

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

**SENATE BILLS NOS. 895,
813, 911, 924, 922 & 802**

95TH GENERAL ASSEMBLY

Reported from the Committee on Jobs, Economic Development and Local Government, February 23, 2010, with recommendation that the Senate Committee Substitute do pass.

4472S.03C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 99.805, 99.845, 135.535, 135.950, 135.967, 178.760, 178.762, 178.892, 178.894, 196.1115, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.271, 620.1878, and 620.1881, RSMo, and to enact in lieu thereof twenty-four new sections relating to tax incentives for job creation.

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

Section A. Sections 99.805, 99.845, 135.535, 135.950, 135.967, 178.760, 178.762, 178.892, 178.894, 196.1115, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.271, 620.1878, and 620.1881, RSMo, are repealed and twenty-four new sections enacted in lieu thereof, to be known as sections 67.4000, 99.805, 99.845, 135.535, 135.950, 135.967, 178.760, 178.762, 178.892, 178.894, 196.1115, 348.250, 348.251, 348.256, 348.261, 348.262, 348.263, 348.264, 348.265, 348.268, 348.269, 348.271, 620.1878, and 620.1881, to read as follows:

67.4000. 1. As used in this section, the following terms mean:

(1) "Base year", the year before the year in which the governing body first holds a public hearing to consider the establishment of a district;

(2) "District", an area designated by a municipality as a Missouri jobs for the future district;

(3) "Eligible project costs", include, but are not limited to, all necessary and incidental expenses related to the issuance of obligations, including reasonable reserves related thereto and interest payments on obligations issued under this section, and reasonable

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

11 interest on project costs from the time such costs are incurred until
12 such costs are reimbursed. Eligible project costs shall include costs
13 related to:

14 (a) Formation of a district, drafting a plan, and designing
15 projects, including but not limited to reasonable fees of architects,
16 engineers, attorneys, and consultants, and any other reasonably related
17 costs;

18 (b) Acquisition of land within the boundaries of the district,
19 including but not limited to associated surveyor costs, title related fees,
20 legal fees, brokers' fees, feasibility studies, and other due diligence;

21 (c) Extension, expansion, and construction of all infrastructure
22 serving the district, including, but not limited to, water services, storm
23 and sanitary sewers, electrical services, roads, sidewalks, parking, and
24 any other utilities or infrastructure;

25 (d) Developing buildings, including site preparation, design, and
26 building construction;

27 (e) Financing costs; and

28 (f) Any other costs related to attracting private investment and
29 creating new jobs within the district;

30 (4) "MO-JFF revenues", Missouri jobs for the future revenues,
31 which shall include:

32 (a) Half of the incremental increase in the general revenue
33 portion of state sales tax revenues received under section 144.020,
34 excluding sales taxes that are constitutionally dedicated, taxes
35 deposited to the school district trust fund in accordance with section
36 144.701, sales and use taxes on motor vehicles, trailers, boats, and
37 outboard motors, and future sales taxes earmarked by law. The
38 incremental increase in the general revenue portion of state sales tax
39 revenues for a facility that existed within the proposed district before
40 the district was established shall be the amount that current state sales
41 tax revenue exceeds the state sales tax revenue for such facility in the
42 base year, and the incremental increase in the general revenue portion
43 of state sales tax revenues for a business that relocates to the district
44 after the district is established shall be the amount that current state
45 sales tax revenue exceeds the state sales tax revenue for such business
46 in the year before its relocation to the district; and

47 (b) The state income tax withheld on behalf of new employees by

48 the employers under section 143.221, at the businesses located within
49 the district. The state income tax withholding allowed by this section
50 shall be the amount of state income tax withheld by the employers
51 within the district for new employees who fill new jobs created in the
52 district as compared to the base year;

53 (5) "Municipality", a city, village, or incorporated town, or any
54 county of this state, or any two or more of such entities acting together;

55 (6) "Municipal funding", funding or the pledge of funding from
56 municipalities and entities affiliated with municipalities, such as
57 economic development corporations, which may include financial
58 contributions or contributions of real property, infrastructure
59 improvements, or any other in-kind contribution valued for purposes
60 of this subdivision at fair market value, for implementation of the plan,
61 including any infrastructure or other improvements outside the district
62 that directly benefit such district as long as such infrastructure or
63 improvements outside the district were funded during or after the base
64 year, which shall constitute at least ten percent of the amount of
65 eligible project costs, excluding any financing costs, estimated to be
66 financed with MO-JFF revenues;

67 (7) "Obligations", bonds, loans, debentures, notes, special
68 certificates, or other evidences of indebtedness issued by a
69 municipality or development authority to carry out a project or to
70 refund outstanding obligations;

71 (8) "Project", a Missouri jobs for the future project within a
72 district carried out in furtherance of a plan adopted by the
73 municipality;

74 (9) "Project area", the geographic bounds of a project from which
75 Missouri jobs for the future revenues will be collected, as described by
76 a legal description;

77 (10) "Total project costs", the total amount of expenditures, as
78 estimated in the plan, necessary to complete all projects within a
79 district, which shall include all development-related costs within the
80 district that will be financed with MO-JFF revenues or any other public
81 or private funds.

82 2. Subject to the requirements provided under this section, the
83 governing body of a municipality may establish a district in which
84 projects may be implemented according to a plan, by passing one or

85 more ordinances establishing such district and adopting such projects
86 and plan. A governing body of municipality shall not adopt a project
87 before adopting a plan, and shall not adopt a plan before establishing
88 a district. Each plan shall include, but need not be limited to:

89 (1) A description of how the plan will advance one or more
90 targeted industry clusters, as defined by the department of economic
91 development, within the district, and how the program will integrate
92 business, education, science, and technology within the district;

93 (2) A description of the district, including the existing businesses
94 within the district;

95 (3) The estimated total project costs, eligible project costs, and
96 the timetable for the projects, including any project phasing;

97 (4) A land acquisition strategy;

98 (5) The anticipated sources, amounts, and timing of funds to pay
99 eligible project costs and other project costs, including any MO-JFF
100 revenues, municipal funding, or any other sources of funds, including
101 the percentage of all eligible project costs and other project costs
102 represented by each source of funds;

103 (6) The anticipated type and term of the obligations to be issued;

104 (7) The general land uses proposed within the district;

105 (8) Proof of a commitment by at least one Missouri-based higher
106 education institution, including but not limited to universities, colleges,
107 and community colleges, or any recognized Missouri-based institution
108 whose primary focus is science or technology research, to have a
109 significant physical presence in the district, and a description of the
110 educational resources that will be provided by such higher education
111 institution in the district, such as classrooms, curriculum, dedicated
112 faculty, graduate students, and defined partnerships with targeted
113 industry clusters, or a description of the defined partnerships with
114 targeted industry clusters that will be initiated by any research
115 institution, and how they are intended to promote, advance, or expand
116 targeted industry clusters in the state through the promotion or
117 advancement of science or technology;

118 (9) The base year amount of state sales tax revenues and the base
119 year number of full-time, part-time, or temporary employees within the
120 district;

121 (10) The estimated number of new jobs to be created by any

122 **business in the district, listed by full-time, part-time, and temporary**
123 **positions;**

124 (11) **The estimated average hourly wage to be paid to all current**
125 **and new employees at the project site, listed by full-time, part-time, and**
126 **temporary positions;**

127 (12) **The estimate of MO-JFF revenues following implementation**
128 **of the projects;**

129 (13) **An affidavit that is signed by the developer or developers**
130 **attesting that the plan would not be reasonably anticipated to be**
131 **successful without the appropriation of MO-JFF revenues;**

132 (14) **The three-digit North American Industry Classification**
133 **System codes characterizing the plan and projects;**

134 (15) **A list of other community and economic benefits to result**
135 **from the project;**

136 (16) **A list of all development subsidies that any business**
137 **benefitting from public expenditures in the district has previously**
138 **received for the projects, and the name of any other granting body from**
139 **which such subsidies are sought;**

140 (17) **A list of all other public investments made or to be made by**
141 **this state or political subdivisions thereof to support infrastructure or**
142 **other needs generated by the projects;**

143 (18) **Documentation from a municipality describing the**
144 **municipality's public investment that has been made, or is anticipated,**
145 **to improve infrastructure outside the district as a result, or in support,**
146 **of development within the district;**

147 (19) **A statement as to whether the projects may reduce**
148 **employment at any other site within the state resulting from**
149 **automation, merger, acquisition, corporate restructuring, relocation,**
150 **or other business activity; and**

151 (20) **A detailed project or business plan by each Missouri-based**
152 **higher education institution and recognized Missouri-based institution**
153 **whose primary focus is science or technology research planning to**
154 **locate within the district, setting forth sufficient information to**
155 **demonstrate satisfaction of the requirements of this section.**

156 **3. No plan shall be adopted by a municipality without findings**
157 **that:**

158 (1) **The plan conforms to the comprehensive plan for the**

159 **development of the municipality as a whole;**

160 **(2) The estimated dates of completion of each project and**
161 **retirement of obligations incurred to finance each such project's costs**
162 **shall not be more than twenty-five years after the adoption of the**
163 **ordinance approving the relevant project, provided that no ordinance**
164 **approving a project shall be adopted later than ten years from the**
165 **adoption of the ordinance approving the plan under which such project**
166 **is authorized;**

167 **(3) A plan has been developed for relocation assistance for**
168 **businesses and residences;**

169 **(4) The amount of eligible costs, excluding financing costs,**
170 **estimated to be financed with MO-JFF revenues does not exceed fifty**
171 **percent of the plan's estimated total project costs, excluding financing**
172 **costs;**

173 **(5) Municipal funding has been pledged to one or more projects;**

174 **(6) There is a commitment and significant physical presence**
175 **planned in the district by a Missouri-based higher education**
176 **institution, including but not limited to universities, colleges, and**
177 **community colleges, or any recognized Missouri-based institution**
178 **whose primary focus is science or technology research, as part of the**
179 **plan, for such higher education institution to provide educational**
180 **resources such as classrooms, curriculum, dedicated faculty, graduate**
181 **students, and defined partnerships with targeted industry clusters, or**
182 **for such research institution to initiate partnerships with targeted**
183 **industry clusters, both of which must be intended to promote, advance,**
184 **or expand targeted industry clusters in the state through the promotion**
185 **or advancement of science or technology;**

186 **(7) If the proposed district is not fully contiguous, the proposed**
187 **district is sufficiently geographically cohesive to ensure that the**
188 **district will function as a fully contiguous district. Separation of real**
189 **property by any roadway, whether public or private, or any public**
190 **right-of-way, shall not disrupt the contiguous nature of such real**
191 **property for purposes of this section. Any otherwise noncontiguous**
192 **real property shall be deemed contiguous with the other real property**
193 **in the proposed district if the governing body determines that inclusion**
194 **of the noncontiguous real property would further the municipality's**
195 **goals in establishing the district;**

196 **(8) The estimated annual MO-JFF revenues to be generated by**
197 **each project are reasonable estimations.**

198 **4. Prior to adopting an ordinance establishing a district,**
199 **adopting a plan, or approving one or more projects, the governing body**
200 **of a municipality shall hold a public hearing at which all protests,**
201 **objections, comments, and evidence shall be heard. The hearing, for**
202 **which notice shall be given in the manner provided under subsection**
203 **5 of this section, may be continued to a later date without further**
204 **notice other than a motion to be entered upon the minutes fixing the**
205 **time and place of such subsequent hearing. Hearings with regard to a**
206 **district, plan, and project may be held simultaneously.**

207 **5. (1) Notice of the public hearing required by subsection 4 of**
208 **this section shall include the following:**

209 **(a) The time and place of the public hearing;**

210 **(b) The general boundaries of the proposed district, by street**
211 **location, where possible;**

212 **(c) A statement that all interested persons shall be given an**
213 **opportunity to be heard;**

214 **(d) A description of the proposed plan or project and a location**
215 **and time where the entire proposal may be reviewed by any interested**
216 **party; and**

217 **(e) Such other matters as the governing body may deem**
218 **appropriate.**

219 **(2) Notice of public hearing required under subsection 4 of this**
220 **section shall be provided by:**

221 **(a) Publication, which shall be given at least twice, the first**
222 **publication to be not more than thirty days and the second publication**
223 **to be not more than ten days before the hearing, in a newspaper of**
224 **general circulation in the area of the proposed development; and**

225 **(b) Mailing, which shall be made by depositing such notice in the**
226 **United States mail by certified mail, addressed to the person or persons**
227 **in whose name the general taxes for the last preceding year were paid**
228 **on each lot, block, tract, or parcel of land lying within the proposed**
229 **district. Such notice shall be mailed not less than ten days before the**
230 **date set for the public hearing. In the event taxes for the last**
231 **preceding year were not paid, the notice shall also be sent to the**
232 **persons last listed on the tax rolls within the preceding three years as**

233 the owners of such property. Notice by mailing shall also be given not
234 less than forty-five days before the date set for the public hearing to
235 the department of economic development, and in addition to the other
236 requirements under subdivision (1) of this subsection, the notice shall
237 include an invitation to submit comments to the municipality's
238 governing body concerning the subject matter of the hearing before the
239 date of the hearing.

240 6. After the public hearing, and up to six months following the
241 adoption of an ordinance establishing a district or approving a plan or
242 project, changes may be made to such district, plan, or project, without
243 a further hearing, if such changes do not enlarge the exterior
244 boundaries of the district and do not substantially affect the general
245 land uses established in the plan or substantially change the nature of
246 the project, provided that notice of such changes shall be given by mail
247 to the department of economic development not less than ten days
248 before the adoption of the changes by ordinance.

