

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 468

96TH GENERAL ASSEMBLY

1352L.04P

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 135.950, 135.953, 135.957, 135.960, 135.963, 135.967, 196.1109, 196.1115, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.271, and 348.300, RSMo, and to enact in lieu thereof twenty-three new sections relating to job development, retention, and training.

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

Section A. Sections 135.950, 135.953, 135.957, 135.960, 135.963, 135.967, 196.1109, 2 196.1115, 348.251, 348.253, 348.256, 348.261, 348.262, 348.263, 348.264, 348.271, and 3 348.300, RSMo, are repealed and twenty-three new sections enacted in lieu thereof, to be known 4 as sections 67.2050, 135.950, 135.953, 135.957, 135.960, 135.963, 135.967, 135.969, 144.810, 5 196.1109, 196.1115, 348.250, 348.251, 348.256, 348.257, 348.261, 348.262, 348.263, 348.264, 6 348.265, 348.269, 348.271, and 348.300, to read as follows:

67.2050. 1. As used in this section, unless the context clearly indicates otherwise,
2 **the following terms mean:**
3 **(1) "Facility", a location composed of real estate, buildings, fixtures, machinery,**
4 **and equipment;**
5 **(2) "Municipality", any county, city, incorporated town, or village of the state;**
6 **(3) "NAICS", the 2007 edition of the North American Industry Classification**
7 **System developed under the direction and guidance of the federal Office of Management**
8 **and Budget. Any NAICS sector, subsector, industry group, or industry identified in this**
9 **section shall include its corresponding classification in previous and subsequent federal**
10 **industry classification systems;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

11 **(4) "Technology business facility", a facility purchased, constructed, extended, or**
12 **improved under this section, provided that such business facility is engaged in:**

13 **(a) Wired telecommunications carriers (NAICS 517110); or**

14 **(b) Data processing, hosting, and related services (NAICS 518210); or**

15 **(c) Internet publishing and broadcasting and web search portals (NAICS 519130),**
16 **at the business facility;**

17 **(5) "Technology business facility project" or "project", the purchase, construction,**
18 **extension, and improvement of technology business facilities, whether of the facility as a**
19 **whole or of any one or more of the facility's components of real estate, buildings, fixtures,**
20 **machinery, and equipment.**

21 **2. The governing body of any municipality may:**

22 **(1) Carry out technology business facility projects for economic development under**
23 **this section;**

24 **(2) Accept grants from the federal and state governments for technology business**
25 **facility project purposes, and may enter into such agreements as are not contrary to the**
26 **laws of this state and which may be required as a condition of grants by the federal**
27 **government or its agencies; and**

28 **(3) Receive gifts and donations from private sources to be used for technology**
29 **business facility project purposes.**

30 **3. The governing body of the municipality may enter into loan agreements, sell,**
31 **lease, or mortgage to private persons, partnerships, or corporations any one or more of the**
32 **components of a facility received, purchased, constructed, or extended by the municipality**
33 **for development of a technology business facility project. The loan agreement, installment**
34 **sale agreement, lease, or other such document shall contain such other terms as are agreed**
35 **upon between the municipality and the obligor, provided that such terms shall be**
36 **consistent with this section. When, in the judgment of the governing body of the**
37 **municipality, the technology business facility project will result in economic benefits to the**
38 **municipality, the governing body may lawfully enter into an agreement that includes**
39 **nominal monetary consideration to the municipality in exchange for the use of one or more**
40 **components of the facility.**

41 **4. Transactions involving the lease or rental of any components of a project under**
42 **this section shall be specifically exempted from the provisions of the local sales tax law as**
43 **defined in section 32.085, section 238.235, and sections 144.010 to 144.525 and 144.600 to**
44 **144.761, and from the computation of the tax levied, assessed, or payable under the local**
45 **sales tax law as defined in section 32.085, section 238.235, and sections 144.010 to 144.525**
46 **and 144.600 to 144.745.**

47 **5. Leasehold interests granted and held under this section shall not be subject to**
48 **property taxes.**

49 **6. Any payments in lieu of taxes expected to be made by any lessee of the project**
50 **shall be applied in accordance with this section. The lessee may reimburse the municipality**
51 **for its actual costs of administering the plan. All amounts paid in excess of such actual**
52 **costs shall, immediately upon receipt thereof, be disbursed by the municipality's treasurer**
53 **or other financial officer to each affected taxing entity in proportion to the current ad**
54 **valorem tax levy of each affected taxing entity.**

