualified Missouri business shall have the burden of proof**  
89 **to demonstrate to the department the qualifications of the business**  
90 **under this section and shall have the obligation to notify the**  
91 **department in a timely manner of any changes in the qualifications of**  
92 **the business or in the eligibility of investors to claim a tax credit for**  
93 **cash investment in a qualified security.**

94 **4. The designation of a business as a qualified Missouri business**  
95 **shall be made by the department, and such designation shall be**  
96 **renewed annually. A business shall be so designated if the department**  
97 **determines, based upon the application submitted by the business and**  
98 **any additional investigation the staff of the department shall make,**  
99 **that the following criteria have been or shall be satisfied:**

100 **(1) The business has a reasonable chance of success;**

101 **(2) The ability of investors in the business to receive tax credits**  
102 **for cash investments in qualified securities of the business is necessary**  
103 **because funding otherwise available for the business is not available**  
104 **on commercially reasonable terms;**

105 **(3) The business has the reasonable potential to create**  
106 **measurable employment within the state;**

107 **(4) The business has an innovative and proprietary technology,**  
108 **product, or service;**

109 **(5) The existing owners of the business and other founders have**

110 made or are committed to make a substantial financial and time  
111 commitment to the business;

112 (6) The securities to be issued and purchased are qualified  
113 securities; and

114 (7) Binding commitments have been made by the business to the  
115 department for adequate reporting of financial data, including a  
116 requirement for an annual report, or, if required by the department, an  
117 annual audit of the financial and operational records of the business,  
118 the right of access to the financial records of the business, and the  
119 right of the department to record and publish normal and customary  
120 data and information related to the issuance of tax credits that are not  
121 otherwise determined to be trade or business secrets.

122 5. The department shall not issue tax credits of more than fifty  
123 thousand dollars to an investor per investment into a single, qualified  
124 Missouri company, or for tax credits totaling more than one hundred  
125 thousand dollars in a single year per investor. The total amount of tax  
126 credits that may be allowed under this section shall not exceed the  
127 lesser of five million dollars per tax year or the amount appropriated  
128 as provided under subsection 1 of this section.

129 6. This tax credit may be used in its entirety in the taxable year  
130 in which it is issued or the credit may be carried forward for use in any  
131 of the next three consecutive tax years until the total amount of the  
132 credit is used. The tax credits may be sold, assigned, exchanged, or  
133 otherwise transferred.

134 7. Tax credits may be used against the tax otherwise due under  
135 chapter 143, not including sections 143.191 to 143.265.

136 8. The reasonable costs of the administration of this section, the  
137 review of applications for certification as qualified Missouri businesses,  
138 and the issuance of tax credits authorized by this section shall be  
139 reimbursed through fees paid by the qualified Missouri businesses and  
140 the investors or the transferees of investors, according to a reasonable  
141 fee schedule adopted by the department.

142 9. In addition to reports by the businesses to the department, the  
143 department shall also provide in its annual report information on the

144 **marketing and use of the investor tax credits. This report shall include**  
145 **the following:**

146 **(1) The amount of tax credits used in the previous fiscal year**  
147 **including what percentage was claimed by individuals and what**  
148 **percentage was claimed by firms and other entities;**

149 **(2) The types of businesses that benefited from the tax credits;**  
150 **and**

151 **(3) Any aggregate job creation or capital investment in Missouri**  
152 **that resulted from the use of the tax credits for a period of five years**  
153 **beginning from the date on which the tax credits were awarded.**

154 **In addition, the annual report shall provide information regarding**  
155 **what businesses deriving a benefit from the tax credits remained in**  
156 **Missouri, what businesses ceased doing business, what businesses were**  
157 **purchased, and what businesses may have moved out-of-state and the**  
158 **reason for such move.**

159 **10. Any rule or portion of a rule, as that term is defined in**  
160 **section 536.010 that is created under the authority delegated in this**  
161 **section and section 348.273 shall become effective only if it complies**  
162 **with and is subject to all of the provisions of chapter 536, and, if**  
163 **applicable, section 536.028. This section and chapter 536 are**  
164 **nonseverable and if any of the powers vested with the general assembly**  
165 **pursuant to chapter 536, to review, to delay the effective date, or to**  
166 **disapprove and annul a rule are subsequently held unconstitutional,**  
167 **then the grant of rulemaking authority and any rule proposed or**  
168 **adopted after August 28, 2011, shall be invalid and void.**

620.1039. 1. As used in this section, the term "taxpayer" means an  
2 individual, a partnership, or any charitable organization which is exempt from  
3 federal income tax and whose Missouri unrelated business taxable income, if any,  
4 would be subject to the state income tax imposed under chapter 143, or a  
5 corporation as described in section 143.441 or 143.471, or section 148.370, and the  
6 term "qualified research expenses" has the same meaning as prescribed in 26  
7 U.S.C. 41, **except that such qualified research expenses shall be limited**  
8 **to those incurred in the research and development of agricultural**  
9 **biotechnology, plant genomics products, and prescription**



10 **pharmaceuticals consumed by animals.**

11           2. For tax years beginning on or after January 1, 2001, the director of the  
12 department of economic development [may] **shall** authorize a taxpayer to receive  
13 a tax credit against the tax otherwise due pursuant to chapter 143, or chapter  
14 148, other than the taxes withheld pursuant to sections 143.191 to 143.265, in an  
15 amount up to six and one-half percent of the excess of the taxpayer's qualified  
16 research expenses, as certified by the director of the department of economic  
17 development, within this state during the taxable year over the average of the  
18 taxpayer's qualified research expenses within this state over the immediately  
19 preceding three taxable years; except that, no tax credit shall be allowed on that  
20 portion of the taxpayer's qualified research expenses incurred within this state  
21 during the taxable year in which the credit is being claimed, to the extent such  
22 expenses exceed two hundred percent of the taxpayer's average qualified research  
23 expenses incurred during the immediately preceding three taxable years.