249 7. Upon adoption of an ordinance approving a project, a
250 municipality may:

251 (1) Make and enter into all contracts necessary or incidental to
252 the implementation and furtherance of its plan or projects;

253 (2) Under a plan, subject to any constitutional limitations,
254 acquire by purchase, donation, lease, or as part of a project, own,
255 convey, lease, mortgage, or dispose of land and other property, real or
256 personal, or rights or interests therein, and grant or acquire licenses,
257 easements, and options with respect thereto, all in the manner and at
258 such price the municipality determines is reasonably necessary to
259 achieve the objectives of the plan. No conveyance, lease, mortgage,
260 disposition of land, or other property acquired by the municipality or
261 agreement relating to the development of the property shall be made
262 except upon the adoption of an ordinance by the governing body of the
263 municipality;

264 (3) Within a district, clear any land by demolition or removal of
265 existing buildings and structures;

266 (4) Within a district, renovate, rehabilitate, or construct any
267 structure or building;

268 (5) Install, repair, construct, reconstruct, or relocate streets,
269 utilities, and site improvements essential to the preparation of the

270 **district for use in accordance with a plan;**

271 **(6) Within a district, fix, charge, and collect fees, rents, and other**
272 **charges for the use of any building or property owned or leased by it**
273 **or any part thereof, or facility therein;**

274 **(7) Accept grants, guarantees, and donations of property, labor,**
275 **or other things of value from a public or private source for use within**
276 **a district;**

277 **(8) Issue obligations, secured by all or any part of the funds and**
278 **deposited in the project's financing fund established under subsection**
279 **9 of this section to provide for eligible project costs. Such obligations,**
280 **when so issued, shall be retired in the manner provided in the**
281 **ordinance authorizing issuance of such obligations. In addition to**
282 **funds in, and to be deposited in, the project's financing fund, a**
283 **municipality may pledge a mortgage on part or all of the project area,**
284 **or any other security or other interest, to secure its**
285 **obligations. Obligations issued under this section may be issued in one**
286 **or more series bearing interest at such rate or rates as the issuing body**
287 **of the municipality shall determine by ordinance or resolution. Such**
288 **obligations shall bear such date or dates, and mature not more than**
289 **twenty-five years from issuance, be in such denomination, carry such**
290 **registration privileges, be executed in such manner, payable in such**
291 **medium of payment, at such place or places, contain such covenants,**
292 **terms, and conditions, and be subject to redemption as such ordinance**
293 **shall provide. Any such obligations issued may be sold at public or**
294 **private sale. No referendum approval of the electors shall be required**
295 **for issuance of obligations under this subsection. Obligations issued**
296 **under the provisions of this section shall not constitute an**
297 **indebtedness within the meaning of any constitutional, statutory, or**
298 **charter debt limitation or restriction;**

299 **(9) Incur eligible project costs and other project costs;**

300 **(10) Charge as eligible project costs the reasonable costs**
301 **incurred by its clerk or other official in administering projects;**

302 **(11) Establish by ordinance a development authority, consisting**
303 **of such persons as the governing body shall determine, which shall not**
304 **transact any business or exercise any powers until or unless the**
305 **governing body shall approve by ordinance the exercise of such power,**
306 **functions, and duties, but in no event shall such powers include the**

307 **power of eminent domain. The governing body may grant to a**
308 **development authority the power to issue obligations under this**
309 **section, alone or in conjunction with a municipality, according to terms**
310 **and limitations set forth by ordinance. If a development authority**
311 **already exists, a municipality may authorize such development**
312 **authority to issue obligations under this section and otherwise exercise**
313 **any powers that a municipality may grant to such authority.**

314 **8. (1) Following a municipality's approval of one or more**
315 **projects, the amount of MO-JFF revenues generated from within the**
316 **project area of such project shall be available for appropriation by the**
317 **general assembly from the general revenue fund to the department of**
318 **economic development for distribution to the treasurer or other**
319 **designated financial officer of the municipality. No transfer from the**
320 **general revenue fund to the department of economic development shall**
321 **be made unless an appropriation is made from the general revenue**
322 **fund for that purpose. No municipality shall commit any MO-JFF**
323 **revenues before such an appropriation. An initial appropriation of MO-**
324 **JFF revenues shall not be made or distributed by the department of**
325 **economic development to a municipality until the director of the**
326 **department of economic development or the director's designee has**
327 **certified the plan and project or projects. After such certification and**
328 **upon appropriation, the department of economic development shall**
329 **immediately distribute such appropriated amounts to the appropriate**
330 **municipality. The director of economic development or the director's**
331 **designee shall certify a plan and projects provided such plan and**
332 **projects comply with the requirements set forth under subsection 3 of**
333 **this section and:**

334 **(a) The plan and projects would result in a net benefit to the**
335 **state, with particular emphasis on such factors as the short and long**
336 **term potential for the creation of new jobs in the state, growth of state**
337 **tax revenues, strengthening the state's reputation as a hub of one or**
338 **more targeted industry clusters, advancement of the development of**
339 **science and technology industries in the state, and the potential to**
340 **leverage new federal funding for science and technology; and**

341 **(b) The amount of MO-JFF revenues projected in each year, in**
342 **combination with all other projects already certified under this**
343 **subsection, shall not exceed the annual aggregate cap on disbursement**

344 of revenues set forth in subdivision (3) of this subsection in any given
345 year.

346 (2) At no time shall the annual amount of MO-JFF revenues
347 approved for disbursement by the department of economic development
348 for a particular project exceed the amount of MO-JFF revenues
349 projected in that particular year for such project in the plan; provided,
350 however, if in one or more prior years the amount of MO-JFF revenues
351 disbursed by the department of economic development for a particular
352 project is less than the amount projected for such project in the plan,
353 such cumulative shortfall of revenues shall be disbursed by the
354 department of revenue to the project in subsequent years to the extent
355 that such project generates MO-JFF revenues in excess of the amount
356 projected in the plan for those subsequent years, but only if the
357 additional amount of disbursement would not exceed the annual
358 aggregate cap set forth in subdivision (3) of this subsection.

359 (3) At no time shall the total annual amount of MO-JFF revenues
360 approved for disbursement by the department of economic development
361 for all projects combined in any year exceed the annual aggregate
362 cap. The "annual aggregate cap" shall be sixty million dollars during
363 the 2011 fiscal year and shall annually increase by ten percent over the
364 prior year for the next five years, and remain constant for all
365 subsequent years.

366 9. The treasurer or other designated financial officer of the
367 municipality shall deposit MO-JFF revenues received from the
368 department of economic development in a segregated fund known as a
369 "Missouri Jobs for the Future Projects Financing Fund". The state
370 treasurer shall be custodian of the fund. In accordance with sections
371 30.170 and 30.180, the state treasurer shall approve or disapprove
372 disbursement requests within thirty days of receiving such requests,
373 and shall approve any disbursement request that is consistent with the
374 applicable plan and project or projects. Upon appropriation, money in
375 the fund shall be used solely for the administration of this
376 section. Notwithstanding the provisions of section 33.080, any moneys
377 remaining in the fund at the end of the biennium shall not revert to the
378 credit of the general revenue fund. The state treasurer shall invest
379 moneys in the fund in the same manner as other funds are
380 invested. Any interest and moneys earned on such investments shall be

381 credited to the fund.

382 **10. MO-JFF revenues deposited in the Missouri jobs for the**
383 **future projects financing fund established by the municipality under**
384 **subsection 9 of this section shall be used to pay for eligible project**
385 **costs, to provide reimbursement for eligible project costs incurred**
386 **either before, or after, the district is established under this section, and**
387 **to make payments on obligations the proceeds of which were used to**
388 **pay eligible project costs. MO-JFF revenues generated within one**
389 **project area may be used to pay for, or reimburse, eligible project costs**
390 **in any part of the district, or outside the district for the benefit of such**
391 **district, or make payments on obligations the proceeds of which were**
392 **used to pay for eligible project costs in any part of the district or**
393 **outside the district for the benefit of the district. MO-JFF revenues**
394 **shall only be used to finance the cost of land or improvements**
395 **described in this subsection if such land or improvements are owned,**
396 **at the time such costs are incurred, by a public entity, and any such**
397 **land or improvements subsequently sold, leased, or otherwise**
398 **transferred to a private individual or entity shall be sold, leased, or**
399 **otherwise transferred for no less than fair market value. For the**
400 **purposes of this subsection, "public entity" shall include, without**
401 **limitation, any Missouri-based private higher education institutions or**
402 **recognized Missouri-based institutions whose primary focus is science**
403 **or technology research, where such sale, lease, or transfer is in**
404 **furtherance of the component of a plan.**

405 **11. Following the initial appropriation of MO-JFF revenues**
406 **under subsection 8 of this section and continuing until termination of**
407 **the district, the municipality shall annually submit a report to the**
408 **department of economic development which shall provide an update of**
409 **the projects' timetables, status of municipal funding, and other funding**
410 **sources, the number of jobs created, the annual payroll, and the public**
411 **and private capital investment in the district.**

412 **12. This section shall not affect, in any way, the implementation**
413 **or continuation of any other type of public incentives, including tax**
414 **increment financing under sections 99.800 to 99.865, community**
415 **improvement districts under sections 67.1401 to 67.1571, and**
416 **transportation development districts under sections 238.200 to 238.280,**
417 **for any real property within or without the district; provided, however,**

418 if some or all of the revenues that would be captured as MO-JFF
419 revenues within a particular project area under this section would
420 otherwise also be captured under any other public incentive program,
421 such revenues shall be:

422 (1) Exclusively captured as MO-JFF revenues, if the other
423 incentive program's approval to begin capturing such revenues did not
424 occur until after the certification of the relevant project; or

425 (2) Exclusively captured by such other incentive program and
426 not as MO-JFF revenues, when such other incentive program's approval
427 to begin capturing such revenues occurred prior to the certification of
428 the relevant project under the provisions of this section, but only until
429 such other incentive program's capture of such revenues terminates.

430 13. The development of any project, appropriations of MO-JFF
431 revenues for such project, and retirement of obligations incurred to
432 finance such project shall not continue more than twenty-five years
433 from the date of a municipality's adoption of such project by ordinance;
434 provided that, no ordinance approving a project shall be adopted later
435 than ten years from the adoption of the ordinance approving the plan
436 under which such project is authorized. No district shall have the
437 power to acquire any real property by eminent domain. Any plan or
438 projects that are approved under this section shall be deemed to
439 promote the health, safety, and welfare of the public.

440 14. Eligible project costs may include, at the prerogative of a
441 municipality or the state, the portion of salaries and expenses of the
442 municipal government, the department of economic development, or the
443 department of revenue reasonably allocable to each project approved
444 for disbursements from the department of economic development for
445 the ongoing administrative functions associated with such project. For
446 municipalities, such amounts shall be recovered from MO-JFF revenues
447 deposited in the projects financing fund. For the state, such amounts
448 shall be recovered from MO-JFF revenues deposited with the
449 department of economic development under this section.

450 15. Ten years after the effective date of this section, the
451 department of economic development shall conduct a comprehensive
452 review of the implementation and performance of the provisions of this
453 section which shall include, in part, an analysis of the number of jobs
454 created, the payroll for such jobs, capital investment attracted, and

455 **overall economic growth generated.**

99.805. As used in sections 99.800 to 99.865, unless the context clearly
2 requires otherwise, the following terms shall mean:

3 (1) "Blighted area", an area which, by reason of the predominance of
4 defective or inadequate street layout, unsanitary or unsafe conditions,
5 deterioration of site improvements, improper subdivision or obsolete platting, or
6 the existence of conditions which endanger life or property by fire and other
7 causes, or any combination of such factors, retards the provision of housing
8 accommodations or constitutes an economic or social liability or a menace to the
9 public health, safety, morals, or welfare in its present condition and use;

10 (2) "Collecting officer", the officer of the municipality responsible for
11 receiving and processing payments in lieu of taxes or economic activity taxes from
12 taxpayers or the department of revenue;

13 (3) "Conservation area", any improved area within the boundaries of a
14 redevelopment area located within the territorial limits of a municipality in which
15 fifty percent or more of the structures in the area have an age of thirty-five years
16 or more. Such an area is not yet a blighted area but is detrimental to the public
17 health, safety, morals, or welfare and may become a blighted area because of any
18 one or more of the following factors: dilapidation; obsolescence; deterioration;
19 illegal use of individual structures; presence of structures below minimum code
20 standards; abandonment; excessive vacancies; overcrowding of structures and
21 community facilities; lack of ventilation, light or sanitary facilities; inadequate
22 utilities; excessive land coverage; deleterious land use or layout; depreciation of
23 physical maintenance; and lack of community planning. A conservation area
24 shall meet at least three of the factors provided in this subdivision for projects
25 approved on or after December 23, 1997;

26 (4) "Economic activity taxes", the total additional revenue from taxes
27 which are imposed by a municipality and other taxing districts, and which are
28 generated by economic activities within a redevelopment area over the amount
29 of such taxes generated by economic activities within such redevelopment area
30 in the calendar year prior to the adoption of the ordinance designating such a
31 redevelopment area, while tax increment financing remains in effect, but
32 excluding personal property taxes, taxes imposed on sales or charges for sleeping
33 rooms paid by transient guests of hotels and motels, licenses, fees or special
34 assessments. For redevelopment projects or redevelopment plans approved after
35 December 23, 1997, if a retail establishment relocates within one year from one
36 facility to another facility within the same county and the governing body of the

37 municipality finds that the relocation is a direct beneficiary of tax increment
38 financing, then for purposes of this definition, the economic activity taxes
39 generated by the retail establishment shall equal the total additional revenues
40 from economic activity taxes which are imposed by a municipality or other taxing
41 district over the amount of economic activity taxes generated by the retail
42 establishment in the calendar year prior to its relocation to the redevelopment
43 area;

44 (5) "Economic development area", any area or portion of an area located
45 within the territorial limits of a municipality, which does not meet the
46 requirements of subdivisions (1) and (3) of this section, and in which the
47 governing body of the municipality finds that redevelopment will not be solely
48 used for development of commercial businesses which unfairly compete in the
49 local economy and is in the public interest because it will:

50 (a) Discourage commerce, industry or manufacturing from moving their
51 operations to another state; or

52 (b) Result in increased employment in the municipality; or

53 (c) Result in preservation or enhancement of the tax base of the
54 municipality;

55 (6) "Gambling establishment", an excursion gambling boat as defined in
56 section 313.800, RSMo, and any related business facility including any real
57 property improvements which are directly and solely related to such business
58 facility, whose sole purpose is to provide goods or services to an excursion
59 gambling boat and whose majority ownership interest is held by a person licensed
60 to conduct gambling games on an excursion gambling boat or licensed to operate
61 an excursion gambling boat as provided in sections 313.800 to 313.850,
62 RSMo. This subdivision shall be applicable only to a redevelopment area
63 designated by ordinance adopted after December 23, 1997;

64 (7) "Greenfield area", any vacant, unimproved, or agricultural property
65 that is located wholly outside the incorporated limits of a city, town, or village,
66 or that is substantially surrounded by contiguous properties with agricultural
67 zoning classifications or uses unless said property was annexed into the
68 incorporated limits of a city, town, or village ten years prior to the adoption of the
69 ordinance approving the redevelopment plan for such greenfield area;

70 (8) **"Missouri business", any business with a physical presence in**
71 **this state, with employees who routinely perform job duties within this**
72 **state;**

73 [(8)] (9) "Municipality", a city, village, or incorporated town or any

74 county of this state. For redevelopment areas or projects approved on or after
75 December 23, 1997, "municipality" applies only to cities, villages, incorporated
76 towns or counties established for at least one year prior to such date;

77 **(10) "Net new jobs", an increase to the employment base, in this**
78 **state, of a company counting all of such company's locations within the**
79 **state;**

80 [(9)] **(11) "Obligations", bonds, loans, debentures, notes, special**
81 **certificates, or other evidences of indebtedness issued by a municipality to carry**
82 **out a redevelopment project or to refund outstanding obligations;**

83 [(10)] **(12) "Ordinance", an ordinance enacted by the governing body of**
84 **a city, town, or village or a county or an order of the governing body of a county**
85 **whose governing body is not authorized to enact ordinances;**

86 [(11)] **(13) "Payment in lieu of taxes", those estimated revenues from real**
87 **property in the area selected for a redevelopment project, which revenues**
88 **according to the redevelopment project or plan are to be used for a private use,**
89 **which taxing districts would have received had a municipality not adopted tax**
90 **increment allocation financing, and which would result from levies made after the**
91 **time of the adoption of tax increment allocation financing during the time the**
92 **current equalized value of real property in the area selected for the**
93 **redevelopment project exceeds the total initial equalized value of real property**
94 **in such area until the designation is terminated pursuant to subsection 2 of**
95 **section 99.850;**