55 **7. The county assessor shall include the current assessed value of all property**
56 **within the affected taxing entities in the aggregate valuation of assessed property entered**
57 **upon the assessor's book and verified under section 137.245, and such value shall be used**
58 **for the purpose of the debt limitation on local government under section 26(b), article VI,**
59 **Constitution of Missouri.**

60 **8. The governing body of any municipality may sell or otherwise dispose of the**
61 **property, buildings, or plants acquired under this section to private persons or**
62 **corporations for technology business facility project purposes upon approval by the**
63 **governing body. The terms and method of the sale or other disposal shall be established**
64 **by the governing body so as to reasonably protect the economic well-being of the**
65 **municipality and to promote the development of technology business facility projects. A**
66 **private person or corporation that initially transfers property to the municipality for the**
67 **purposes of a technology business facility project and does not charge a purchase price to**
68 **the municipality shall retain the right, upon request to the municipality, to have the**
69 **municipality retransfer the donated property to the person or corporation at no cost.**

70 **9. The provisions of this section shall not be construed to allow municipalities to**
71 **provide services provided by wired telecommunication carriers as defined by NAICS code**
72 **517110.**

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

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

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

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

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

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

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

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

25 (8) **"Dormant manufacturing plant", any parcel or parcels of real property**
26 **encompassing not less than two hundred fifty acres that, within six years of the date of the**
27 **notice of intent:**

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

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

32 (c) **Is:**

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

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

41 (9) **"Dormant manufacturing plant zone", includes and encompasses:**

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

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

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

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

51 [(9)] (11) "Enhanced business enterprise", an industry or one of a cluster of industries
52 that is either:

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

55 (b) Will have an impact on industry cluster development, as identified by the governing
56 authority in its application for designation of an enhanced enterprise zone and approved **or**
57 **deemed approved** by the department; but excluding gambling establishments (NAICS industry
58 group 7132), retail trade (NAICS sectors 44 and 45), educational services (NAICS sector 61),
59 religious organizations (NAICS industry group 8131), public administration (NAICS sector 92),
60 and food and drinking places (NAICS subsector 722), however, notwithstanding provisions of
61 this section to the contrary, headquarters or administrative offices of an otherwise excluded
62 business may qualify for benefits if the offices serve a multistate territory. In the event a
63 national, state, or regional headquarters operation is not the predominant activity of a project
64 facility, the new jobs and investment of such headquarters operation is considered eligible for
65 benefits under this section if the other requirements are satisfied. Service industries may be
66 eligible only if a majority of its annual revenues will be derived from out of the state;

67 [(10)] (12) "Existing business facility", any facility in this state which was employed by
68 the taxpayer claiming the credit in the operation of an enhanced business enterprise immediately
69 prior to an expansion, acquisition, addition, or replacement;

70 [(11)] (13) "Facility", any building used as an enhanced business enterprise located
71 within an enhanced enterprise zone, including the land on which the facility is located and all
72 machinery, equipment, and other real and depreciable tangible personal property acquired for use
73 at and located at or within such facility and used in connection with the operation of such
74 facility;

75 [(12)] (14) "Facility base employment", the greater of the number of employees located
76 at the facility on the date of the notice of intent, or for the twelve-month period prior to the date
77 of the notice of intent, the average number of employees located at the facility, or in the event
78 the project facility has not been in operation for a full twelve-month period, the average number
79 of employees for the number of months the facility has been in operation prior to the date of the
80 notice of intent;

81 [(13)] (15) "Facility base payroll", the total amount of taxable wages paid by the
82 enhanced business enterprise to employees of the enhanced business enterprise located at the
83 facility in the twelve months prior to the notice of intent, not including the payroll of owners of
84 the enhanced business enterprise unless the enhanced business enterprise is participating in an
85 employee stock ownership plan. For the purposes of calculating the benefits under this program,
86 the amount of base payroll shall increase each year based on the consumer price index or other
87 comparable measure, as determined by the department;

88 [(14)] (16) "Governing authority", the body holding primary legislative authority over
89 a county or incorporated municipality;

90 [(15)] (17) "Megaproject", any manufacturing or assembling facility, approved by the
91 department for construction and operation within an enhanced enterprise zone, which satisfies
92 the following:

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

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

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

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

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

102 [(16)] (18) "NAICS", the [1997] 2007 edition of the North American Industry
103 Classification System as prepared by the Executive Office of the President, Office of
104 Management and Budget. Any NAICS sector, subsector, industry group or industry identified
105 in this section shall include its corresponding classification in subsequent federal industry
106 classification systems;

107 [(17)] (19) "New business facility", a facility that satisfies the following requirements:

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

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

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

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

128 [(18)] (20) "New business facility employee", an employee of the taxpayer in the
129 operation of a new business facility during the taxable year for which the credit allowed by
130 section 135.967 or 135.969 is claimed, except that truck drivers and rail and barge vehicle
131 operators and other operators of rolling stock for hire shall not constitute new business facility
132 employees;

133 [(19)] (21) "New business facility investment", the value of real and depreciable tangible
134 personal property, acquired by the taxpayer or on his or her behalf in the case of a lease, as
135 part of the 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 section 135.967 or
137 135.969 is claimed, except that trucks, truck-trailers, truck semitrailers, rail vehicles, barge
138 vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges, tunnels, and
139 rail yards and spurs shall not constitute new business facility investments. The total value of
140 such property during such taxable year shall be:

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

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

151 [(20)] (22) "New job", the number of employees located at the facility that exceeds the
152 facility base employment less any decrease in the number of the employees at related facilities

153 below the related facility base employment. No job that was created prior to the date of the
154 notice of intent shall be deemed a new job;

155 [(21)] **(23)** "Notice of intent", a form developed by the department which is completed
156 by the enhanced business enterprise and submitted to the department which states the enhanced
157 business enterprise's intent to hire new jobs and request benefits under such program;

158 [(22)] **(24)** "Related facility", a facility operated by the enhanced business enterprise or
159 a related company in this state that is directly related to the operation of the project facility;

160 [(23)] **(25)** "Related facility base employment", the greater of:

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

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

166 [(24)] **(26)** "Related taxpayer":

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

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

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

179 [(25)] **(27)** "Replacement business facility", a facility otherwise described in subdivision
180 [(17)] **(19)** of this section, hereafter referred to in this subdivision as "new facility", which
181 replaces another facility, hereafter referred to in this subdivision as "old facility", located within
182 the state, which the taxpayer or a related taxpayer previously operated but discontinued operating
183 on or before the close of the first taxable year for which the credit allowed by this section is
184 claimed. A new facility shall be deemed to replace an old facility if the following conditions are
185 met:

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

189 (b) The old facility was employed by the taxpayer or a related taxpayer in the operation
190 of an enhanced business enterprise and the taxpayer continues the operation of the same or
191 substantially similar enhanced business enterprise at the new facility. Notwithstanding the
192 preceding provisions of this subdivision, a facility shall not be considered a replacement business
193 facility if the taxpayer's new business facility investment, as computed in subdivision [(19)] **(21)**
194 of this section, in the new facility during the tax period for which the credits allowed in section
195 135.967 **or 135.969** are claimed exceed one million dollars and if the total number of employees
196 at the new facility exceeds the total number of employees at the old facility by at least two;

197 [(26)] **(28)** "Same or substantially similar enhanced business enterprise", an enhanced
198 business enterprise in which the nature of the products produced or sold, or activities conducted,
199 are similar in character and use or are produced, sold, performed, or conducted in the same or
200 similar manner as in another enhanced business enterprise.

135.953. 1. For purposes of sections 135.950 to 135.970, an area shall meet the
2 following criteria in order to qualify as an enhanced enterprise zone:

3 (1) The area shall be a blighted area, have pervasive poverty, unemployment and general
4 distress; and

5 (2) At least sixty percent of the residents living in the area have incomes below ninety
6 percent of the median income of all residents:

7 (a) Within the state of Missouri, according to the United States Census Bureau's
8 American Community Survey, based on the most recent of five-year period estimate data in
9 which the final year of the estimate ends in either zero or five or other appropriate source as
10 approved by the director; or

11 (b) Within the county or city not within a county in which the area is located, according
12 to the last decennial census or other appropriate source as approved by the director; and

13 (3) The resident population of the area shall be at least five hundred but not more than
14 one hundred thousand at the time of designation as an enhanced enterprise zone if the area lies
15 within a metropolitan statistical area, as established by the United States Census Bureau, or if
16 the area does not lie within a metropolitan statistical area, the resident population of the area at
17 the time of designation shall be at least five hundred but not more than forty thousand
18 inhabitants. If the population of the jurisdiction of the governing authority does not meet the
19 minimum population requirements set forth in this subdivision, the population of the area must
20 be at least fifty percent of the population of the jurisdiction. However, no enhanced enterprise
21 zone shall be created which consists of the total area within the political boundaries of a county;
22 and

23 (4) The level of unemployment of persons, according to the most recent data available
24 from the United States Bureau of Census and approved by the director, within the area is equal
25 to or exceeds the average rate of unemployment for:

- 26 (a) The state of Missouri over the previous twelve months; or
27 (b) The county or city not within a county over the previous twelve months.