24           3. The director of economic development shall prescribe the manner in  
25 which the tax credit may be applied for. The tax credit authorized by this section  
26 may be claimed by the taxpayer to offset the tax liability imposed by chapter 143  
27 or chapter 148 that becomes due in the tax year during which such qualified  
28 research expenses were incurred. Where the amount of the credit exceeds the tax  
29 liability, the difference between the credit and the tax liability may only be  
30 carried forward for the next five succeeding taxable years or until the full credit  
31 has been claimed, whichever first occurs. The application for tax credits  
32 authorized by the director pursuant to subsection 2 of this section shall be made  
33 **no earlier than January first and no later than [the end of] July first of**  
34 **the calendar year immediately following the calendar year in which the**  
35 **taxpayer's tax period [immediately following the tax period] for which the credits**  
36 **are being claimed ended. The director shall act on any such application**  
37 **for tax credits no sooner than August first but no later than August**  
38 **fifteenth of each year for applications filed in that calendar year.**

39           4. Certificates of tax credit issued pursuant to this section may be  
40 transferred, sold or assigned by filing a notarized endorsement thereof with the  
41 department which names the transferee and the amount of tax credit  
42 transferred. The director of economic development may allow a taxpayer to  
43 transfer, sell or assign up to forty percent of the amount of the certificates of tax

44 credit issued to and not claimed by such taxpayer pursuant to this section during  
45 any tax year commencing on or after January 1, [1996] **2011**, and ending not  
46 later than December 31, [1999] **2017**. Such taxpayer shall file, by December 31,  
47 [2001] **2019**, an application with the department which names the transferee, the  
48 amount of tax credit desired to be transferred, and a certification that the funds  
49 received by the applicant as a result of the transfer, sale or assignment of the tax  
50 credit shall be expended within three years at the state university for the sole  
51 purpose of conducting research activities agreed upon by the department, the  
52 taxpayer and the state university. Failure to expend such funds in the manner  
53 prescribed pursuant to this section shall cause the applicant to be subject to the  
54 provisions of section 620.017.

55           5. No rule or portion of a rule promulgated under the authority of this  
56 section shall become effective unless it has been promulgated pursuant to the  
57 provisions of chapter 536. All rulemaking authority delegated prior to June 27,  
58 1997, is of no force and effect and repealed; however, nothing in this section shall  
59 be interpreted to repeal or affect the validity of any rule filed or adopted prior to  
60 June 27, 1997, if such rule complied with the provisions of chapter 536. The  
61 provisions of this section and chapter 536 are nonseverable and if any of the  
62 powers vested with the general assembly pursuant to chapter 536, including the  
63 ability to review, to delay the effective date, or to disapprove and annul a rule or  
64 portion of a rule, are subsequently held unconstitutional, then the purported  
65 grant of rulemaking authority and any rule so proposed and contained in the  
66 order of rulemaking shall be invalid and void.

67           6. The aggregate of all tax credits authorized pursuant to this section  
68 shall not exceed [nine] **ten** million [seven hundred thousand] dollars in any  
69 **calendar year. In the event that total eligible claims for credits**  
70 **received in a calendar year exceed the annual cap, each eligible**  
71 **claimant shall be issued credits based upon the following formula: the**  
72 **eligible credits if the annual cap had not been exceeded multiplied by**  
73 **the ratio of the annual cap divided by the total of all eligible claims for**  
74 **credits filed in that calendar year.**

75           7. [For all tax years beginning on or after January 1, 2005, no tax credits  
76 shall be approved, awarded, or issued to any person or entity claiming any tax  
77 credit under this section] **No one tax payer shall be issued more than**

78 **thirty percent of the aggregate of all tax credits authorized under this**  
79 **section in any calendar year.**

620.1878. For the purposes of sections 620.1875 to 620.1890, the following  
2 terms shall mean:

3 (1) "Approval", a document submitted by the department to the qualified  
4 company that states the benefits that may be provided by this program;

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

6 (3) "Commencement of operations", the starting date for the qualified  
7 company's first new employee, which must be no later than twelve months from  
8 the date of the approval;

9 (4) "County average wage", the average wages in each county as  
10 determined by the department for the most recently completed full calendar  
11 year. However, if the computed county average wage is above the statewide  
12 average wage, the statewide average wage shall be deemed the county average  
13 wage for such county for the purpose of determining eligibility. The department  
14 shall publish the county average wage for each county at least  
15 annually. Notwithstanding the provisions of this subdivision to the contrary, for  
16 any qualified company that in conjunction with their project is relocating  
17 employees from a Missouri county with a higher county average wage, the  
18 company shall obtain the endorsement of the governing body of the community  
19 from which jobs are being relocated or the county average wage for their project  
20 shall be the county average wage for the county from which the employees are  
21 being relocated;

22 (5) "Department", the Missouri department of economic development;

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

24 (7) **"Dormant manufacturing plant", any parcel or parcels of real**  
25 **property encompassing not less than one hundred acres that, within**  
26 **thirty years of the date of the notice of intent:**

27 (a) **Was predominantly used for manufacturing or assembly and**  
28 **employed not less than three thousand persons but has since ceased all**  
29 **activity;**

30 (b) **Has been found, by an ordinance adopted by the governing**  
31 **body, to be a blighted area and designated for redevelopment; and**