96 [(12)] **(14) "Redevelopment area", an area designated by a municipality,**
97 **in respect to which the municipality has made a finding that there exist**
98 **conditions which cause the area to be classified as a blighted area, a conservation**
99 **area, an economic development area, an enterprise zone pursuant to sections**
100 **135.200 to 135.256, RSMo, or a combination thereof, which area includes only**
101 **those parcels of real property directly and substantially benefited by the proposed**
102 **redevelopment project;**

103 [(13)] **(15) "Redevelopment plan", the comprehensive program of a**
104 **municipality for redevelopment intended by the payment of redevelopment costs**
105 **to reduce or eliminate those conditions, the existence of which qualified the**
106 **redevelopment area as a blighted area, conservation area, economic development**
107 **area, or combination thereof, and to thereby enhance the tax bases of the taxing**
108 **districts which extend into the redevelopment area. Each redevelopment plan**
109 **shall conform to the requirements of section 99.810;**

110 [(14)] **(16) "Redevelopment project", any development project within a**

111 redevelopment area in furtherance of the objectives of the redevelopment plan;
112 any such redevelopment project shall include a legal description of the area
113 selected for the redevelopment project;

114 [(15)] **(17)** "Redevelopment project costs" include the sum total of all
115 reasonable or necessary costs incurred or estimated to be incurred, and any such
116 costs incidental to a redevelopment plan or redevelopment project, as
117 applicable. Such costs include, but are not limited to, the following:

118 (a) Costs of studies, surveys, plans, and specifications;

119 (b) Professional service costs, including, but not limited to, architectural,
120 engineering, legal, marketing, financial, planning or special services. Except the
121 reasonable costs incurred by the commission established in section 99.820 for the
122 administration of sections 99.800 to 99.865, such costs shall be allowed only as
123 an initial expense which, to be recoverable, shall be included in the costs of a
124 redevelopment plan or project;

125 (c) Property assembly costs, including, but not limited to, acquisition of
126 land and other property, real or personal, or rights or interests therein,
127 demolition of buildings, and the clearing and grading of land;

128 (d) Costs of rehabilitation, reconstruction, or repair or remodeling of
129 existing buildings and fixtures;

130 (e) Initial costs for an economic development area;

131 (f) Costs of construction of public works or improvements;

132 (g) Financing costs, including, but not limited to, all necessary and
133 incidental expenses related to the issuance of obligations, and which may include
134 payment of interest on any obligations issued pursuant to sections 99.800 to
135 99.865 accruing during the estimated period of construction of any redevelopment
136 project for which such obligations are issued and for not more than eighteen
137 months thereafter, and including reasonable reserves related thereto;

138 (h) All or a portion of a taxing district's capital costs resulting from the
139 redevelopment project necessarily incurred or to be incurred in furtherance of the
140 objectives of the redevelopment plan and project, to the extent the municipality
141 by written agreement accepts and approves such costs;

142 (i) Relocation costs to the extent that a municipality determines that
143 relocation costs shall be paid or are required to be paid by federal or state law;

144 (j) Payments in lieu of taxes;

145 [(16)] **(18)** "Special allocation fund", the fund of a municipality or its
146 commission which contains at least two separate segregated accounts for each
147 redevelopment plan, maintained by the treasurer of the municipality or the

148 treasurer of the commission into which payments in lieu of taxes are deposited
149 in one account, and economic activity taxes and other revenues are deposited in
150 the other account;

151 [(17)] (19) "Taxing districts", any political subdivision of this state
152 having the power to levy taxes;

153 [(18)] (20) "Taxing districts' capital costs", those costs of taxing districts
154 for capital improvements that are found by the municipal governing bodies to be
155 necessary and to directly result from the redevelopment project; and

156 [(19)] (21) "Vacant land", any parcel or combination of parcels of real
157 property not used for industrial, commercial, or residential buildings.

99.845. 1. A municipality, either at the time a redevelopment project is
2 approved or, in the event a municipality has undertaken acts establishing a
3 redevelopment plan and redevelopment project and has designated a
4 redevelopment area after the passage and approval of sections 99.800 to 99.865
5 but prior to August 13, 1982, which acts are in conformance with the procedures
6 of sections 99.800 to 99.865, may adopt tax increment allocation financing by
7 passing an ordinance providing that after the total equalized assessed valuation
8 of the taxable real property in a redevelopment project exceeds the certified total
9 initial equalized assessed valuation of the taxable real property in the
10 redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if
11 any, arising from the levies upon taxable real property in such redevelopment
12 project by taxing districts and tax rates determined in the manner provided in
13 subsection 2 of section 99.855 each year after the effective date of the ordinance
14 until redevelopment costs have been paid shall be divided as follows:

15 (1) That portion of taxes, penalties and interest levied upon each taxable
16 lot, block, tract, or parcel of real property which is attributable to the initial
17 equalized assessed value of each such taxable lot, block, tract, or parcel of real
18 property in the area selected for the redevelopment project shall be allocated to
19 and, when collected, shall be paid by the county collector to the respective
20 affected taxing districts in the manner required by law in the absence of the
21 adoption of tax increment allocation financing;

22 (2) (a) Payments in lieu of taxes attributable to the increase in the
23 current equalized assessed valuation of each taxable lot, block, tract, or parcel of
24 real property in the area selected for the redevelopment project and any
25 applicable penalty and interest over and above the initial equalized assessed
26 value of each such unit of property in the area selected for the redevelopment
27 project shall be allocated to and, when collected, shall be paid to the municipal

28 treasurer who shall deposit such payment in lieu of taxes into a special fund
29 called the "Special Allocation Fund" of the municipality for the purpose of paying
30 redevelopment costs and obligations incurred in the payment thereof. Payments
31 in lieu of taxes which are due and owing shall constitute a lien against the real
32 estate of the redevelopment project from which they are derived and shall be
33 collected in the same manner as the real property tax, including the assessment
34 of penalties and interest where applicable. The municipality may, in the
35 ordinance, pledge the funds in the special allocation fund for the payment of such
36 costs and obligations and provide for the collection of payments in lieu of taxes,
37 the lien of which may be foreclosed in the same manner as a special assessment
38 lien as provided in section 88.861, RSMo. No part of the current equalized
39 assessed valuation of each lot, block, tract, or parcel of property in the area
40 selected for the redevelopment project attributable to any increase above the total
41 initial equalized assessed value of such properties shall be used in calculating the
42 general state school aid formula provided for in section 163.031, RSMo, until such
43 time as all redevelopment costs have been paid as provided for in this section and
44 section 99.850;

45 (b) Notwithstanding any provisions of this section to the contrary, for
46 purposes of determining the limitation on indebtedness of local government
47 pursuant to article VI, section 26(b) of the Missouri Constitution, the current
48 equalized assessed value of the property in an area selected for redevelopment
49 attributable to the increase above the total initial equalized assessed valuation
50 shall be included in the value of taxable tangible property as shown on the last
51 completed assessment for state or county purposes;

52 (c) The county assessor shall include the current assessed value of all
53 property within the taxing district in the aggregate valuation of assessed property
54 entered upon the assessor's book and verified pursuant to section 137.245, RSMo,
55 and such value shall be utilized for the purpose of the debt limitation on local
56 government pursuant to article VI, section 26(b) of the Missouri Constitution;

57 (3) For purposes of this section, "levies upon taxable real property in such
58 redevelopment project by taxing districts" shall not include the blind pension fund
59 tax levied under the authority of article III, section 38(b) of the Missouri
60 Constitution, or the merchants' and manufacturers' inventory replacement tax
61 levied under the authority of subsection 2 of section 6 of article X of the Missouri
62 Constitution, except in redevelopment project areas in which tax increment
63 financing has been adopted by ordinance pursuant to a plan approved by vote of
64 the governing body of the municipality taken after August 13, 1982, and before

65 January 1, 1998.

66 2. In addition to the payments in lieu of taxes described in subdivision (2)
67 of subsection 1 of this section, for redevelopment plans and projects adopted or
68 redevelopment projects approved by ordinance after July 12, 1990, and prior to
69 August 31, 1991, fifty percent of the total additional revenue from taxes, penalties
70 and interest imposed by the municipality, or other taxing districts, which are
71 generated by economic activities within the area of the redevelopment project over
72 the amount of such taxes generated by economic activities within the area of the
73 redevelopment project in the calendar year prior to the adoption of the
74 redevelopment project by ordinance, while tax increment financing remains in
75 effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by
76 transient guests of hotels and motels, taxes levied pursuant to section 70.500,
77 RSMo, licenses, fees or special assessments other than payments in lieu of taxes
78 and any penalty and interest thereon, or, effective January 1, 1998, taxes levied
79 pursuant to section 94.660, RSMo, for the purpose of public transportation, shall
80 be allocated to, and paid by the local political subdivision collecting officer to the
81 treasurer or other designated financial officer of the municipality, who shall
82 deposit such funds in a separate segregated account within the special allocation
83 fund. Any provision of an agreement, contract or covenant entered into prior to
84 July 12, 1990, between a municipality and any other political subdivision which
85 provides for an appropriation of other municipal revenues to the special allocation
86 fund shall be and remain enforceable.

87 3. In addition to the payments in lieu of taxes described in subdivision (2)
88 of subsection 1 of this section, for redevelopment plans and projects adopted or
89 redevelopment projects approved by ordinance after August 31, 1991, fifty percent
90 of the total additional revenue from taxes, penalties and interest which are
91 imposed by the municipality or other taxing districts, and which are generated
92 by economic activities within the area of the redevelopment project over the
93 amount of such taxes generated by economic activities within the area of the
94 redevelopment project in the calendar year prior to the adoption of the
95 redevelopment project by ordinance, while tax increment financing remains in
96 effect, but excluding personal property taxes, taxes imposed on sales or charges
97 for sleeping rooms paid by transient guests of hotels and motels, taxes levied
98 pursuant to section 70.500, RSMo, taxes levied for the purpose of public
99 transportation pursuant to section 94.660, RSMo, licenses, fees or special
100 assessments other than payments in lieu of taxes and penalties and interest
101 thereon, or any sales tax imposed by a county with a charter form of government

102 and with more than six hundred thousand but fewer than seven hundred
103 thousand inhabitants, for the purpose of sports stadium improvement, shall be
104 allocated to, and paid by the local political subdivision collecting officer to the
105 treasurer or other designated financial officer of the municipality, who shall
106 deposit such funds in a separate segregated account within the special allocation
107 fund.

108 4. Beginning January 1, 1998, for redevelopment plans and projects
109 adopted or redevelopment projects approved by ordinance and which have
110 complied with subsections 4 to 12 of this section, in addition to the payments in
111 lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of
112 this section, up to fifty percent of the new state revenues, as defined in subsection
113 8 of this section, estimated for the businesses within the project area and
114 identified by the municipality in the application required by subsection 10 of this
115 section, over and above the amount of such taxes reported by businesses within
116 the project area as identified by the municipality in their application prior to the
117 approval of the redevelopment project by ordinance, while tax increment
118 financing remains in effect, may be available for appropriation by the general
119 assembly as provided in subsection 10 of this section to the department of
120 economic development supplemental tax increment financing fund, from the
121 general revenue fund, for distribution to the treasurer or other designated
122 financial officer of the municipality with approved plans or projects.

123 5. The treasurer or other designated financial officer of the municipality
124 with approved plans or projects shall deposit such funds in a separate segregated
125 account within the special allocation fund established pursuant to section 99.805.

126 6. No transfer from the general revenue fund to the Missouri
127 supplemental tax increment financing fund shall be made unless an appropriation
128 is made from the general revenue fund for that purpose. No municipality shall
129 commit any state revenues prior to an appropriation being made for that
130 project. For all redevelopment plans or projects adopted or approved after
131 December 23, 1997, appropriations from the new state revenues shall not be
132 distributed from the Missouri supplemental tax increment financing fund into the
133 special allocation fund unless the municipality's redevelopment plan ensures that
134 one hundred percent of payments in lieu of taxes and fifty percent of economic
135 activity taxes generated by the project shall be used for eligible redevelopment
136 project costs while tax increment financing remains in effect. This account shall
137 be separate from the account into which payments in lieu of taxes are deposited,
138 and separate from the account into which economic activity taxes are deposited.

139 7. In order for the redevelopment plan or project to be eligible to receive
140 the revenue described in subsection 4 of this section, the municipality shall
141 comply with the requirements of subsection 10 of this section prior to the time the
142 project or plan is adopted or approved by ordinance. The director of the
143 department of economic development and the commissioner of the office of
144 administration may waive the requirement that the municipality's application be
145 submitted prior to the redevelopment plan's or project's adoption or the
146 redevelopment plan's or project's approval by ordinance.

147 8. For purposes of this section, "new state revenues" means:

148 (1) The incremental increase in the general revenue portion of state sales
149 tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes
150 that are constitutionally dedicated, taxes deposited to the school district trust
151 fund in accordance with section 144.701, RSMo, sales and use taxes on motor
152 vehicles, trailers, boats and outboard motors and future sales taxes earmarked
153 by law. In no event shall the incremental increase include any amounts
154 attributable to retail sales unless the municipality or authority has proven to the
155 Missouri development finance board and the department of economic development
156 and such entities have made a finding that the sales tax increment attributable
157 to retail sales is from new sources which did not exist in the state during the
158 baseline year. The incremental increase in the general revenue portion of state
159 sales tax revenues for an existing or relocated facility shall be the amount that
160 current state sales tax revenue exceeds the state sales tax revenue in the base
161 year as stated in the redevelopment plan as provided in subsection 10 of this
162 section; or

163 (2) The state income tax withheld on behalf of new employees by the
164 employer pursuant to section 143.221, RSMo, at the business located within the
165 project as identified by the municipality. The state income tax withholding
166 allowed by this section shall be the municipality's estimate of the amount of state
167 income tax withheld by the employer within the redevelopment area for new
168 employees who fill new jobs directly created by the tax increment financing
169 project.

170 9. Subsection 4 of this section shall apply only to blighted areas located
171 in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted
172 areas located in federal empowerment zones, or to blighted areas located in
173 central business districts or urban core areas of cities which districts or urban
174 core areas at the time of approval of the project by ordinance, provided that the
175 enterprise zones, federal empowerment zones or blighted areas contained one or

176 more buildings at least fifty years old; and

177 (1) Suffered from generally declining population or property taxes over the
178 twenty-year period immediately preceding the area's designation as a project area
179 by ordinance; or

180 (2) Was a historic hotel located in a county of the first classification
181 without a charter form of government with a population according to the most
182 recent federal decennial census in excess of one hundred fifty thousand and
183 containing a portion of a city with a population according to the most recent
184 federal decennial census in excess of three hundred fifty thousand.