28 2. Notwithstanding the requirements of subsection 1 of this section to the contrary, an
29 enhanced enterprise zone may be established in an area located within a county for which public
30 and individual assistance has been requested by the governor pursuant to Section 401 of the
31 Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121, et seq., for
32 an emergency proclaimed by the governor pursuant to section 44.100 due to a natural disaster
33 of major proportions, if the area to be designated is blighted and sustained severe damage as a
34 result of such natural disaster, as determined by the state emergency management agency. An
35 application for designation as an enhanced enterprise zone pursuant to this subsection shall be
36 made before the expiration of one year from the date the governor requested federal relief for the
37 area sought to be designated.

38 3. Notwithstanding the requirements of subsection 1 of this section to the contrary, an
39 enhanced enterprise zone may be designated in a county of declining population if it meets the
40 requirements of subdivisions (1), (3) and either (2) or (4) of subsection 1 of this section. For the
41 purposes of this subsection, a "county of declining population" is one that has lost one percent
42 or more of its population as demonstrated by comparing the most recent decennial census
43 population to the next most recent decennial census population for the county.

44 4. **Notwithstanding the requirements of subsection 1 of this section to the contrary,**
45 **a dormant manufacturing plant zone may be designated as an enhanced enterprise zone**
46 **if the dormant manufacturing plant zone meets the criteria set forth in subdivision (9) of**
47 **section 135.950.**

48 5. In addition to meeting the requirements of subsection 1, 2, [or] 3, or 4 of this section,
49 an area, to qualify as an enhanced enterprise zone, shall be demonstrated by the governing
50 authority to have either:

- 51 (1) The potential to create sustainable jobs in a targeted industry; or
52 (2) A demonstrated impact on local industry cluster development.

135.957. 1. A governing authority planning to seek designation of an enhanced
2 enterprise zone shall establish an enhanced enterprise zone board. The number of members on
3 the board shall be seven. One member of the board shall be appointed by the school district or
4 districts located within the area proposed for designation as an enhanced enterprise zone. One
5 member of the board shall be appointed by other affected taxing districts. The remaining five
6 members shall be chosen by the chief elected official of the county or municipality.

7 2. The school district member and the affected taxing district member shall each have
8 initial terms of five years. Of the five members appointed by the chief elected official, two shall
9 have initial terms of four years, two shall have initial terms of three years, and one shall have an
10 initial term of two years. Thereafter, members shall serve terms of five years. Each

11 commissioner shall hold office until a successor has been appointed. All vacancies shall be filled
12 in the same manner as the original appointment. For inefficiency or neglect of duty or
13 misconduct in office, a member of the board may be removed by the applicable appointing
14 authority.

15 3. A majority of the members shall constitute a quorum of such board for the purpose
16 of conducting business and exercising the powers of the board and for all other purposes. Action
17 may be taken by the board upon a vote of a majority of the members present.

18 4. The members of the board annually shall elect a chair from among the members.

19 5. **In the case of a dormant manufacturing plant zone regarding which a finding**
20 **of blight has been made as provided in subdivision (1) of subsection 1 of section 99.810, the**
21 **commission created under section 99.820 may, at the sole option of the governing authority,**
22 **supplant and replace the board established in accordance with subsection 1 of this section**
23 **and the composition and organization of such commission shall be in accordance with**
24 **section 99.820. If the governing authority elects for such commission to serve in the**
25 **capacity of the enhanced enterprise zone board instead of this board established in**
26 **accordance with subsection 1 of this section, the commission shall fulfill the role and duties**
27 **of the board under subsection 6 of this section.**

28 6. The role of the board **or commission, as described in subsection 5 of this section,**
29 shall be to conduct the activities necessary to advise the governing authority on the designation
30 of an enhanced enterprise zone and any other advisory duties as determined by the governing
31 authority. The role of the board **or commission** after the designation of an enhanced enterprise
32 zone shall be review and assessment of zone activities as it relates to the annual reports as set
33 forth in section 135.960.