32 (c) **Such real property:**

33           **a. Is located in a census tract with, according to United States**  
34 **Census Bureau's American Community Survey based on the most recent**  
35 **of five-year period estimated data in which the estimate ends in either**  
36 **zero or five, a poverty rate of fifteen percent or more, or the median**  
37 **household income is below the statewide median household income or**  
38 **the metropolitan median household income for the metropolitan**  
39 **statistical area in which the property is located; or**

40           **b. Involves funding provided by a federal agency of at least one**  
41 **million dollars to facilitate the redevelopment of such property;**

42           **(8) "Dormant manufacturing plant zone", includes and**  
43 **encompasses:**

44           **(a) Any dormant manufacturing plant;**

45           **(b) All parcels of real property which are immediately**  
46 **contiguous and adjacent to such dormant manufacturing plant; and**

47           **(c) All parcels of real property with boundaries which are within**  
48 **a distance of six thousand linear feet from the legal boundary or border**  
49 **of such dormant manufacturing plant;**

50           **(9) "Employee", a person employed by a qualified company;**

51           **[(8)] (10) "Full-time employee", an employee of the qualified company**  
52 **that is scheduled to work an average of at least thirty-five hours per week for a**  
53 **twelve-month period, and one for which the qualified company offers health**  
54 **insurance and pays at least fifty percent of such insurance premiums;**

55           **[(9)] (11) "High-impact project", a qualified company that, within two**  
56 **years from commencement of operations, creates one hundred or more new jobs;**

57           **[(10)] (12) "Local incentives", the present value of the dollar amount of**  
58 **direct benefit received by a qualified company for a project facility from one or**  
59 **more local political subdivisions, but shall not include loans or other funds**  
60 **provided to the qualified company that must be repaid by the qualified company**  
61 **to the political subdivision;**

62           **[(11)] (13) "NAICS", the 1997 edition of the North American Industry**  
63 **Classification System as prepared by the Executive Office of the President, Office**  
64 **of Management and Budget. Any NAICS sector, subsector, industry group or**  
65 **industry identified in this section shall include its corresponding classification in**  
66 **subsequent federal industry classification systems;**

67            [(12)] (14) "New direct local revenue", the present value of the dollar  
68 amount of direct net new tax revenues of the local political subdivisions likely to  
69 be produced by the project over a ten-year period as calculated by the  
70 department, excluding local earnings tax, and net new utility revenues, provided  
71 the local incentives include a discount or other direct incentives from utilities  
72 owned or operated by the political subdivision;

73            [(13)] (15) "New investment", the purchase or leasing of new tangible  
74 assets to be placed in operation at the project facility, which will be directly  
75 related to the new jobs;

76            [(14)] (16) "New job", the number of full-time employees located at the  
77 project facility that exceeds the project facility base employment less any decrease  
78 in the number of full-time employees at related facilities below the related facility  
79 base employment. No job that was created prior to the date of the notice of intent  
80 shall be deemed a new job. An employee that spends less than fifty percent of the  
81 employee's work time at the facility is still considered to be located at a facility  
82 if the employee receives his or her directions and control from that facility, is on  
83 the facility's payroll, one hundred percent of the employee's income from such  
84 employment is Missouri income, and the employee is paid at or above the state  
85 average wage;

86            [(15)] (17) "New payroll", the amount of taxable wages of full-time  
87 employees, excluding owners, located at the project facility that exceeds the  
88 project facility base payroll. If full-time employment at related facilities is below  
89 the related facility base employment, any decrease in payroll for full-time  
90 employees at the related facilities below that related facility base payroll shall  
91 also be subtracted to determine new payroll;

92            [(16)] (18) "Notice of intent", a form developed by the department,  
93 completed by the qualified company and submitted to the department which  
94 states the qualified company's intent to hire new jobs and request benefits under  
95 this program;

96            [(17)] (19) "Percent of local incentives", the amount of local incentives  
97 divided by the amount of new direct local revenue;

98            [(18)] (20) "Program", the Missouri quality jobs program provided in  
99 sections 620.1875 to 620.1890;

100           [(19)] (21) "Project facility", the building used by a qualified company at

101 which the new jobs and new investment will be located. A project facility may  
102 include separate buildings that are located within fifteen miles of each other or  
103 within the same county such that their purpose and operations are interrelated;

104 ~~[(20)]~~ **(22)** "Project facility base employment", the greater of the number  
105 of full-time employees located at the project facility on the date of the notice of  
106 intent or for the twelve-month period prior to the date of the notice of intent, the  
107 average number of full-time employees located at the project facility. In the event  
108 the project facility has not been in operation for a full twelve-month period, the  
109 average number of full-time employees for the number of months the project  
110 facility has been in operation prior to the date of the notice of intent;

111 ~~[(21)]~~ **(23)** "Project facility base payroll", the total amount of taxable  
112 wages paid by the qualified company to full-time employees of the qualified  
113 company located at the project facility in the twelve months prior to the notice of  
114 intent, not including the payroll of the owners of the qualified company unless the  
115 qualified company is participating in an employee stock ownership plan. For  
116 purposes of calculating the benefits under this program, the amount of base  
117 payroll shall increase each year based on an appropriate measure, as determined  
118 by the department;

119 ~~[(22)]~~ **(24)** "Project period", the time period that the benefits are provided  
120 to a qualified company;

121 ~~[(23)]~~ **(25)** "Qualified company", a firm, partnership, joint venture,  
122 association, private or public corporation whether organized for profit or not, or  
123 headquarters of such entity registered to do business in Missouri that is the  
124 owner or operator of a project facility, offers health insurance to all full-time  
125 employees of all facilities located in this state, and pays at least fifty percent of  
126 such insurance premiums. For the purposes of sections 620.1875 to 620.1890, the  
127 term "qualified company" shall not include:

- 128 (a) Gambling establishments (NAICS industry group 7132);  
129 (b) Retail trade establishments (NAICS sectors 44 and 45);  
130 (c) Food and drinking places (NAICS subsector 722);  
131 (d) Public utilities (NAICS 221 including water and sewer services);  
132 (e) Any company that is delinquent in the payment of any nonprotested  
133 taxes or any other amounts due the state or federal government or any other  
134 political subdivision of this state;

135 (f) Any company that has filed for or has publicly announced its intention  
136 to file for bankruptcy protection. However, a company that has filed for or has  
137 publicly announced its intention to file for bankruptcy between January 1, 2009,  
138 and December 31, 2009, may be a qualified company provided that such company:

139 a. Certifies to the department that it plans to reorganize and not to  
140 liquidate; and

141 b. After its bankruptcy petition has been filed, it produces proof, in a form  
142 and at times satisfactory to the department, that it is not delinquent in filing any  
143 tax returns or making any payment due to the state of Missouri, including but  
144 not limited to all tax payments due after the filing of the bankruptcy petition and  
145 under the terms of the plan of reorganization. Any taxpayer who is awarded  
146 benefits under this subsection and who files for bankruptcy under Chapter 7 of  
147 the United States Bankruptcy Code, Title 11 U.S.C., shall immediately notify the  
148 department and shall forfeit such benefits and shall repay the state an amount  
149 equal to any state tax credits already redeemed and any withholding taxes  
150 already retained;

151 (g) Educational services (NAICS sector 61);

152 (h) Religious organizations (NAICS industry group 8131);

153 (i) Public administration (NAICS sector 92);

154 (j) Ethanol distillation or production; or

155 (k) Biodiesel production. Notwithstanding any provision of this section  
156 to the contrary, the headquarters or administrative offices of an otherwise  
157 excluded business may qualify for benefits if the offices serve a multistate  
158 territory. In the event a national, state, or regional headquarters operation is not  
159 the predominant activity of a project facility, the new jobs and investment of such  
160 headquarters operation is considered eligible for benefits under this section if the  
161 other requirements are satisfied;

162 [(24)] **(26)** "Qualified renewable energy sources" shall not be construed  
163 to include ethanol distillation or production or biodiesel production; however, it  
164 shall include:

165 (a) Open-looped biomass;

166 (b) Close-looped biomass;

167 (c) Solar;

168 (d) Wind;

169 (e) Geothermal; and

170 (f) Hydropower;

171 [(25)] **(27)** "Related company" means:

172 (a) A corporation, partnership, trust, or association controlled by the  
173 qualified company;

174 (b) An individual, corporation, partnership, trust, or association in control  
175 of the qualified company; or

176 (c) Corporations, partnerships, trusts or associations controlled by an  
177 individual, corporation, partnership, trust or association in control of the  
178 qualified company. As used in this subdivision, "control of a corporation" shall  
179 mean ownership, directly or indirectly, of stock possessing at least fifty percent  
180 of the total combined voting power of all classes of stock entitled to vote, "control  
181 of a partnership or association" shall mean ownership of at least fifty percent of  
182 the capital or profits interest in such partnership or association, "control of a  
183 trust" shall mean ownership, directly or indirectly, of at least fifty percent of the  
184 beneficial interest in the principal or income of such trust, and ownership shall  
185 be determined as provided in Section 318 of the Internal Revenue Code of 1986,  
186 as amended;

187 [(26)] **(28)** "Related facility", a facility operated by the qualified company  
188 or a related company located in this state that is directly related to the operations  
189 of the project facility;

190 [(27)] **(29)** "Related facility base employment", the greater of the number  
191 of full-time employees located at all related facilities on the date of the notice of  
192 intent or for the twelve-month period prior to the date of the notice of intent, the  
193 average number of full-time employees located at all related facilities of the  
194 qualified company or a related company located in this state;

195 [(28)] **(30)** "Related facility base payroll", the total amount of taxable  
196 wages paid by the qualified company to full-time employees of the qualified  
197 company located at a related facility in the twelve months prior to the filing of  
198 the notice of intent, not including the payroll of the owners of the qualified  
199 company unless the qualified company is participating in an employee stock  
200 ownership plan. For purposes of calculating the benefits under this program, the  
201 amount of related facility base payroll shall increase each year based on an  
202 appropriate measure, as determined by the department;



203            [(29)] (31) "Rural area", a county in Missouri with a population less than  
204 seventy-five thousand or that does not contain an individual city with a  
205 population greater than fifty thousand according to the most recent federal  
206 decennial census;

207            [(30)] (32) "Small and expanding business project", a qualified company  
208 that within two years of the date of the approval creates **a minimum of ten**  
209 **new jobs if the project facility is located in a dormant manufacturing**  
210 **plant zone or** a minimum of twenty new jobs if the project facility is located in  
211 a rural area or a minimum of forty new jobs if the project facility is not located  
212 in a rural area and creates fewer than one hundred new jobs regardless of the  
213 location of the project facility;

214            [(31)] (33) "Tax credits", tax credits issued by the department to offset  
215 the state income taxes imposed by chapters 143 and 148, or which may be sold  
216 or refunded as provided for in this program;

217            [(32)] (34) "Technology business project", a qualified company that within  
218 two years of the date of the approval creates a minimum of ten new jobs involved  
219 in the operations of a company:

220            (a) Which is a technology company, as determined by a regulation  
221 promulgated by the department under the provisions of section 620.1884 or  
222 classified by NAICS codes;

223            (b) Which owns or leases a facility which produces electricity derived from  
224 qualified renewable energy sources, or produces fuel for the generation of  
225 electricity from qualified renewable energy sources, but does not include any  
226 company that has received the alcohol mixture credit, alcohol credit, or small  
227 ethanol producer credit pursuant to 26 U.S.C. Section 40 of the tax code in the  
228 previous tax year;

229            (c) Which researches, develops, or manufactures power system technology  
230 for: aerospace; space; defense; hybrid vehicles; or implantable or wearable  
231 medical devices; or

232            (d) Which is a clinical molecular diagnostic laboratory focused on  
233 detecting and monitoring infections in immunocompromised patient populations;

234            [(33)] (35) "Withholding tax", the state tax imposed by sections 143.191  
235 to 143.265. For purposes of this program, the withholding tax shall be computed  
236 using a schedule as determined by the department based on average wages.