185 10. The initial appropriation of up to fifty percent of the new state
186 revenues authorized pursuant to subsections 4 and 5 of this section shall not be
187 made to or distributed by the department of economic development to a
188 municipality until all of the following conditions have been satisfied:

189 (1) The director of the department of economic development or his or her
190 designee and the commissioner of the office of administration or his or her
191 designee have approved a tax increment financing application made by the
192 municipality for the appropriation of the new state revenues. The municipality
193 shall include in the application the following items in addition to the items in
194 section 99.810:

195 (a) The tax increment financing district or redevelopment area, including
196 the businesses identified within the redevelopment area;

197 (b) The base year of state sales tax revenues or the base year of state
198 income tax withheld on behalf of existing employees, reported by existing
199 businesses within the project area prior to approval of the redevelopment project;

200 (c) The estimate of the incremental increase in the general revenue
201 portion of state sales tax revenue or the estimate for the state income tax
202 withheld by the employer on behalf of new employees expected to fill new jobs
203 created within the redevelopment area after redevelopment;

204 (d) The official statement of any bond issue pursuant to this subsection
205 after December 23, 1997;

206 (e) An affidavit that is signed by the developer or developers attesting
207 that the provisions of subdivision (1) of section 99.810 have been met and
208 specifying that the redevelopment area would not be reasonably anticipated to be
209 developed without the appropriation of the new state revenues;

210 (f) The cost-benefit analysis required by section 99.810 includes a study
211 of the fiscal impact on the state of Missouri; and

212 (g) The statement of election between the use of the incremental increase

213 of the general revenue portion of the state sales tax revenues or the state income
214 tax withheld by employers on behalf of new employees who fill new jobs created
215 in the redevelopment area;

216 (h) The name, street and mailing address, and phone number of the mayor
217 or chief executive officer of the municipality;

218 (i) The street address of the development site;

219 (j) The three-digit North American Industry Classification System number
220 or numbers characterizing the development project;

221 (k) The estimated development project costs;

222 (l) The anticipated sources of funds to pay such development project costs;

223 (m) Evidence of the commitments to finance such development project
224 costs;

225 (n) The anticipated type and term of the sources of funds to pay such
226 development project costs;

227 (o) The anticipated type and terms of the obligations to be issued;

228 (p) The most recent equalized assessed valuation of the property within
229 the development project area;

230 (q) An estimate as to the equalized assessed valuation after the
231 development project area is developed in accordance with a development plan;

232 (r) The general land uses to apply in the development area;

233 (s) The total number of individuals employed in the development area,
234 broken down by full-time, part-time, and temporary positions;

235 (t) The total number of full-time equivalent positions in the development
236 area;

237 (u) The current gross wages, state income tax withholdings, and federal
238 income tax withholdings for individuals employed in the development area;

239 (v) The total number of individuals employed in this state by the
240 corporate parent of any business benefiting from public expenditures in the
241 development area, and all subsidiaries thereof, as of December thirty-first of the
242 prior fiscal year, broken down by full-time, part-time, and temporary positions;

243 (w) The number of new jobs to be created by any business benefiting from
244 public expenditures in the development area, broken down by full-time, part-time,
245 and temporary positions;

246 (x) The average hourly wage to be paid to all current and new employees
247 at the project site, broken down by full-time, part-time, and temporary positions;

248 (y) For project sites located in a metropolitan statistical area, as defined
249 by the federal Office of Management and Budget, the average hourly wage paid

250 to nonmanagerial employees in this state for the industries involved at the
251 project, as established by the United States Bureau of Labor Statistics;

252 (z) For project sites located outside of metropolitan statistical areas, the
253 average weekly wage paid to nonmanagerial employees in the county for
254 industries involved at the project, as established by the United States
255 Department of Commerce;

256 (aa) A list of other community and economic benefits to result from the
257 project;

258 (bb) A list of all development subsidies that any business benefiting from
259 public expenditures in the development area has previously received for the
260 project, and the name of any other granting body from which such subsidies are
261 sought;

262 (cc) A list of all other public investments made or to be made by this state
263 or units of local government to support infrastructure or other needs generated
264 by the project for which the funding pursuant to this section is being sought;

265 (dd) A statement as to whether the development project may reduce
266 employment at any other site, within or without the state, resulting from
267 automation, merger, acquisition, corporate restructuring, relocation, or other
268 business activity;

269 (ee) A statement as to whether or not the project involves the relocation
270 of work from another address and if so, the number of jobs to be relocated and the
271 address from which they are to be relocated;

272 (ff) A list of competing businesses in the county containing the
273 development area and in each contiguous county;

274 (gg) A market study for the development area;

275 (hh) A certification by the chief officer of the applicant as to the accuracy
276 of the development plan;

277 (2) The methodologies used in the application for determining the base
278 year and determining the estimate of the incremental increase in the general
279 revenue portion of the state sales tax revenues or the state income tax withheld
280 by employers on behalf of new employees who fill new jobs created in the
281 redevelopment area shall be approved by the director of the department of
282 economic development or his or her designee and the commissioner of the office
283 of administration or his or her designee. Upon approval of the application, the
284 director of the department of economic development or his or her designee and
285 the commissioner of the office of administration or his or her designee shall issue
286 a certificate of approval. The department of economic development may request

287 the appropriation following application approval;

288 (3) The appropriation shall be either a portion of the estimate of the
289 incremental increase in the general revenue portion of state sales tax revenues
290 in the redevelopment area or a portion of the estimate of the state income tax
291 withheld by the employer on behalf of new employees who fill new jobs created
292 in the redevelopment area as indicated in the municipality's application,
293 approved by the director of the department of economic development or his or her
294 designee and the commissioner of the office of administration or his or her
295 designee. At no time shall the annual amount of the new state revenues
296 approved for disbursements from the Missouri supplemental tax increment
297 financing fund exceed thirty-two million dollars;

298 (4) Redevelopment plans and projects receiving new state revenues shall
299 have a duration of up to fifteen years, unless prior approval for a longer term is
300 given by the director of the department of economic development or his or her
301 designee and the commissioner of the office of administration or his or her
302 designee; except that, in no case shall the duration exceed twenty-three years.

303 11. In addition to the areas authorized in subsection 9 of this section, the
304 funding authorized pursuant to subsection 4 of this section shall also be available
305 in a federally approved levee district, where construction of a levee begins after
306 December 23, 1997, and which is contained within a county of the first
307 classification without a charter form of government with a population between
308 fifty thousand and one hundred thousand inhabitants which contains all or part
309 of a city with a population in excess of four hundred thousand or more
310 inhabitants.

311 12. There is hereby established within the state treasury a special fund
312 to be known as the "Missouri Supplemental Tax Increment Financing Fund", to
313 be administered by the department of economic development. The department
314 shall annually distribute from the Missouri supplemental tax increment financing
315 fund the amount of the new state revenues as appropriated as provided in the
316 provisions of subsections 4 and 5 of this section if and only if the conditions of
317 subsection 10 of this section are met. The fund shall also consist of any gifts,
318 contributions, grants or bequests received from federal, private or other
319 sources. Moneys in the Missouri supplemental tax increment financing fund shall
320 be disbursed per project pursuant to state appropriations.

321 13. Redevelopment project costs may include, at the prerogative of the
322 state, the portion of salaries and expenses of the department of economic
323 development and the department of revenue reasonably allocable to each

324 redevelopment project approved for disbursements from the Missouri
325 supplemental tax increment financing fund for the ongoing administrative
326 functions associated with such redevelopment project. Such amounts shall be
327 recovered from new state revenues deposited into the Missouri supplemental tax
328 increment financing fund created under this section.

329 14. For redevelopment plans or projects approved by ordinance that result
330 in net new jobs from the relocation of a national headquarters from another state
331 to the area of the redevelopment project, the economic activity taxes and new
332 state tax revenues shall not be based on a calculation of the incremental increase
333 in taxes as compared to the base year or prior calendar year for such
334 redevelopment project, rather the incremental increase shall be the amount of
335 total taxes generated from the net new jobs brought in by the national
336 headquarters from another state. In no event shall this subsection be construed
337 to allow a redevelopment project to receive an appropriation in excess of up to
338 fifty percent of the new state revenues.

339 **15. Provisions of subsection 4 of this section to the contrary**
340 **notwithstanding, for redevelopment plans or projects approved by**
341 **ordinance that result in net new jobs from a Missouri business**
342 **relocation to, or expansion within, the area of the redevelopment**
343 **project, the director of the department of economic development may,**
344 **upon a finding of economic benefit to the state, increase the percentage**
345 **of new state revenues, defined under subdivision (2) of subsection 8 of**
346 **this section, available for appropriation under the provisions of**
347 **subsection 4 of this section by an amount equal to:**

348 **(1) Up to two percent for redevelopment plans or projects**
349 **involving businesses which have been Missouri businesses for a**
350 **continuous period of at least five years prior to the adoption of such**
351 **ordinance;**

352 **(2) Up to four percent for redevelopment plans or projects**
353 **involving businesses which have been Missouri businesses for a**
354 **continuous period of at least ten years prior to the adoption of such**
355 **ordinance;**

356 **(3) Up to six percent for redevelopment plans or projects**
357 **involving businesses which have been Missouri businesses for a**
358 **continuous period of at least fifteen years prior to the adoption of such**
359 **ordinance;**

360 **(4) Up to eight percent for redevelopment plans or projects**

361 **involving businesses which have been Missouri businesses for a**
362 **continuous period of at least twenty years prior to the adoption of such**
363 **ordinance; or**

364 **(5) Up to ten percent for redevelopment plans or projects**
365 **involving businesses which have been Missouri businesses for a**
366 **continuous period of at least twenty-five years prior to the adoption of**
367 **such ordinance.**

135.535. 1. A corporation, limited liability corporation, partnership or
2 sole proprietorship, which moves its operations from outside Missouri or outside
3 a distressed community into a distressed community, or which commences
4 operations in a distressed community on or after January 1, 1999, and in either
5 case has more than seventy-five percent of its employees at the facility in the
6 distressed community, and which has fewer than one hundred employees for
7 whom payroll taxes are paid, and which is a manufacturing, biomedical, medical
8 devices, scientific research, animal research, computer software design or
9 development, computer programming, including Internet, web hosting, and other
10 information technology, wireless or wired or other telecommunications or a
11 professional firm shall receive a forty percent credit against income taxes owed
12 pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld pursuant
13 to sections 143.191 to 143.265, RSMo, for each of the three years after such move,
14 if approved by the department of economic development, which shall issue a
15 certificate of eligibility if the department determines that the taxpayer is eligible
16 for such credit. The maximum amount of credits per taxpayer set forth in this
17 subsection shall not exceed one hundred twenty-five thousand dollars for each of
18 the three years for which the credit is claimed. **In the case of a Missouri**
19 **business, which is otherwise eligible for tax credits authorized under**
20 **the provisions of this subsection, the director of the department of**
21 **economic development may, upon a finding of economic benefit to the**
22 **state, increase the percentage of credit against income taxes owed**
23 **pursuant to chapter 143, 147, or 148, other than taxes withheld**
24 **pursuant to sections 143.191 to 143.265, for each of the three years after**
25 **such move by an amount not to exceed two percent for each continuous**
26 **five year period such corporation, limited liability corporation,**
27 **partnership, or sole proprietorship has been a Missouri business, up to**
28 **a total increase of ten percent. The maximum amount of credits per**
29 **Missouri business set forth in this subsection shall not exceed one**
30 **hundred thirty-seven thousand five hundred dollars for each of the**

31 **three years for which the credit is claimed.** The department of economic
32 development, by means of rule or regulation promulgated pursuant to the
33 provisions of chapter 536, RSMo, shall assign appropriate North American
34 Industry Classification System numbers to the companies which are eligible for
35 the tax credits provided for in this section. Such three-year credits shall be
36 awarded only one time to any company which moves its operations from outside
37 of Missouri or outside of a distressed community into a distressed community or
38 to a company which commences operations within a distressed community. A
39 taxpayer shall file an application for certification of the tax credits for the first
40 year in which credits are claimed and for each of the two succeeding taxable years
41 for which credits are claimed.

42 2. Employees of such facilities physically working and earning wages for
43 that work within a distressed community whose employers have been approved
44 for tax credits pursuant to subsection 1 of this section by the department of
45 economic development for whom payroll taxes are paid shall also be eligible to
46 receive a tax credit against individual income tax, imposed pursuant to chapter
47 143, RSMo, equal to one and one-half percent of their gross salary paid at such
48 facility earned for each of the three years that the facility receives the tax credit
49 provided by this section, so long as they were qualified employees of such entity.

50 The employer shall calculate the amount of such credit and shall report the
51 amount to the employee and the department of revenue.

52 3. A tax credit against income taxes owed pursuant to chapter 143, 147
53 or 148, RSMo, other than the taxes withheld pursuant to sections 143.191 to
54 143.265, RSMo, in lieu of the credit against income taxes as provided in
55 subsection 1 of this section, may be taken by such an entity in a distressed
56 community in an amount of forty percent of the amount of funds expended for
57 computer equipment and its maintenance, medical laboratories and equipment,
58 research laboratory equipment, manufacturing equipment, fiber optic equipment,
59 high speed telecommunications, wiring or software development expense up to a
60 maximum of seventy-five thousand dollars in tax credits for such equipment or
61 expense per year per entity and for each of three years after commencement in
62 or moving operations into a distressed community. **Upon a finding of**
63 **economic benefit to the state, the director of the department of**
64 **economic development may increase the amount of the tax credit,**
65 **authorized under the provisions of this subsection in lieu of the credit**
66 **against income taxes provided under subsection 1 of this section, to be**
67 **taken by a Missouri business by an amount not to exceed two percent**

68 **for each continuous five year period such employer has been a Missouri**
69 **business, up to a total increase of ten percent. The maximum amount**
70 **of credits per Missouri business set forth in this subsection shall not**
71 **exceed eighty-two thousand five hundred dollars for each of the three**
72 **years after commencement in, or moving operations into, a distressed**
73 **community.**

74 4. A corporation, partnership or sole partnership, which has no more than
75 one hundred employees for whom payroll taxes are paid, which is already located
76 in a distressed community and which expends funds for such equipment pursuant
77 to subsection 3 of this section in an amount exceeding its average of the prior two
78 years for such equipment, shall be eligible to receive a tax credit against income
79 taxes owed pursuant to chapters 143, 147 and 148, RSMo, in an amount equal to
80 the lesser of seventy-five thousand dollars or twenty-five percent of the funds
81 expended for such additional equipment per such entity. **In the case of a**
82 **Missouri business which is otherwise eligible to receive tax credits**
83 **under the provisions of this subsection, the director of the department**
84 **of economic development may, upon a finding of economic benefit to**
85 **the state, increase the amount of the credit authorized under this**
86 **subsection by an amount not to exceed two percent for each continuous**
87 **five year period such employer has been a Missouri business, up to a**
88 **total increase of ten percent.** Tax credits allowed pursuant to this subsection
89 or subsection 1 of this section may be carried back to any of the three prior tax
90 years and carried forward to any of the five tax years.

91 5. An existing corporation, partnership or sole proprietorship that is
92 located within a distressed community and that relocates employees from another
93 facility outside of the distressed community to its facility within the distressed
94 community, and an existing business located within a distressed community that
95 hires new employees for that facility may both be eligible for the tax credits
96 allowed by subsections 1 and 3 of this section. To be eligible for such tax credits,
97 such a business, during one of its tax years, shall employ within a distressed
98 community at least twice as many employees as were employed at the beginning
99 of that tax year. A business hiring employees shall have no more than one
100 hundred employees before the addition of the new employees. This subsection
101 shall only apply to a business which is a manufacturing, biomedical, medical
102 devices, scientific research, animal research, computer software design or
103 development, computer programming or telecommunications business, or a
104 professional firm.

105 6. Tax credits shall be approved for applicants meeting the requirements
106 of this section in the order that such applications are received. Certificates of tax
107 credits issued in accordance with this section may be transferred, sold or assigned
108 by notarized endorsement which names the transferee.

109 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this
110 section shall be for an amount of no more than ten million dollars for each year
111 beginning in 1999. To the extent there are available tax credits remaining under
112 the ten million dollar cap provided in this section, up to one hundred thousand
113 dollars in the remaining credits shall first be used for tax credits authorized
114 under section 135.562. The total maximum credit for all entities already located
115 in distressed communities and claiming credits pursuant to subsection 4 of this
116 section shall be seven hundred and fifty thousand dollars. The department of
117 economic development in approving taxpayers for the credit as provided for in
118 subsection 6 of this section shall use information provided by the department of
119 revenue regarding taxes paid in the previous year, or projected taxes for those
120 entities newly established in the state, as the method of determining when this
121 maximum will be reached and shall maintain a record of the order of
122 approval. Any tax credit not used in the period for which the credit was approved
123 may be carried over until the full credit has been allowed.

124 8. A Missouri employer relocating into a distressed community and having
125 employees covered by a collective bargaining agreement at the facility from which
126 it is relocating shall not be eligible for the credits in subsection 1, 3, 4 or 5 of this
127 section, and its employees shall not be eligible for the credit in subsection 2 of
128 this section if the relocation violates or terminates a collective bargaining
129 agreement covering employees at the facility, unless the affected collective
130 bargaining unit concurs with the move.

131 9. Notwithstanding any provision of law to the contrary, no taxpayer shall
132 earn the tax credits allowed in this section and the tax credits otherwise allowed
133 in section 135.110, or the tax credits, exemptions, and refund otherwise allowed
134 in sections 135.200, 135.220, 135.225 and 135.245, respectively, for the same
135 business for the same tax period.

136 **10. For purposes of this section, the term "Missouri business"**
137 **shall mean any business with a physical presence in this state, with**
138 **employees who routinely perform job duties within this state.**

 135.950. The following terms, whenever used in sections 135.950 to
2 135.970 mean:

3 (1) "Average wage", the new payroll divided by the number of new jobs;

4 (2) "Blighted area", an area which, by reason of the predominance of
5 defective or inadequate street layout, unsanitary or unsafe conditions,
6 deterioration of site improvements, improper subdivision or obsolete platting, or
7 the existence of conditions which endanger life or property by fire and other
8 causes, or any combination of such factors, retards the provision of housing
9 accommodations or constitutes an economic or social liability or a menace to the
10 public health, safety, morals, or welfare in its present condition and use;

11 (3) "Board", an enhanced enterprise zone board established pursuant to
12 section 135.957;

13 (4) "Commencement of commercial operations" shall be deemed to occur
14 during the first taxable year for which the new business facility is first put into
15 use by the taxpayer in the enhanced business enterprise in which the taxpayer
16 intends to use the new business facility;

17 (5) "County average wage", the average wages in each county as
18 determined by the department for the most recently completed full calendar
19 year. However, if the computed county average wage is above the statewide
20 average wage, the statewide average wage shall be deemed the county average
21 wage for such county for the purpose of determining eligibility. The department
22 shall publish the county average wage for each county at least
23 annually. Notwithstanding the provisions of this subdivision to the contrary, for
24 any taxpayer that in conjunction with their project is relocating employees from
25 a Missouri county with a higher county average wage, such taxpayer shall obtain
26 the endorsement of the governing body of the community from which jobs are
27 being relocated or the county average wage for their project shall be the county
28 average wage for the county from which the employees are being relocated;

29 (6) "Department", the department of economic development;

30 (7) "Director", the director of the department of economic development;

31 (8) "Employee", a person employed by the enhanced business enterprise
32 that is scheduled to work an average of at least one thousand hours per year, and
33 such person at all times has health insurance offered to him or her, which is
34 partially paid for by the employer;

35 (9) "Enhanced business enterprise", an industry or one of a cluster of
36 industries that is either:

37 (a) Identified by the department as critical to the state's economic security
38 and growth; or

39 (b) Will have an impact on industry cluster development, as identified by
40 the governing authority in its application for designation of an enhanced

41 enterprise zone and approved by the department; but excluding gambling
42 establishments (NAICS industry group 7132), retail trade (NAICS sectors 44 and
43 45), educational services (NAICS sector 61), religious organizations (NAICS
44 industry group 8131), public administration (NAICS sector 92), and food and
45 drinking places (NAICS subsector 722), however, notwithstanding provisions of
46 this section to the contrary, headquarters or administrative offices of an
47 otherwise excluded business may qualify for benefits if the offices serve a
48 multistate territory. In the event a national, state, or regional headquarters
49 operation is not the predominant activity of a project facility, the new jobs and
50 investment of such headquarters operation is considered eligible for benefits
51 under this section if the other requirements are satisfied. Service industries may
52 be eligible only if a majority of its annual revenues will be derived from out of the
53 state;

54 (10) "Existing business facility", any facility in this state which was
55 employed by the taxpayer claiming the credit in the operation of an enhanced
56 business enterprise immediately prior to an expansion, acquisition, addition, or
57 replacement;

58 (11) "Facility", any building used as an enhanced business enterprise
59 located within an enhanced enterprise zone, including the land on which the
60 facility is located and all machinery, equipment, and other real and depreciable
61 tangible personal property acquired for use at and located at or within such
62 facility and used in connection with the operation of such facility;

63 (12) "Facility base employment", the greater of the number of employees
64 located at the facility on the date of the notice of intent, or for the twelve-month
65 period prior to the date of the notice of intent, the average number of employees
66 located at the facility, or in the event the project facility has not been in operation
67 for a full twelve-month period, the average number of employees for the number
68 of months the facility has been in operation prior to the date of the notice of
69 intent;

70 (13) "Facility base payroll", the total amount of taxable wages paid by the
71 enhanced business enterprise to employees of the enhanced business enterprise
72 located at the facility in the twelve months prior to the notice of intent, not
73 including the payroll of owners of the enhanced business enterprise unless the
74 enhanced business enterprise is participating in an employee stock ownership
75 plan. For the purposes of calculating the benefits under this program, the
76 amount of base payroll shall increase each year based on the consumer price
77 index or other comparable measure, as determined by the department;

78 (14) "Governing authority", the body holding primary legislative authority
79 over a county or incorporated municipality;

80 (15) **"Missouri business", any business with a physical presence**
81 **in this state, with employees who routinely perform job duties within**
82 **this state;**

83 (16) "Megaproject", any manufacturing or assembling facility, approved
84 by the department for construction and operation within an enhanced enterprise
85 zone, which satisfies the following:

86 (a) The new capital investment is projected to exceed three hundred
87 million dollars over a period of eight years from the date of approval by the
88 department;

89 (b) The number of new jobs is projected to exceed one thousand over a
90 period of eight years beginning on the date of approval by the department;

91 (c) The average wage of new jobs to be created shall exceed the county
92 average wage;

93 (d) The taxpayer shall offer health insurance to all new jobs and pay at
94 least eighty percent of such insurance premiums; and

95 (e) An acceptable plan of repayment, to the state, of the tax credits
96 provided for the megaproject has been provided by the taxpayer;

97 [(16)] (17) "NAICS", the 1997 edition of the North American Industry
98 Classification System as prepared by the Executive Office of the President, Office
99 of Management and Budget. Any NAICS sector, subsector, industry group or
100 industry identified in this section shall include its corresponding classification in
101 subsequent federal industry classification systems;

102 [(17)] (18) "New business facility", a facility that satisfies the following
103 requirements:

104 (a) Such facility is employed by the taxpayer in the operation of an
105 enhanced business enterprise. Such facility shall not be considered a new
106 business facility in the hands of the taxpayer if the taxpayer's only activity with
107 respect to such facility is to lease it to another person or persons. If the taxpayer
108 employs only a portion of such facility in the operation of an enhanced business
109 enterprise, and leases another portion of such facility to another person or
110 persons or does not otherwise use such other portions in the operation of an
111 enhanced business enterprise, the portion employed by the taxpayer in the
112 operation of an enhanced business enterprise shall be considered a new business
113 facility, if the requirements of paragraphs (b), (c), and (d) of this subdivision are
114 satisfied;

115 (b) Such facility is acquired by, or leased to, the taxpayer after December
116 31, 2004. A facility shall be deemed to have been acquired by, or leased to, the
117 taxpayer after December 31, 2004, if the transfer of title to the taxpayer, the
118 transfer of possession pursuant to a binding contract to transfer title to the
119 taxpayer, or the commencement of the term of the lease to the taxpayer occurs
120 after December 31, 2004;

121 (c) If such facility was acquired by the taxpayer from another taxpayer
122 and such facility was employed immediately prior to the acquisition by another
123 taxpayer in the operation of an enhanced business enterprise, the operation of the
124 same or a substantially similar enhanced business enterprise is not continued by
125 the taxpayer at such facility; and

126 (d) Such facility is not a replacement business facility, as defined in
127 subdivision [(25)] **(26)** of this section;

128 [(18)] **(19)** "New business facility employee", an employee of the taxpayer
129 in the operation of a new business facility during the taxable year for which the
130 credit allowed by section 135.967 is claimed, except that truck drivers and rail
131 and barge vehicle operators and other operators of rolling stock for hire shall not
132 constitute new business facility employees;

133 [(19)] **(20)** "New business facility investment", the value of real and
134 depreciable tangible personal property, acquired by the taxpayer as part of the
135 new business facility, which is used by the taxpayer in the operation of the new
136 business facility, during the taxable year for which the credit allowed by 135.967
137 is claimed, except that trucks, truck-trailers, truck semitrailers, rail vehicles,
138 barge vehicles, aircraft and other rolling stock for hire, track, switches, barges,
139 bridges, tunnels, and rail yards and spurs shall not constitute new business
140 facility investments. The total value of such property during such taxable year
141 shall be:

142 (a) Its original cost if owned by the taxpayer; or

143 (b) Eight times the net annual rental rate, if leased by the taxpayer. The
144 net annual rental rate shall be the annual rental rate paid by the taxpayer less
145 any annual rental rate received by the taxpayer from subrentals. The new
146 business facility investment shall be determined by dividing by twelve the sum
147 of the total value of such property on the last business day of each calendar
148 month of the taxable year. If the new business facility is in operation for less
149 than an entire taxable year, the new business facility investment shall be
150 determined by dividing the sum of the total value of such property on the last
151 business day of each full calendar month during the portion of such taxable year

152 during which the new business facility was in operation by the number of full
153 calendar months during such period;

154 [(20)] (21) "New job", the number of employees located at the facility that
155 exceeds the facility base employment less any decrease in the number of the
156 employees at related facilities below the related facility base employment. No job
157 that was created prior to the date of the notice of intent shall be deemed a new
158 job;

159 [(21)] (22) "Notice of intent", a form developed by the department which
160 is completed by the enhanced business enterprise and submitted to the
161 department which states the enhanced business enterprise's intent to hire new
162 jobs and request benefits under such program;

163 [(22)] (23) "Related facility", a facility operated by the enhanced business
164 enterprise or a related company in this state that is directly related to the
165 operation of the project facility;

166 [(23)] (24) "Related facility base employment", the greater of:

167 (a) The number of employees located at all related facilities on the date
168 of the notice of intent; or

169 (b) For the twelve-month period prior to the date of the notice of intent,
170 the average number of employees located at all related facilities of the enhanced
171 business enterprise or a related company located in this state;

172 [(24)] (25) "Related taxpayer":

173 (a) A corporation, partnership, trust, or association controlled by the
174 taxpayer;

175 (b) An individual, corporation, partnership, trust, or association in control
176 of the taxpayer; or

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

187 [(25)] (26) "Replacement business facility", a facility otherwise described
188 in subdivision [(17)] (18) of this section, hereafter referred to in this subdivision

189 as "new facility", which replaces another facility, hereafter referred to in this
190 subdivision as "old facility", located within the state, which the taxpayer or a
191 related taxpayer previously operated but discontinued operating on or before the
192 close of the first taxable year for which the credit allowed by this section is
193 claimed. A new facility shall be deemed to replace an old facility if the following
194 conditions are met:

195 (a) The old facility was operated by the taxpayer or a related taxpayer
196 during the taxpayer's or related taxpayer's taxable period immediately preceding
197 the taxable year in which commencement of commercial operations occurs at the
198 new facility; and

199 (b) The old facility was employed by the taxpayer or a related taxpayer
200 in the operation of an enhanced business enterprise and the taxpayer continues
201 the operation of the same or substantially similar enhanced business enterprise
202 at the new facility. Notwithstanding the preceding provisions of this subdivision,
203 a facility shall not be considered a replacement business facility if the taxpayer's
204 new business facility investment, as computed in subdivision [(19)] **(20)** of this
205 section, in the new facility during the tax period for which the credits allowed in
206 section 135.967 are claimed exceed one million dollars and if the total number of
207 employees at the new facility exceeds the total number of employees at the old
208 facility by at least two;

209 [(26)] **(27)** "Same or substantially similar enhanced business enterprise",
210 an enhanced business enterprise in which the nature of the products produced or
211 sold, or activities conducted, are similar in character and use or are produced,
212 sold, performed, or conducted in the same or similar manner as in another
213 enhanced business enterprise.

135.967. 1. A taxpayer who establishes a new business facility may, upon
2 approval by the department, be allowed a credit, each tax year for up to ten tax
3 years, in an amount determined as set forth in this section, against the tax
4 imposed by chapter 143, RSMo, excluding withholding tax imposed by sections
5 143.191 to 143.265, RSMo. No taxpayer shall receive multiple ten-year periods
6 for subsequent expansions at the same facility.

7 2. Notwithstanding any provision of law to the contrary, any taxpayer who
8 establishes a new business facility in an enhanced enterprise zone and is awarded
9 state tax credits under this section may not also receive tax credits under sections
10 135.100 to 135.150, sections 135.200 to 135.286, or section 135.535, and may not
11 simultaneously receive tax credits under sections 620.1875 to 620.1890, RSMo,
12 at the same facility.

13 3. No credit shall be issued pursuant to this section unless:

14 (1) The number of new business facility employees engaged or maintained
15 in employment at the new business facility for the taxable year for which the
16 credit is claimed equals or exceeds two; and

17 (2) The new business facility investment for the taxable year for which the
18 credit is claimed equals or exceeds one hundred thousand dollars.

19 4. The annual amount of credits allowed for an approved enhanced
20 business enterprise shall be the lesser of:

21 (1) The annual amount authorized by the department for the enhanced
22 business enterprise, which shall be limited to the projected state economic
23 benefit, as determined by the department; or

24 (2) The sum calculated based upon the following:

25 (a) A credit of four hundred dollars for each new business facility
26 employee employed within an enhanced enterprise zone;

27 (b) An additional credit of four hundred dollars for each new business
28 facility employee who is a resident of an enhanced enterprise zone;

29 (c) An additional credit of four hundred dollars for each new business
30 facility employee who is paid by the enhanced business enterprise a wage that
31 exceeds the average wage paid within the county in which the facility is located,
32 as determined by the department; and

33 (d) A credit equal to two percent of new business facility investment
34 within an enhanced enterprise zone.