620.1881. 1. The department of economic development shall respond  
2 within thirty days to a company who provides a notice of intent with either an  
3 approval or a rejection of the notice of intent. The department shall give  
4 preference to qualified companies and projects targeted at an area of the state  
5 which has recently been classified as a disaster area by the federal  
6 government. Failure to respond on behalf of the department of economic  
7 development shall result in the notice of intent being deemed an approval for the  
8 purposes of this section. A qualified company who is provided an approval for a  
9 project shall be allowed a benefit as provided in this program in the amount and  
10 duration provided in this section. A qualified company may receive additional  
11 periods for subsequent new jobs at the same facility after the full initial period  
12 if the minimum thresholds are met as set forth in sections 620.1875 to  
13 620.1890. There is no limit on the number of periods a qualified company may  
14 participate in the program, as long as the minimum thresholds are achieved and  
15 the qualified company provides the department with the required reporting and  
16 is in proper compliance for this program or other state programs. A qualified  
17 company may elect to file a notice of intent to start a new project period  
18 concurrent with an existing project period if the minimum thresholds are  
19 achieved and the qualified company provides the department with the required  
20 reporting and is in proper compliance for this program and other state programs;  
21 however, the qualified company may not receive any further benefit under the  
22 original approval for jobs created after the date of the new notice of intent, and  
23 any jobs created before the new notice of intent may not be included as new jobs  
24 for the purpose of benefit calculation in relation to the new approval. When a  
25 qualified company has filed and received approval of a notice of intent and  
26 subsequently files another notice of intent, the department shall apply the  
27 definition of project facility under subdivision [(19)] **(21)** of section 620.1878 to  
28 the new notice of intent as well as all previously approved notices of intent and  
29 shall determine the application of the definitions of new job, new payroll, project  
30 facility base employment, and project facility base payroll accordingly.

31 2. Notwithstanding any provision of law to the contrary, any qualified  
32 company that is awarded benefits under this program may not simultaneously  
33 receive tax credits or exemptions under sections 135.100 to 135.150, sections  
34 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906 at the same

35 project facility. The benefits available to the company under any other state  
36 programs for which the company is eligible and which utilize withholding tax  
37 from the new jobs of the company must first be credited to the other state  
38 program before the withholding retention level applicable under the Missouri  
39 quality jobs act will begin to accrue. These other state programs include, but are  
40 not limited to, the new jobs training program under sections 178.892 to 178.896,  
41 the job retention program under sections 178.760 to 178.764, the real property tax  
42 increment allocation redevelopment act, sections 99.800 to 99.865, or the Missouri  
43 downtown and rural economic stimulus act under sections 99.915 to 99.980. If  
44 any qualified company also participates in the new jobs training program in  
45 sections 178.892 to 178.896, the company shall retain no withholding tax, but the  
46 department shall issue a refundable tax credit for the full amount of benefit  
47 allowed under this [subdivision] **subsection**. The calendar year annual  
48 maximum amount of tax credits which may be issued to a qualifying company  
49 that also participates in the new job training program shall be increased by an  
50 amount equivalent to the withholding tax retained by that company under the  
51 new jobs training program. However, if the combined benefits of the quality jobs  
52 program and the new jobs training program exceed the projected state benefit of  
53 the project, as determined by the department of economic development through  
54 a cost-benefit analysis, the increase in the maximum tax credits shall be limited  
55 to the amount that would not cause the combined benefits to exceed the projected  
56 state benefit. Any taxpayer who is awarded benefits under this program who  
57 knowingly hires individuals who are not allowed to work legally in the United  
58 States shall immediately forfeit such benefits and shall repay the state an  
59 amount equal to any state tax credits already redeemed and any withholding  
60 taxes already retained.

61 3. The types of projects and the amount of benefits to be provided are:

62 (1) Small and expanding business projects: in exchange for the  
63 consideration provided by the new tax revenues and other economic stimuli that  
64 will be generated by the new jobs created by the program, a qualified company  
65 may retain an amount equal to the withholding tax as calculated under  
66 subdivision [(33)] **(35)** of section 620.1878 from the new jobs that would otherwise  
67 be withheld and remitted by the qualified company under the provisions of  
68 sections 143.191 to 143.265 **for a period of five years from the date the**

69 **required number of new jobs were created if the average wage of the**  
70 **new payroll equals or exceeds one hundred twenty percent of the**  
71 **county average wage or** for a period of three years from the date the required  
72 number of new jobs were created if:

73 (a) The average wage of the new payroll equals or exceeds the county  
74 average wage [or for a period of five years from the date the required number of  
75 new jobs were created if the average wage of the new payroll equals or exceeds  
76 one hundred twenty percent of the county average wage]; **or**

77 (b) **In the case of a project located in a dormant manufacturing**  
78 **plant zone, if the average wage of the new payroll equals or exceeds**  
79 **eighty percent of the county average wage;**