35 **5. The director may, upon a finding of economic benefit to the**
36 **state, increase the annual amount authorized by the department under**
37 **the provisions of subsection 4 of this section, for an enhanced business**
38 **enterprise which is a Missouri business by an amount not to exceed two**
39 **percent for every continuous five year period such enhanced business**
40 **enterprise has been a Missouri business up to a total increase of ten**
41 **percent.**

42 **6.** Prior to January 1, 2007, in no event shall the department authorize
43 more than four million dollars annually to be issued for all enhanced business
44 enterprises. After December 31, 2006, in no event shall the department authorize
45 more than twenty-four million dollars annually to be issued for all enhanced
46 business enterprises.

47 **[6.] 7.** If a facility, which does not constitute a new business facility, is
48 expanded by the taxpayer, the expansion shall be considered eligible for the credit
49 allowed by this section if:

50 (1) The taxpayer's new business facility investment in the expansion
51 during the tax period in which the credits allowed in this section are claimed
52 exceeds one hundred thousand dollars and if the number of new business facility
53 employees engaged or maintained in employment at the expansion facility for the
54 taxable year for which credit is claimed equals or exceeds two, and the total
55 number of employees at the facility after the expansion is at least two greater
56 than the total number of employees before the expansion; and

57 (2) The taxpayer's investment in the expansion and in the original facility
58 prior to expansion shall be determined in the manner provided in subdivision
59 ~~[(19)]~~ **(20)** of section 135.950.

60 **[7.] 8.** The number of new business facility employees during any taxable
61 year shall be determined by dividing by twelve the sum of the number of
62 individuals employed on the last business day of each month of such taxable year.
63 If the new business facility is in operation for less than the entire taxable year,
64 the number of new business facility employees shall be determined by dividing
65 the sum of the number of individuals employed on the last business day of each
66 full calendar month during the portion of such taxable year during which the new
67 business facility was in operation by the number of full calendar months during
68 such period. For the purpose of computing the credit allowed by this section in
69 the case of a facility which qualifies as a new business facility under subsection
70 **[6] 7** of this section, and in the case of a new business facility which satisfies the
71 requirements of paragraph (c) of subdivision ~~[(17)]~~ **(18)** of section 135.950, or
72 subdivision ~~[(25)]~~ **(26)** of section 135.950, the number of new business facility
73 employees at such facility shall be reduced by the average number of individuals
74 employed, computed as provided in this subsection, at the facility during the
75 taxable year immediately preceding the taxable year in which such expansion,
76 acquisition, or replacement occurred and shall further be reduced by the number
77 of individuals employed by the taxpayer or related taxpayer that was
78 subsequently transferred to the new business facility from another Missouri
79 facility and for which credits authorized in this section are not being earned,
80 whether such credits are earned because of an expansion, acquisition, relocation,
81 or the establishment of a new facility.

82 **[8.] 9.** In the case where a new business facility employee who is a
83 resident of an enhanced enterprise zone for less than a twelve-month period is
84 employed for less than a twelve-month period, the credits allowed by paragraph
85 (b) of subdivision (2) of subsection 4 of this section shall be determined by
86 multiplying four hundred dollars by a fraction, the numerator of which is the

87 number of calendar days during the taxpayer's tax year for which such credits are
88 claimed, in which the employee was a resident of an enhanced enterprise zone,
89 and the denominator of which is three hundred sixty-five.

90 [9.] 10. For the purpose of computing the credit allowed by this section
91 in the case of a facility which qualifies as a new business facility pursuant to
92 subsection [6] 7 of this section, and in the case of a new business facility which
93 satisfies the requirements of paragraph (c) of subdivision [(17)] (18) of section
94 135.950 or subdivision [(25)] (26) of section 135.950, the amount of the taxpayer's
95 new business facility investment in such facility shall be reduced by the average
96 amount, computed as provided in subdivision [(19)] (20) of section 135.950 for
97 new business facility investment, of the investment of the taxpayer, or related
98 taxpayer immediately preceding such expansion or replacement or at the time of
99 acquisition. Furthermore, the amount of the taxpayer's new business facility
100 investment shall also be reduced by the amount of investment employed by the
101 taxpayer or related taxpayer which was subsequently transferred to the new
102 business facility from another Missouri facility and for which credits authorized
103 in this section are not being earned, whether such credits are earned because of
104 an expansion, acquisition, relocation, or the establishment of a new facility.

105 [10.] 11. For a taxpayer with flow-through tax treatment to its members,
106 partners, or shareholders, the credit shall be allowed to members, partners, or
107 shareholders in proportion to their share of ownership on the last day of the
108 taxpayer's tax period.

109 [11.] 12. Credits may not be carried forward but shall be claimed for the
110 taxable year during which commencement of commercial operations occurs at
111 such new business facility, and for each of the nine succeeding taxable years for
112 which the credit is issued.

113 [12.] 13. Certificates of tax credit authorized by this section may be
114 transferred, sold, or assigned by filing a notarized endorsement thereof with the
115 department that names the transferee, the amount of tax credit transferred, and
116 the value received for the credit, as well as any other information reasonably
117 requested by the department. The sale price cannot be less than seventy-five
118 percent of the par value of such credits.

119 [13.] 14. The director of revenue shall issue a refund to the taxpayer to
120 the extent that the amount of credits allowed in this section exceeds the amount
121 of the taxpayer's income tax.

122 [14.] 15. Prior to the issuance of tax credits, the department shall verify
123 through the department of revenue, or any other state department, that the tax

124 credit applicant does not owe any delinquent income, sales, or use tax or interest
125 or penalties on such taxes, or any delinquent fees or assessments levied by any
126 state department and through the department of insurance, financial institutions
127 and professional registration that the applicant does not owe any delinquent
128 insurance taxes. Such delinquency shall not affect the authorization of the
129 application for such tax credits, except that the amount of credits issued shall be
130 reduced by the applicant's tax delinquency. If the department of revenue or the
131 department of insurance, financial institutions and professional registration, or
132 any other state department, concludes that a taxpayer is delinquent after June
133 fifteenth but before July first of any year and the application of tax credits to
134 such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then
135 the taxpayer shall be granted thirty days to satisfy the deficiency in which
136 interest, penalties, and additions to tax shall be tolled. After applying all
137 available credits toward a tax delinquency, the administering agency shall notify
138 the appropriate department, and that department shall update the amount of
139 outstanding delinquent tax owed by the applicant. If any credits remain after
140 satisfying all insurance, income, sales, and use tax delinquencies, the remaining
141 credits shall be issued to the applicant, subject to the restrictions of other
142 provisions of law.

178.760. As used in sections 178.760 to 178.764, the following terms
2 mean:

3 (1) "Agreement", the agreement between an employer and a community
4 college district concerning a project. An agreement may be for a period not to
5 exceed ten years when the program services associated with a project are not in
6 excess of five hundred thousand dollars. For a project where the associated
7 program costs are greater than five hundred thousand dollars, the agreement may
8 not exceed a period of eight years;

9 (2) "Board of trustees", the board of trustees of a community college
10 district;

11 (3) "Capital investment", an investment in research and development,
12 working capital, and real and tangible personal business property except
13 inventory or property intended for sale to customers. Trucks, truck trailers, truck
14 semi-trailers, rail and barge vehicles and other rolling stock for hire, track,
15 switches, barges, bridges, tunnels, rail yards, and spurs shall not qualify as a
16 capital investment. The amount of such investment shall be the original cost of
17 the property if owned, or eight times the net annual rental rate if leased;

18 (4) "Certificate", industrial retained jobs training certificates issued under

19 section 178.763;

20 (5) "Date of commencement of the project", the date of the agreement;

21 (6) "Employee", the person employed in a retained job;

22 (7) "Employer", the person maintaining retained jobs in conjunction with
23 a project;

24 (8) "Industry", a business located within this state which enters into an
25 agreement with a community college district and which is engaged in interstate
26 or intrastate commerce for the purpose of manufacturing, processing, or
27 assembling products, conducting research and development, or providing services
28 in interstate commerce, but excluding retail services;

29 (9) **"Missouri business", any business with a physical presence in**
30 **this state, with employees who routinely perform job duties within this**
31 **state;**

32 (10) "Program costs", all necessary and incidental costs of providing
33 program services, including payment of the principal, premium, and interest on
34 certificates, including capitalized interest, issued to finance a project, funding and
35 maintenance of a debt service reserve fund to secure such certificates and wages,
36 salaries and benefits of employees participating in on-the-job training;

37 [(10)] (11) "Program services" includes, but is not limited to, the
38 following:

39 (a) Retained jobs training;

40 (b) Adult basic education and job-related instruction;

41 (c) Vocational and skill-assessment services and testing;

42 (d) Training facilities, equipment, materials, and supplies;

43 (e) On-the-job training;

44 (f) Administrative expenses equal to seventeen percent of the total
45 training costs, two percent to be paid to the department of economic development
46 for deposit into the Missouri job development fund created under section 620.478,
47 RSMo;

48 (g) Subcontracted services with state institutions of higher education,
49 private colleges or universities, or other federal, state, or local agencies;

50 (h) Contracted or professional services; and

51 (i) Issuance of certificates;

52 [(11)] (12) "Project", a training arrangement which is the subject of an
53 agreement entered into between the community college district and an employer
54 to provide program services that is not also the subject of an agreement entered
55 into between a community college district and an employer to provide program

56 services under sections 178.892 to 178.896;

57 [(12)] (13) "Retained job", a job in a stable industry, not including jobs
58 for recalled workers, which was in existence for at least two consecutive calendar
59 years preceding the year in which the application for the retained jobs training
60 program was made;

61 [(13)] (14) "Retained jobs credit from withholding", the credit as provided
62 in section 178.762;

63 [(14)] (15) "Retained jobs training program", or "program", the project or
64 projects established by a community college district for the retention of jobs, by
65 providing education and training of workers for existing jobs for stable industry
66 in the state;

67 [(15)] (16) "Stable industry", a business that otherwise meets the
68 definition of industry and retains existing jobs. To be a stable industry, the
69 business shall have:

70 (a) Maintained at least one hundred employees per year at the employer's
71 site in the state at which the jobs are based, for each of the two calendar years
72 preceding the year in which application for the program is made;

73 (b) Retained at that site the level of employment that existed in the
74 taxable year immediately preceding the year in which application for the program
75 is made; and

76 (c) Made or agree to make a capital investment aggregating at least one
77 million dollars to acquire or improve long-term assets (including leased facilities)
78 such as property, plant, or equipment (excluding program costs) at the employer's
79 site in the state at which jobs are based over a period of three consecutive
80 calendar years, as certified by the employer and:

81 a. Have made substantial investment in new technology requiring the
82 upgrading of worker's skills; or

83 b. Be located in a border county of the state and represent a potential risk
84 of relocation from the state; or

85 c. Be determined to represent a substantial risk of relocation from the
86 state by the director of the department of economic development;

87 [(16)] (17) "Total training costs", costs of training, including supplies,
88 wages and benefits of instructors, subcontracted services, on-the-job training,
89 training facilities, equipment, skill assessment, and all program services
90 excluding issuance of certificates.

178.762. 1. If an agreement provides that all or part of program costs are
2 to be met by receipt of retained jobs credit from withholding, such retained jobs

3 credit from withholding shall be determined and paid as follows:

4 (1) Retained jobs credit from withholding shall be based upon the wages
5 paid to the employees in the retained jobs;

6 (2) A portion of the total payments made by the employer under section
7 143.221, RSMo, shall be designated as the retained jobs credit from
8 withholding. Such portion shall be an amount equal to two and one-half percent
9 of the gross wages paid by the employer for each of the first one hundred jobs
10 included in the project and one and one-half percent of the gross wages paid by
11 the employer for each of the remaining jobs included in the project. If business
12 or employment conditions cause the amount of the retained jobs credit from
13 withholding to be less than the amount projected in the agreement for any time
14 period, then other withholding tax paid by the employer under section 143.221,
15 RSMo, shall be credited to the Missouri community college retained job training
16 fund by the amount of such difference.

17 The employer shall remit the amount of the retained jobs credit to the
18 department of revenue in the manner prescribed in section 178.764. When all
19 program costs, including the principal, premium, and interest on the certificates
20 have been paid, the employer credits shall cease;

21 (3) The community college district participating in a project shall
22 establish a special fund for and in the name of the project. All funds
23 appropriated by the general assembly from the Missouri community college job
24 training retention program fund and disbursed by the division of workforce
25 development for the project and other amounts received by the district in respect
26 of the project and required by the agreement to be used to pay program costs for
27 the project shall be deposited in the special fund. Amounts held in the special
28 fund may be used and disbursed by the district only to pay program costs for the
29 project. The special fund may be divided into such accounts and subaccounts as
30 shall be provided in the agreement, and amounts held therein may be invested
31 in investments which are legal for the investment of the district's other funds;

32 (4) Any disbursement in respect of a project received from the division of
33 workforce development under sections 178.760 to 178.764 and the special fund
34 into which it is paid may be irrevocably pledged by a community college district
35 for the payment of the principal, premium, and interest on the certificate issued
36 by a community college district to finance or refinance, in whole or in part, the
37 project;

38 (5) The employer shall certify to the department of revenue that the credit
39 from withholding is in accordance with an agreement and shall provide other

40 information the department may require;

41 (6) An employee participating in a project will receive full credit for the
42 amount designated as a retained jobs credit from withholding and withheld as
43 provided in section 143.221, RSMo;

44 (7) If an agreement provides that all or part of program costs are to be
45 met by receipt of retained jobs credit from withholding, the provisions of this
46 subsection shall also apply to any successor to the original employer until such
47 time as the principal and interest on the certificates have been paid.