80 (2) Technology business projects: in exchange for the consideration  
81 provided by the new tax revenues and other economic stimuli that will be  
82 generated by the new jobs created by the program, a qualified company may  
83 retain an amount equal to a maximum of five percent of new payroll for a period  
84 of five years from the date the required number of jobs were created from the  
85 withholding tax of the new jobs that would otherwise be withheld and remitted  
86 by the qualified company under the provisions of sections 143.191 to 143.265 if  
87 the average wage of the new payroll equals or exceeds the county average wage,  
88 **or in the case of a project located in a dormant manufacturing plant**  
89 **zone, if the average wage of the new payroll equals or exceeds eighty**  
90 **percent of the county average wage.** An additional one-half percent of new  
91 payroll may be added to the five percent maximum if the average wage of the new  
92 payroll in any year exceeds one hundred twenty percent of the county average  
93 wage in the county in which the project facility is located, plus an additional  
94 one-half percent of new payroll may be added if the average wage of the new  
95 payroll in any year exceeds one hundred forty percent of the average wage in the  
96 county in which the project facility is located. The department shall issue a  
97 refundable tax credit for any difference between the amount of benefit allowed  
98 under this subdivision and the amount of withholding tax retained by the  
99 company, in the event the withholding tax is not sufficient to provide the entire  
100 amount of benefit due to the qualified company under this subdivision;

101 (3) High impact projects: in exchange for the consideration provided by  
102 the new tax revenues and other economic stimuli that will be generated by the

103 new jobs created by the program, a qualified company may retain an amount from  
104 the withholding tax of the new jobs that would otherwise be withheld and  
105 remitted by the qualified company under the provisions of sections 143.191 to  
106 143.265, equal to three percent of new payroll for a period of five years from the  
107 date the required number of jobs were created if the average wage of the new  
108 payroll equals or exceeds the county average wage of the county in which the  
109 project facility is located, **or in the case of a project located in a dormant**  
110 **manufacturing plant zone, if the average wage of the new payroll**  
111 **equals or exceeds eighty percent of the county average wage.** For  
112 high-impact projects in a facility located within two adjacent counties, the new  
113 payroll shall equal or exceed the higher county average wage of the adjacent  
114 counties. The percentage of payroll allowed under this subdivision shall be three  
115 and one-half percent of new payroll if the average wage of the new payroll in any  
116 year exceeds one hundred twenty percent of the county average wage in the  
117 county in which the project facility is located. The percentage of payroll allowed  
118 under this subdivision shall be four percent of new payroll if the average wage  
119 of the new payroll in any year exceeds one hundred forty percent of the county  
120 average wage in the county in which the project facility is located. An additional  
121 one percent of new payroll may be added to these percentages if local incentives  
122 equal between ten percent and twenty-four percent of the new direct local  
123 revenue; an additional two percent of new payroll is added to these percentages  
124 if the local incentives equal between twenty-five percent and forty-nine percent  
125 of the new direct local revenue; or an additional three percent of payroll is added  
126 to these percentages if the local incentives equal fifty percent or more of the new  
127 direct local revenue. The department shall issue a refundable tax credit for any  
128 difference between the amount of benefit allowed under this subdivision and the  
129 amount of withholding tax retained by the company, in the event the withholding  
130 tax is not sufficient to provide the entire amount of benefit due to the qualified  
131 company under this subdivision;

132 (4) Job retention projects: a qualified company may receive a tax credit  
133 for the retention of jobs in this state, provided the qualified company and the  
134 project meets all of the following conditions:

135 (a) For each of the twenty-four months preceding the year in which  
136 application for the program is made the qualified company must have maintained

137 at least one thousand full-time employees at the employer's site in the state at  
138 which the jobs are based, and the average wage of such employees must meet or  
139 exceed the county average wage;

140 (b) The qualified company retained at the project facility the level of  
141 full-time employees that existed in the taxable year immediately preceding the  
142 year in which application for the program is made;

143 (c) The qualified company is considered to have a significant statewide  
144 effect on the economy, and has been determined to represent a substantial risk  
145 of relocation from the state by the quality jobs advisory task force established in  
146 section 620.1887; provided, however, until such time as the initial at-large  
147 members of the quality jobs advisory task force are appointed, this determination  
148 shall be made by the director of the department of economic development;

149 (d) The qualified company in the project facility will cause to be invested  
150 a minimum of seventy million dollars in new investment prior to the end of two  
151 years or will cause to be invested a minimum of thirty million dollars in new  
152 investment prior to the end of two years and maintain an annual payroll of at  
153 least seventy million dollars during each of the years for which a credit is  
154 claimed; and

155 (e) The local taxing entities shall provide local incentives of at least fifty  
156 percent of the new direct local revenues created by the project over a ten-year  
157 period. The quality jobs advisory task force may recommend to the department  
158 of economic development that appropriate penalties be applied to the company for  
159 violating the agreement. The amount of the job retention credit granted may be  
160 equal to up to fifty percent of the amount of withholding tax generated by the  
161 full-time jobs at the project facility for a period of five years. The calendar year  
162 annual maximum amount of tax credit that may be issued to any qualified  
163 company for a job retention project or combination of job retention projects shall  
164 be seven hundred fifty thousand dollars per year, but the maximum amount may  
165 be increased up to one million dollars if such action is proposed by the  
166 department and approved by the quality jobs advisory task force established in  
167 section 620.1887; provided, however, until such time as the initial at-large  
168 members of the quality jobs advisory task force are appointed, this determination  
169 shall be made by the director of the department of economic development. In  
170 considering such a request, the task force shall rely on economic modeling and