48 **2. The director of the department of economic development may,**
49 **upon a finding of economic benefit to the state, increase the amount of**
50 **the retained jobs credit from withholding, provided under subsection**
51 **1 of this section, for a project involving an employer which is a**
52 **Missouri business by an amount not to exceed two percent for every**
53 **continuous five year period such employer has been a Missouri**
54 **business up to a total increase of ten percent.**

178.892. As used in sections 178.892 to 178.896, the following terms
2 mean:

3 (1) "Agreement", the agreement, between an employer and a community
4 college district, concerning a project. An agreement may be for a period not to
5 exceed ten years when the program services associated with a project are not in
6 excess of five hundred thousand dollars. For a project where associated program
7 costs are greater than five hundred thousand dollars, the agreement may not
8 exceed a period of eight years. No agreement shall be entered into between an
9 employer and a community college district which involves the training of
10 potential employees with the purpose of replacing or supplanting employees
11 engaged in an authorized work stoppage;

12 (2) "Board of trustees", the board of trustees of a community college
13 district;

14 (3) "Certificate", industrial new jobs training certificates issued pursuant
15 to section 178.895;

16 (4) "Date of commencement of the project", the date of the agreement;

17 (5) "Employee", the person employed in a new job;

18 (6) "Employer", the person providing new jobs in conjunction with a
19 project;

20 (7) "Essential industry", a business that otherwise meets the definition
21 of industry but instead of creating new jobs maintains existing jobs. To be an
22 essential industry, the business must have maintained at least two thousand jobs

23 each year for a period of four years preceding the year in which application for
24 the program authorized by sections 178.892 to 178.896 is made and must be
25 located in a home rule city with more than twenty-six thousand but less than
26 twenty-seven thousand inhabitants located in any county with a charter form of
27 government and with more than one million inhabitants;

28 (8) "Existing job", a job in an essential industry that pays wages or salary
29 greater than the average of the county in which the project will be located;

30 (9) "Industry", a business located within the state of Missouri which
31 enters into an agreement with a community college district and which is engaged
32 in interstate or intrastate commerce for the purpose of manufacturing, processing,
33 or assembling products, conducting research and development, or providing
34 services in interstate commerce, but excluding retail services. "Industry" does not
35 include a business which closes or substantially reduces its operation in one area
36 of the state and relocates substantially the same operation in another area of the
37 state. This does not prohibit a business from expanding its operations in another
38 area of the state provided that existing operations of a similar nature are not
39 closed or substantially reduced;

40 (10) **"Missouri business", any business with a physical presence**
41 **in this state, with employees who routinely perform job duties within**
42 **this state;**

43 (11) "New job", a job in a new or expanding industry not including jobs
44 of recalled workers, or replacement jobs or other jobs that formerly existed in the
45 industry in the state. For an essential industry, an existing job shall be
46 considered a new job for the purposes of the new job training programs;

47 [(11)] (12) "New jobs credit from withholding", the credit as provided in
48 section 178.894;

49 [(12)] (13) "New jobs training program" or "program", the project or
50 projects established by a community college district for the creation of jobs by
51 providing education and training of workers for new jobs for new or expanding
52 industry in the state;

53 [(13)] (14) "Program costs", all necessary and incidental costs of
54 providing program services including payment of the principal of, premium, if
55 any, and interest on certificates, including capitalized interest, issued to finance
56 a project, funding and maintenance of a debt service reserve fund to secure such
57 certificates and wages, salaries and benefits of employees participating in
58 on-the-job training;

59 [(14)] (15) "Program services" includes, but is not limited to, the

60 following:

- 61 (a) New jobs training;
- 62 (b) Adult basic education and job-related instruction;
- 63 (c) Vocational and skill-assessment services and testing;
- 64 (d) Training facilities, equipment, materials, and supplies;
- 65 (e) On-the-job training;
- 66 (f) Administrative expenses equal to fifteen percent of the total training
67 costs;
- 68 (g) Subcontracted services with state institutions of higher education,
69 private colleges or universities, or other federal, state, or local agencies;
- 70 (h) Contracted or professional services; and
- 71 (i) Issuance of certificates;
- 72 [(15)] (16) "Project", a training arrangement which is the subject of an
73 agreement entered into between the community college district and an employer
74 to provide program services;
- 75 [(16)] (17) "Total training costs", costs of training, including supplies,
76 wages and benefits of instructors, subcontracted services, on-the-job training,
77 training facilities, equipment, skill assessment and all program services excluding
78 issuance of certificates.

178.894. 1. If an agreement provides that all or part of program costs are
2 to be met by receipt of new jobs credit from withholding, such new jobs credit
3 from withholding shall be determined and paid as follows:

4 (1) New jobs credit from withholding shall be based upon the wages paid
5 to the employees in the new jobs;

6 (2) A portion of the total payments made by the employer pursuant to
7 section 143.221, RSMo, shall be designated as the new jobs credit from
8 withholding. Such portion shall be an amount equal to two and one-half percent
9 of the gross wages paid by the employer for each of the first one hundred jobs
10 included in the project and one and one-half percent of the gross wages paid by
11 the employer for each of the remaining jobs included in the project. If business
12 or employment conditions cause the amount of the new jobs credit from
13 withholding to be less than the amount projected in the agreement for any time
14 period, then other withholding tax paid by the employer pursuant to section
15 143.221, RSMo, shall be credited to the Missouri community college job training
16 fund by the amount of such difference. The employer shall remit the amount of
17 the new jobs credit to the department of revenue in the manner prescribed in
18 section 178.896. When all program costs, including the principal of, premium, if

19 any, and interest on the certificates have been paid, the employer credits shall
20 cease;

21 (3) The community college district participating in a project shall
22 establish a special fund for and in the name of the project. All funds
23 appropriated by the general assembly from the Missouri community college job
24 training program fund and disbursed by the division of job development and
25 training for the project and other amounts received by the district in respect of
26 the project and required by the agreement to be used to pay program costs for the
27 project shall be deposited in the special fund. Amounts held in the special fund
28 may be used and disbursed by the district only to pay program costs for the
29 project. The special fund may be divided into such accounts and subaccounts as
30 shall be provided in the agreement, and amounts held therein may be invested
31 in investments which are legal for the investment of the district's other funds;

32 (4) Any disbursement in respect of a project received from the division of
33 job development and training under the provisions of sections 178.892 to 178.896
34 and the special fund into which it is paid may be irrevocably pledged by a
35 community college district for the payment of the principal of, premium, if any,
36 and interest on the certificate issued by a community college district to finance
37 or refinance, in whole or in part, the project;

38 (5) The employer shall certify to the department of revenue that the credit
39 from withholding is in accordance with an agreement and shall provide other
40 information the department may require;

41 (6) An employee participating in a project will receive full credit for the
42 amount designated as a new jobs credit from withholding and withheld as
43 provided in section 143.221, RSMo;

44 (7) If an agreement provides that all or part of program costs are to be
45 met by receipt of new jobs credit from withholding, the provisions of this
46 subsection shall also apply to any successor to the original employer until such
47 time as the principal and interest on the certificates have been paid.

48 **2. The director of the department of economic development may,**
49 **upon a finding of economic benefit to the state, increase the amount of**
50 **the new jobs credit from withholding, provided under subsection 1 of**
51 **this section, for a project involving an employer which is a Missouri**
52 **business by an amount not to exceed two percent for every continuous**
53 **five year period such employer has been a Missouri business up to a**
54 **total increase of ten percent.**

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, 2011, 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, 2010;
- 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, 2010;
- 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 Classification System developed under the auspices of the
37 United States Office of Management and Budget and adopted in 1997,
38 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 a committee or advisory meetings thereof that, shall be
117 paid mileage and all other applicable expenses, provided that such
118 expenses are reasonable, consistent with policies established from time
119 to time 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 2015, 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, 2010, 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 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, 2010, 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, 2010, 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, 2010, 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, 2010, 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.**

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 annually.

15 Notwithstanding the provisions of this subdivision to the contrary, for any
16 qualified company that in conjunction with their project is relocating employees
17 from a Missouri county with a higher county average wage, the company shall
18 obtain the endorsement of the governing body of the community from which jobs
19 are being relocated or the county average wage for their project shall be the

20 county average wage for the county from which the employees are being relocated;

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

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

23 (7) "Employee", a person employed by a qualified company;

24 (8) "Full-time employee", an employee of the qualified company that is
25 scheduled to work an average of at least thirty-five hours per week for a
26 twelve-month period, and one for which the qualified company offers health
27 insurance and pays at least fifty percent of such insurance premiums;

28 (9) "High-impact project", a qualified company that, within two years from
29 commencement of operations, creates one hundred or more new jobs;

30 (10) "Local incentives", the present value of the dollar amount of direct
31 benefit received by a qualified company for a project facility from one or more
32 local political subdivisions, but shall not include loans or other funds provided to
33 the qualified company that must be repaid by the qualified company to the
34 political subdivision;

35 (11) **"Missouri business", any business with a physical presence**
36 **in this state, with employees who routinely perform job duties within**
37 **this state;**

38 (12) "NAICS", the 1997 edition of the North American Industry
39 Classification System as prepared by the Executive Office of the President, Office
40 of Management and Budget. Any NAICS sector, subsector, industry group or
41 industry identified in this section shall include its corresponding classification in
42 subsequent federal industry classification systems;

43 [(12)] (13) "New direct local revenue", the present value of the dollar
44 amount of direct net new tax revenues of the local political subdivisions likely to
45 be produced by the project over a ten-year period as calculated by the
46 department, excluding local earnings tax, and net new utility revenues, provided
47 the local incentives include a discount or other direct incentives from utilities
48 owned or operated by the political subdivision;

49 [(13)] (14) "New investment", the purchase or leasing of new tangible
50 assets to be placed in operation at the project facility, which will be directly
51 related to the new jobs;

52 [(14)] (15) "New job", the number of full-time employees located at the
53 project facility that exceeds the project facility base employment less any decrease
54 in the number of full-time employees at related facilities below the related facility
55 base employment. No job that was created prior to the date of the notice of
56 intent shall be deemed a new job. An employee that spends less than fifty

57 percent of the employee's work time at the facility is still considered to be located
58 at a facility if the employee receives his or her directions and control from that
59 facility, is on the facility's payroll, one hundred percent of the employee's income
60 from such employment is Missouri income, and the employee is paid at or above
61 the state average wage;

62 [(15)] (16) "New payroll", the amount of taxable wages of full-time
63 employees, excluding owners, located at the project facility that exceeds the
64 project facility base payroll. If full-time employment at related facilities is below
65 the related facility base employment, any decrease in payroll for full-time
66 employees at the related facilities below that related facility base payroll shall
67 also be subtracted to determine new payroll;

68 [(16)] (17) "Notice of intent", a form developed by the department,
69 completed by the qualified company and submitted to the department which
70 states the qualified company's intent to hire new jobs and request benefits under
71 this program;

72 [(17)] (18) "Percent of local incentives", the amount of local incentives
73 divided by the amount of new direct local revenue;

74 [(18)] (19) "Program", the Missouri quality jobs program provided in
75 sections 620.1875 to 620.1890;

76 [(19)] (20) "Project facility", the building used by a qualified company at
77 which the new jobs and new investment will be located. A project facility may
78 include separate buildings that are located within fifteen miles of each other or
79 within the same county such that their purpose and operations are interrelated;

80 [(20)] (21) "Project facility base employment", the greater of the number
81 of full-time employees located at the project facility on the date of the notice of
82 intent or for the twelve-month period prior to the date of the notice of intent, the
83 average number of full-time employees located at the project facility. In the event
84 the project facility has not been in operation for a full twelve-month period, the
85 average number of full-time employees for the number of months the project
86 facility has been in operation prior to the date of the notice of intent;

87 [(21)] (22) "Project facility base payroll", the total amount of taxable
88 wages paid by the qualified company to full-time employees of the qualified
89 company located at the project facility in the twelve months prior to the notice of
90 intent, not including the payroll of the owners of the qualified company unless the
91 qualified company is participating in an employee stock ownership plan. For
92 purposes of calculating the benefits under this program, the amount of base
93 payroll shall increase each year based on an appropriate measure, as determined

94 by the department;

95 [(22)] (23) "Project period", the time period that the benefits are provided
96 to a qualified company;

97 [(23)] (24) "Qualified company", a firm, partnership, joint venture,
98 association, private or public corporation whether organized for profit or not, or
99 headquarters of such entity registered to do business in Missouri that is the
100 owner or operator of a project facility, offers health insurance to all full-time
101 employees of all facilities located in this state, and pays at least fifty percent of
102 such insurance premiums. For the purposes of sections 620.1875 to 620.1890, the
103 term "qualified company" shall not include:

104 (a) Gambling establishments (NAICS industry group 7132);

105 (b) Retail trade establishments (NAICS sectors 44 and 45);

106 (c) Food and drinking places (NAICS subsector 722);

107 (d) Public utilities (NAICS 221 including water and sewer services);

108 (e) Any company that is delinquent in the payment of any nonprotested
109 taxes or any other amounts due the state or federal government or any other
110 political subdivision of this state;

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

115 a. Certifies to the department that it plans to reorganize and not to
116 liquidate; and

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

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

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

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

130 (j) Ethanol distillation or production; or

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

138 [(24)] **(25)** "Qualified renewable energy sources" shall not be construed
139 to include ethanol distillation or production or biodiesel production; however, it
140 shall include:

- 141 (a) Open-looped biomass;
- 142 (b) Close-looped biomass;
- 143 (c) Solar;
- 144 (d) Wind;
- 145 (e) Geothermal; and
- 146 (f) Hydropower;

147 [(25)] **(26)** "Related company" means:

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

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

152 (c) Corporations, partnerships, trusts or associations controlled by an
153 individual, corporation, partnership, trust or association in control of the
154 qualified company. As used in this subdivision, "control of a corporation" shall
155 mean ownership, directly or indirectly, of stock possessing at least fifty percent
156 of the total combined voting power of all classes of stock entitled to vote, "control
157 of a partnership or association" shall mean ownership of at least fifty percent of
158 the capital or profits interest in such partnership or association, "control of a
159 trust" shall mean ownership, directly or indirectly, of at least fifty percent of the
160 beneficial interest in the principal or income of such trust, and ownership shall
161 be determined as provided in Section 318 of the Internal Revenue Code of 1986,
162 as amended;

163 [(26)] **(27)** "Related facility", a facility operated by the qualified company
164 or a related company located in this state that is directly related to the operations
165 of the project facility;

166 [(27)] **(28)** "Related facility base employment", the greater of the number
167 of full-time employees located at all related facilities on the date of the notice of

168 intent or for the twelve-month period prior to the date of the notice of intent, the
169 average number of full-time employees located at all related facilities of the
170 qualified company or a related company located in this state;

171 [(28)] (29) "Related facility base payroll", the total amount of taxable
172 wages paid by the qualified company to full-time employees of the qualified
173 company located at a related facility in the twelve months prior to the filing of
174 the notice of intent, not including the payroll of the owners of the qualified
175 company unless the qualified company is participating in an employee stock
176 ownership plan. For purposes of calculating the benefits under this program, the
177 amount of related facility base payroll shall increase each year based on an
178 appropriate measure, as determined by the department;

179 [(29)] (30) "Rural area", a county in Missouri with a population less than
180 seventy-five thousand or that does not contain an individual city with a
181 population greater than fifty thousand according to the most recent federal
182 decennial census;

183 [(30)] (31) "Small and expanding business project", a qualified company
184 that within two years of the date of the approval creates a minimum of twenty
185 new jobs if the project facility is located in a rural area or a minimum of forty
186 new jobs if the project facility is not located in a rural area and creates fewer
187 than one hundred new jobs regardless of the location of the project facility;

188 [(31)] (32) "Tax credits", tax credits issued by the department to offset
189 the state income taxes imposed by chapters 143 and 148, RSMo, or which may be
190 sold or refunded as provided for in this program;

191 [(32)] (33) "Technology business project", a qualified company that within
192 two years of the date of the approval creates a minimum of ten new jobs involved
193 in the operations of a company:

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

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

203 (c) Which researches, develops, or manufactures power system technology
204 for: aerospace; space; defense; hybrid vehicles; or implantable or wearable