171 other information supplied by the department when requesting the increased  
172 limit on behalf of the job retention project. In no event shall the total amount of  
173 all tax credits issued for the entire job retention program under this subdivision  
174 exceed three million dollars annually. Notwithstanding the above, no tax credits  
175 shall be issued for job retention projects approved by the department after August  
176 30, 2013;

177 (5) Small business job retention and flood survivor relief: a qualified  
178 company may receive a tax credit under sections 620.1875 to 620.1890 for the  
179 retention of jobs and flood survivor relief in this state for each job retained over  
180 a three-year period, provided that:

181 (a) The qualified company did not receive any state or federal benefits,  
182 incentives, or tax relief or abatement in locating its facility in a flood plain;

183 (b) The qualified company and related companies have fewer than one  
184 hundred employees at the time application for the program is made;

185 (c) The average wage of the qualified company's and related companies'  
186 employees must meet or exceed the county average wage;

187 (d) All of the qualified company's and related companies' facilities are  
188 located in this state;

189 (e) The facilities at the primary business site in this state have been  
190 directly damaged by floodwater rising above the level of a five hundred year flood  
191 at least two years, but fewer than eight years, prior to the time application is  
192 made;

193 (f) The qualified company made significant efforts to protect the facilities  
194 prior to any impending danger from rising floodwaters;

195 (g) For each year it receives tax credits under sections 620.1875 to  
196 620.1890, the qualified company and related companies retained, at the  
197 company's facilities in this state, at least the level of full-time, year-round  
198 employees that existed in the taxable year immediately preceding the year in  
199 which application for the program is made; and

200 (h) In the years it receives tax credits under sections 620.1875 to  
201 620.1890, the company cumulatively invests at least two million dollars in capital  
202 improvements in facilities and equipment located at such facilities that are not  
203 located within a five hundred year flood plain as designated by the Federal  
204 Emergency Management Agency, and amended from time to time. The amount

205 of the small business job retention and flood survivor relief credit granted may  
206 be equal to up to one hundred percent of the amount of withholding tax generated  
207 by the full-time jobs at the project facility for a period of three years. The  
208 calendar year annual maximum amount of tax credit that may be issued to any  
209 qualified company for a small business job retention and survivor relief project  
210 shall be two hundred fifty thousand dollars per year, but the maximum amount  
211 may be increased up to five hundred thousand dollars if such action is proposed  
212 by the department and approved by the quality jobs advisory task force  
213 established in section 620.1887. In considering such a request, the task force  
214 shall rely on economic modeling and other information supplied by the  
215 department when requesting an increase in the limit on behalf of the small  
216 business job retention and flood survivor relief project. In no event shall the total  
217 amount of all tax credits issued for the entire small business job retention and  
218 flood survivor relief program under this subdivision exceed five hundred thousand  
219 dollars annually. Notwithstanding the provisions of this subdivision to the  
220 contrary, no tax credits shall be issued for small business job retention and flood  
221 survivor relief projects approved by the department after August 30, 2010.

222           4. The qualified company shall provide an annual report of the number  
223 of jobs and such other information as may be required by the department to  
224 document the basis for the benefits of this program. The department may  
225 withhold the approval of any benefits until it is satisfied that proper  
226 documentation has been provided, and shall reduce the benefits to reflect any  
227 reduction in full-time employees or new payroll. Upon approval by the  
228 department, the qualified company may begin the retention of the withholding  
229 taxes when it reaches the minimum number of new jobs and the average wage  
230 exceeds the county average wage. Tax credits, if any, may be issued upon  
231 satisfaction by the department that the qualified company has exceeded the  
232 county average wage and the minimum number of new jobs. In such annual  
233 report, if the average wage is below the county average wage, the qualified  
234 company has not maintained the employee insurance as required, or if the  
235 number of new jobs is below the minimum, the qualified company shall not  
236 receive tax credits or retain the withholding tax for the balance of the benefit  
237 period. In the case of a qualified company that initially filed a notice of intent  
238 and received an approval from the department for high-impact benefits and the



239 minimum number of new jobs in an annual report is below the minimum for  
240 high-impact projects, the company shall not receive tax credits for the balance of  
241 the benefit period but may continue to retain the withholding taxes if it otherwise  
242 meets the requirements of a small and expanding business under this program.

243         5. The maximum calendar year annual tax credits issued for the entire  
244 program shall not exceed eighty million dollars. Notwithstanding any provision  
245 of law to the contrary, the maximum annual tax credits authorized under section  
246 135.535 are hereby reduced from ten million dollars to eight million dollars, with  
247 the balance of two million dollars transferred to this program. There shall be no  
248 limit on the amount of withholding taxes that may be retained by approved  
249 companies under this program.

250         6. The department shall allocate the annual tax credits based on the date  
251 of the approval, reserving such tax credits based on the department's best  
252 estimate of new jobs and new payroll of the project, and the other factors in the  
253 determination of benefits of this program. However, the annual issuance of tax  
254 credits is subject to the annual verification of the actual new payroll. The  
255 allocation of tax credits for the period assigned to a project shall expire if, within  
256 two years from the date of commencement of operations, or approval if applicable,  
257 the minimum thresholds have not been achieved. The qualified company may  
258 retain authorized amounts from the withholding tax under this section once the  
259 minimum new jobs thresholds are met for the duration of the project period. No  
260 benefits shall be provided under this program until the qualified company meets  
261 the minimum new jobs thresholds. In the event the qualified company does not  
262 meet the minimum new job threshold, the qualified company may submit a new  
263 notice of intent or the department may provide a new approval for a new project  
264 of the qualified company at the project facility or other facilities.