205 medical devices; or

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

208 [(33)] (34) "Withholding tax", the state tax imposed by sections 143.191
209 to 143.265, RSMo. For purposes of this program, the withholding tax shall be
210 computed using a schedule as determined by the department based on average
211 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) of section 620.1878 to the new
28 notice of intent as well as all previously approved notices of intent and shall
29 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, RSMo, at the
35 same project facility. The benefits available to the company under any other
36 state programs for which the company is eligible and which utilize withholding
37 tax 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 RSMo, the job retention program under sections 178.760 to 178.764, RSMo, the
42 real property tax increment allocation redevelopment act, sections 99.800 to
43 99.865, RSMo, or the Missouri downtown and rural economic stimulus act under
44 sections 99.915 to 99.980, RSMo. If any qualified company also participates in
45 the new jobs training program in sections 178.892 to 178.896, RSMo, the company
46 shall retain no withholding tax, but the department shall issue a refundable tax
47 credit for the full amount of benefit allowed under this subdivision. The calendar
48 year annual maximum amount of tax credits which may be issued to a qualifying
49 company that also participates in the new job training program shall be increased
50 by an amount equivalent to the withholding tax retained by that company under
51 the new jobs training program. However, if the combined benefits of the quality
52 jobs program and the new jobs training program exceed the projected state
53 benefit of the project, as determined by the department of economic development
54 through a cost-benefit analysis, the increase in the maximum tax credits shall be
55 limited to the amount that would not cause the combined benefits to exceed the
56 projected state benefit. Any taxpayer who is awarded benefits under this
57 program who knowingly hires individuals who are not allowed to work legally in
58 the United States shall immediately forfeit such benefits and shall repay the
59 state an amount equal to any state tax credits already redeemed and any
60 withholding 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) of section 620.1878 from the new jobs that would otherwise be
67 withheld and remitted by the qualified company under the provisions of sections

68 143.191 to 143.265, RSMo, for a period of three years from the date the required
69 number of new jobs were created if the average wage of the new payroll equals
70 or exceeds the county average wage or for a period of five years from the date the
71 required number of new jobs were created if the average wage of the new payroll
72 equals or exceeds one hundred twenty percent of the county average wage. **The**
73 **director may, upon a finding of economic benefit to the state, increase**
74 **the withholding retention amount provided under this subdivision if**
75 **the qualified company is a Missouri business by an amount not to**
76 **exceed two percent for every continuous five year period such company**
77 **has been a Missouri business up to a total increase of ten percent;**

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

102 (3) High impact projects: in exchange for the consideration provided by
103 the new tax revenues and other economic stimuli that will be generated by the
104 new jobs created by the program, a qualified company may retain an amount from

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

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

138 (a) For each of the twenty-four months preceding the year in which
139 application for the program is made the qualified company must have maintained
140 at least one thousand full-time employees at the employer's site in the state at
141 which the jobs are based, and the average wage of such employees must meet or

142 exceed the county average wage;

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

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

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

158 (e) The local taxing entities shall provide local incentives of at least fifty
159 percent of the new direct local revenues created by the project over a ten-year
160 period. The quality jobs advisory task force may recommend to the department
161 of economic development that appropriate penalties be applied to the company for
162 violating the agreement. The amount of the job retention credit granted may be
163 equal to up to fifty percent of the amount of withholding tax generated by the
164 full-time jobs at the project facility for a period of five years. The calendar year
165 annual maximum amount of tax credit that may be issued to any qualified
166 company for a job retention project or combination of job retention projects shall
167 be seven hundred fifty thousand dollars per year, but the maximum amount may
168 be increased up to one million dollars if such action is proposed by the
169 department and approved by the quality jobs advisory task force established in
170 section 620.1887; provided, however, until such time as the initial at-large
171 members of the quality jobs advisory task force are appointed, this determination
172 shall be made by the director of the department of economic development. **The**
173 **director may, upon a finding of economic benefit to the state, increase**
174 **the amount of tax credits issued to qualified companies which are**
175 **Missouri businesses by an amount not to exceed two percent of the**
176 **amount of withholding tax generated by the full-time jobs at the project**
177 **facility for each continuous five year period such qualified company**
178 **has been a Missouri business, up to a total increase of ten percent of**

179 **the amount of withholding tax generated by the full-time jobs at the**
180 **project facility.** In considering such a request, the task force shall rely on
181 economic modeling and other information supplied by the department when
182 requesting the increased limit on behalf of the job retention project. In no event
183 shall the total amount of all tax credits issued for the entire job retention
184 program under this subdivision exceed three million dollars
185 annually. Notwithstanding the above, no tax credits shall be issued for job
186 retention projects approved by the department after August 30, 2013;

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

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

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

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

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

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

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

205 (g) For each year it receives tax credits under sections 620.1875 to
206 620.1890, the qualified company and related companies retained, at the
207 company's facilities in this state, at least the level of full-time, year-round
208 employees that existed in the taxable year immediately preceding the year in
209 which application for the program is made; and

210 (h) In the years it receives tax credits under sections 620.1875 to
211 620.1890, the company cumulatively invests at least two million dollars in capital
212 improvements in facilities and equipment located at such facilities that are not
213 located within a five hundred year flood plain as designated by the Federal
214 Emergency Management Agency, and amended from time to time. The amount
215 of the small business job retention and flood survivor relief credit granted may

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

232 **(6) Show-me fund projects: in exchange for the consideration**
233 **provided by the new tax revenues and other economic stimuli that will**
234 **be generated by the new jobs created by a project, a qualified company**
235 **that meets the criteria for a small and expanding, technology, or high-**
236 **impact project, may, at the discretion of the director, and in lieu of all**
237 **other benefits under this section, be considered for eligibility as a**
238 **"show-me fund project".**

239 **(a) In order to be considered for benefits under the provisions**
240 **of this subdivision a qualified company shall:**

241 **a. Propose that a minimum of ten million dollars in new capital**
242 **investment be made and one hundred new jobs be created for a high-**
243 **impact project;**

244 **b. Propose that a minimum of two million dollars in new capital**
245 **investment be made and ten new jobs be created for a technology**
246 **business project; or**

247 **c. Propose that a minimum of one hundred thousand dollars in**
248 **capital investment be made and twenty new jobs in the case of a rural**
249 **area, or forty new jobs in the case of an urban area, be created for a**
250 **small and expanding business project; and**

251 **d. Provide evidence of commitments for financing such new**
252 **capital investment prior to approval of the project; and**

253 **e. Make new capital investment within three years of the date of**
254 **approval of such company's notice of intent. For purposes of this**
255 **subdivision, "New capital investment" shall include funds spent by the**
256 **qualified company at the project facility after the approval date for**
257 **real or personal property, and may include the present value of finance**
258 **or capital leases for real or personal property at the project facility**
259 **executed after the approval date.**

260 **(b) Except in the case of small and expanding business projects,**
261 **local taxing entities shall provide local incentives in an amount equal**
262 **no less than fifty percent of the new direct local revenues created by**
263 **the project during the performance period.**

264 **(c) The director shall consider the following factors in**
265 **determining whether to approve show-me fund tax credits, and if so, in**
266 **what amount:**

267 **a. The creditworthiness of the qualified company and the**
268 **likelihood that it will fulfill the required commitments under the**
269 **contract;**

270 **b. The projected net fiscal benefit to the state of the project,**
271 **after deducting all incentives and costs paid by the state;**

272 **c. The proposed wages, and growth potential of the qualified**
273 **company;**

274 **d. The potential multiplier effect of the project, and other like**
275 **factors;**

276 **e. The provision of incentives for the project from local taxing**
277 **entities relative to their capacity to provide such incentives;**

278 **f. The economic condition of the county in which the project will**
279 **be located; and**

280 **g. Whether the project would occur, but for the award of show-**
281 **me fund tax credits.**

282 **(d) Upon approval by the director of an application for show-me**
283 **fund tax credits submitted by the qualified company, the department**
284 **and the qualified company shall enter into a contract for the period of**
285 **time which shall constitute the performance period. Such contract**
286 **shall specify:**

287 **a. The committed number of new jobs, new payroll, and capital**
288 **investment for each year during the performance period;**

289 **b. The date or time period during which tax credits shall be**

290 issued, which may occur immediately or over a period not to exceed
291 three years from the date of approval of the notice of intent;

292 c. Repayment provisions, if applicable; and

293 d. Recapture provisions applicable in the event of default or
294 noncompliance, which shall define default as a failure to meet statutory
295 requirements or contractual thresholds within prescribed terms
296 causing a full repayment, plus interest, and define noncompliance as a
297 failure to maintain statutory requirements or contractual thresholds
298 for prescribed terms causing a prorata repayment, plus interest.

299 (e) Upon entering into a contract with a qualified company
300 under the provisions of paragraph (d) of this subdivision, the director
301 may issue refundable tax credits in an amount not to exceed the total
302 amount of projected withholding taxes of new jobs at the project
303 facility over a period not to exceed twelve years from the date such
304 company meets its job, payroll, and capital investment targets,
305 provided that in the case of a project which meets the criteria of a
306 small and expanding project and is deemed eligible for receipt of
307 benefits under the provisions of this subsection, such tax credits shall
308 not be issued over a period of years to exceed five years, from the date
309 such company meets its job, payroll, and capital investment
310 targets. The director shall award the minimum amount of tax credits
311 necessary to obtain the company's commitment to initiate a project. If
312 the qualified company is unable to obtain sufficient financing to
313 complete the project, the director may award show-me fund tax credits,
314 but shall require that the face amount of such credits be repaid to the
315 state general revenue fund, with a rate of interest, terms, and other
316 conditions to be determined at the discretion of the director. If the
317 director determines that the qualified company would locate the
318 project in another state, but for the award of show-me fund tax credits,
319 the director may award show-me fund tax credits with no requirement
320 that repayment be made.

321 (f) The maximum amount of show-me fund tax credits that may
322 be authorized for all projects shall not exceed sixty million dollars per
323 calendar year. A qualified company shall not receive tax credits under
324 this subdivision for any project which also receives benefits under
325 subdivisions (1) to (5) of this subsection, or under the BUILD program
326 authorized pursuant to sections 100.700 to 100.850.

327 4. The qualified company shall provide an annual report of the number
328 of jobs and such other information as may be required by the department to
329 document the basis for the benefits of this program. The department may
330 withhold the approval of any benefits until it is satisfied that proper
331 documentation has been provided, and shall reduce the benefits to reflect any
332 reduction in full-time employees or new payroll. Upon approval by the
333 department, the qualified company may begin the retention of the withholding
334 taxes when it reaches the minimum number of new jobs and the average wage
335 exceeds the county average wage. Tax credits, if any, may be issued upon
336 satisfaction by the department that the qualified company has exceeded the
337 county average wage and the minimum number of new jobs. In such annual
338 report, if the average wage is below the county average wage, the qualified
339 company has not maintained the employee insurance as required, or if the
340 number of new jobs is below the minimum, the qualified company shall not
341 receive tax credits or retain the withholding tax for the balance of the benefit
342 period. In the case of a qualified company that initially filed a notice of intent
343 and received an approval from the department for high-impact benefits and the
344 minimum number of new jobs in an annual report is below the minimum for
345 high-impact projects, the company shall not receive tax credits for the balance of
346 the benefit period but may continue to retain the withholding taxes if it otherwise
347 meets the requirements of a small and expanding business under this program.

348 **5. Provisions of sections 100.700 to 100.850 to the contrary**
349 **notwithstanding**, the maximum calendar year annual tax credits issued [for the
350 entire program shall not exceed eighty million dollars] **under this section and**
351 **sections 100.700 to 100.850, in the aggregate, shall not exceed one**
352 **hundred five million dollars.** The director of the department may
353 **allocate tax credits, available for issuance under the provisions of**
354 **sections 100.700 to 100.850, for authorization and issuance under the**
355 **provisions of subdivision (6) of subsection 3 of this section to the extent**
356 **such allocation when totaled with the amount of tax credits issued**
357 **under the provisions of sections 100.700 to 100.850 does not exceed the**
358 **limitations provided under subsection 5 of section 100.850.** The
359 **maximum calendar year annual tax credits issued for all projects**
360 **authorized pursuant to subdivisions (1) to (5) of subsection 3 of this**
361 **section shall not exceed the amount authorized for issuance as of**
362 **August 28, 2010, unless the director determines that the amount of**
363 **show-me fund tax credits to be issued during the calendar year shall be**

364 less than sixty million dollars, in which case the director may authorize
365 additional tax credits for projects authorized pursuant to subdivisions
366 (1) to (5) of subsection 3 of this section, up to a maximum of eighty
367 million dollars in any calendar year. Notwithstanding any provision of law
368 to the contrary, the maximum annual tax credits authorized under section
369 135.535, RSMo, are hereby reduced from ten million dollars to eight million
370 dollars, with the balance of two million dollars transferred to this
371 program. There shall be no limit on the amount of withholding taxes that may
372 be retained by approved companies under this program.

373 6. The department shall allocate the annual tax credits based on the date
374 of the approval, reserving such tax credits based on the department's best
375 estimate of new jobs and new payroll of the project, and the other factors in the
376 determination of benefits of this program. However, the annual issuance of tax
377 credits is subject to the annual verification of the actual new payroll. **Except as**
378 **provided in subdivision (6) of subsection 3 of this section:**

379 (1) The allocation of tax credits for the period assigned to a project shall
380 expire if, within two years from the date of commencement of operations, or
381 approval if applicable, the minimum thresholds have not been achieved[.];

382 (2) The qualified company may retain authorized amounts from the
383 withholding tax under this section once the minimum new jobs thresholds are met
384 for the duration of the project period[.];

385 (3) No benefits shall be provided under this program until the qualified
386 company meets the minimum new jobs thresholds[.];

387 (4) In the event the qualified company does not meet the minimum new
388 job threshold, the qualified company may submit a new notice of intent or the
389 department may provide a new approval for a new project of the qualified
390 company at the project facility or other facilities.

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

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

399 9. Tax credits authorized by this section may be transferred, sold, or
400 assigned by filing a notarized endorsement thereof with the department that

401 names the transferee, the amount of tax credit transferred, and the value received
402 for the credit, as well as any other information reasonably requested by the
403 department.

404 10. Prior to the issuance of tax credits, the department shall verify
405 through the department of revenue, or any other state department, that the tax
406 credit applicant does not owe any delinquent income, sales, or use tax or interest
407 or penalties on such taxes, or any delinquent fees or assessments levied by any
408 state department and through the department of insurance, financial institutions
409 and professional registration that the applicant does not owe any delinquent
410 insurance taxes. Such delinquency shall not affect the authorization of the
411 application for such tax credits, except that at issuance credits shall be first
412 applied to the delinquency and any amount issued shall be reduced by the
413 applicant's tax delinquency. If the department of revenue or the department of
414 insurance, financial institutions and professional registration, or any other state
415 department, concludes that a taxpayer is delinquent after June fifteenth but
416 before July first of any year and the application of tax credits to such delinquency
417 causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall
418 be granted thirty days to satisfy the deficiency in which interest, penalties, and
419 additions to tax shall be tolled. After applying all available credits toward a tax
420 delinquency, the administering agency shall notify the appropriate department
421 and that department shall update the amount of outstanding delinquent tax owed
422 by the applicant. If any credits remain after satisfying all insurance, income,
423 sales, and use tax delinquencies, the remaining credits shall be issued to the
424 applicant, subject to the restrictions of other provisions of law.

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

429 12. An employee of a qualified company will receive full credit for the
430 amount of tax withheld as provided in section 143.211, RSMo.

431 13. If any provision of sections 620.1875 to 620.1890 or application thereof
432 to any person or circumstance is held invalid, the invalidity shall not affect other
433 provisions or application of these sections which can be given effect without the
434 invalid provisions or application, and to this end, the provisions of sections
435 620.1875 to 620.1890 are hereby declared severable.

 [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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