265         7. For a qualified company with flow-through tax treatment to its  
266 members, partners, or shareholders, the tax credit shall be allowed to members,  
267 partners, or shareholders in proportion to their share of ownership on the last  
268 day of the qualified company's tax period.

269         8. Tax credits may be claimed against taxes otherwise imposed by  
270 chapters 143 and 148, and may not be carried forward but shall be claimed within  
271 one year of the close of the taxable year for which they were issued, except as  
272 provided under subdivision (4) of subsection 3 of this section.

273           9. Tax credits authorized by this section may be transferred, sold, or  
274 assigned by filing a notarized endorsement thereof with the department that  
275 names the transferee, the amount of tax credit transferred, and the value received  
276 for the credit, as well as any other information reasonably requested by the  
277 department.

278           10. Prior to the issuance of tax credits, the department shall verify  
279 through the department of revenue, or any other state department, that the tax  
280 credit applicant does not owe any delinquent income, sales, or use tax or interest  
281 or penalties on such taxes, or any delinquent fees or assessments levied by any  
282 state department and through the department of insurance, financial institutions  
283 and professional registration that the applicant does not owe any delinquent  
284 insurance taxes. Such delinquency shall not affect the authorization of the  
285 application for such tax credits, except that at issuance credits shall be first  
286 applied to the delinquency and any amount issued shall be reduced by the  
287 applicant's tax delinquency. If the department of revenue or the department of  
288 insurance, financial institutions and professional registration, or any other state  
289 department, concludes that a taxpayer is delinquent after June fifteenth but  
290 before July first of any year and the application of tax credits to such delinquency  
291 causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall  
292 be granted thirty days to satisfy the deficiency in which interest, penalties, and  
293 additions to tax shall be tolled. After applying all available credits toward a tax  
294 delinquency, the administering agency shall notify the appropriate department  
295 and that department shall update the amount of outstanding delinquent tax owed  
296 by the applicant. If any credits remain after satisfying all insurance, income,  
297 sales, and use tax delinquencies, the remaining credits shall be issued to the  
298 applicant, subject to the restrictions of other provisions of law.

299           11. Except as provided under subdivision (4) of subsection 3 of this  
300 section, the director of revenue shall issue a refund to the qualified company to  
301 the extent that the amount of credits allowed in this section exceeds the amount  
302 of the qualified company's income tax.

303           12. An employee of a qualified company will receive full credit for the  
304 amount of tax withheld as provided in section 143.211.

305           13. If any provision of sections 620.1875 to 620.1890 or application thereof  
306 to any person or circumstance is held invalid, the invalidity shall not affect other

307 provisions or application of these sections which can be given effect without the  
308 invalid provisions or application, and to this end, the provisions of sections  
309 620.1875 to 620.1890 are hereby declared severable.

640.150. 1. The department of natural resources shall be vested with the  
2 powers and duties prescribed by law and shall have the power to carry out the  
3 following activities:

4 (1) Assessing the impact of national energy policies on this state's supply  
5 and use of energy and this state's public health, safety and welfare;

6 (2) Consulting and cooperating with all state and federal governmental  
7 agencies, departments, boards and commissions and all other interested agencies  
8 and institutions, governmental and nongovernmental, public and private, on  
9 matters of energy research and development, management, conservation and  
10 distribution;

11 (3) The monitoring and analyzing of all federal, state, local and  
12 voluntarily disclosed private sector energy research projects and voluntarily  
13 disclosed private sector energy related data and information concerning supply  
14 and consumption, in order to plan for the future energy needs of this state. All  
15 information gathered shall be maintained, revised and updated as an aid to any  
16 interested person, foundation or other organization, public or private;

17 (4) Analyzing the potential for increased utilization of coal, nuclear, solar,  
18 resource recovery and reuse, landfill gas, projects to reduce and capture methane  
19 and other greenhouse gas emissions from landfills, energy efficient technologies  
20 and other energy alternatives, and making recommendations for the expanded use  
21 of alternate energy sources and technologies;

22 (5) Entering into cooperative agreements with other states, political  
23 subdivisions, private entities, or educational institutions for the purpose of  
24 seeking and securing federal grants for the department and its partners in the  
25 grants;

26 (6) **Providing technical guidance regarding proposed energy**  
27 **conservation projects funded through other state agencies;**

28 (7) The development and promotion of state energy conservation  
29 programs, including:

30 (a) Public education and information in energy-related areas;

31 (b) Developing energy efficiency standards for agricultural and industrial

32 energy use and for new and existing buildings, to be promoted through technical  
33 assistance efforts by cooperative arrangements with interested public, business  
34 and civic groups and by cooperating with political subdivisions of this state;

35 (c) Preparing plans for reducing energy use in the event of an energy or  
36 other resource supply emergency.

37 2. No funds shall be expended to implement the provisions of this section  
38 until funds are specifically appropriated for that purpose. In order to carry out  
39 its responsibilities under this section, the department may expend any such  
40 appropriated funds by entering into agreements, contracts, grants, subgrants, or  
41 cooperative arrangements under various terms and conditions in the best interest  
42 of the state with other state, federal, or interstate agencies, political subdivisions,  
43 not-for-profit entities or organizations, educational institutions, or other entities,  
44 both public and private, to carry out its responsibilities.

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

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

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

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

18 (4) The enhancement of technology application, as defined  
19 in subdivision (1) of section 348.251.

20 2. Any contract signed between the corporation and any  
21 not-for-profit organization, including innovation centers as defined

22 in section 348.271, shall require that the not-for-profit organization  
23 must provide at least one-hundred-percent match for any funding  
24 received from the corporation through the technology investment  
25 fund, as established in section 348.264.]

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