135.960. 1. Any governing authority that desires to have any portion of a city or
2 unincorporated area of a county under its control designated as an enhanced enterprise zone shall
3 hold a public hearing for the purpose of obtaining the opinion and suggestions of those persons
4 who will be affected by such designation. The governing authority shall notify the director of
5 such hearing at least thirty days prior thereto and shall publish notice of such hearing in a
6 newspaper of general circulation in the area to be affected by such designation at least twenty
7 days prior to the date of the hearing but not more than thirty days prior to such hearing. Such
8 notice shall state the time, location, date, and purpose of the hearing. The director, or the
9 director's designee, shall attend such hearing. **In the alternative, any governing authority that**
10 **has made the necessary findings by ordinance to designate a dormant manufacturing plant**
11 **zone as a blighted area as contemplated under subdivision (1) of subsection 1 of section**
12 **99.820, prior to December 31, 2012, shall not be required to conduct an additional public**
13 **hearing to establish the dormant manufacturing plant zone as an enhanced enterprise zone**

14 **so long as the governing authority notified the director of such hearing at least thirty days**
15 **prior thereto. Any governing authority that seeks to make the necessary finding to**
16 **designate a dormant manufacturing plant zone as an enhanced enterprise zone after**
17 **December 31, 2012, may do so at a public hearing required under sections 99.820 and**
18 **99.825 conducted by the commission, and such public hearing shall satisfy the public**
19 **hearing requirement set forth in subsection 1 of this section so long as the governing**
20 **authority shall notify the director of such hearing at least thirty days prior thereto.**

21 2. After a public hearing is held as required in subsection 1 of this section, the governing
22 authority may file a petition with the department requesting the designation of a specific area as
23 an enhanced enterprise zone.

24 Such petition shall include, in addition to a description of the physical, social, and economic
25 characteristics of the area:

26 (1) A plan to provide adequate police protection within the area;

27 (2) A specific and practical process for individual businesses to obtain waivers from
28 burdensome local regulations, ordinances, and orders which serve to discourage economic
29 development within the area to be designated an enhanced enterprise zone, except that such
30 waivers shall not substantially endanger the health or safety of the employees of any such
31 business or the residents of the area;

32 (3) A description of what other specific actions will be taken to support and encourage
33 private investment within the area;

34 (4) A plan to ensure that resources are available to assist area residents to participate in
35 increased development through self-help efforts and in ameliorating any negative effects of
36 designation of the area as an enhanced enterprise zone;

37 (5) A statement describing the projected positive and negative effects of designation of
38 the area as an enhanced enterprise zone;

39 (6) A specific plan to provide assistance to any person or business dislocated as a result
40 of activities within the enhanced enterprise zone. Such plan shall determine the need of
41 dislocated persons for relocation assistance; provide, prior to displacement, information about
42 the type, location, and price of comparable housing or commercial property; provide information
43 concerning state and federal programs for relocation assistance and provide other advisory
44 services to displaced persons. Public agencies may choose to provide assistance under the
45 Uniform Relocation and Real Property Acquisition Act, 42 U.S.C. Section 4601, et seq., to meet
46 the requirements of this subdivision; and

47 (7) A description or plan that demonstrates the requirements of subsection 4 of section
48 135.953.

49 3. An enhanced enterprise zone designation shall be effective upon such approval by the
50 department and shall expire in twenty-five years. **Notwithstanding the requirements of**

51 **subsection 2 of this section to the contrary, any dormant manufacturing plant zone that has**
52 **been designated as a blighted area as contemplated under subdivision (1) of subsection 1**
53 **of section 99.820 by the governing body or any dormant manufacturing plant zone that has**
54 **been otherwise designated as an enhanced enterprise zone by the governing authority**
55 **under this section shall be deemed approved and designated as an enhanced enterprise**
56 **zone without further approval of or additional action being taken by the department. This**
57 **approval of the department of the dormant manufacturing plant zone as an enhanced**
58 **enterprise zone and the designation of the dormant manufacturing plant zone as an**
59 **enhanced enterprise zone shall be deemed effective when the governing authority provides**
60 **written notice to the department of its intent to establish such enhanced enterprise zone**
61 **and such notice is accompanied with a petition that includes all of the information required**
62 **by subsection 2 of this section.**

63 4. Each designated enhanced enterprise zone board shall report to the director on an
64 annual basis regarding the status of the zone and business activity within the zone.

135.963. 1. Improvements made to real property as such term is defined in section
2 137.010 which are made in an enhanced enterprise zone subsequent to the date such zone or
3 expansion thereto was designated, may, upon approval of an authorizing resolution by the
4 governing authority having jurisdiction of the area in which the improvements are made, be
5 exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more
6 affected political subdivisions. In addition to enhanced business enterprises, a speculative
7 industrial or warehouse building constructed by a public entity or a private entity if the land is
8 leased by a public entity may be subject to such exemption.

9 2. Such authorizing resolution shall specify the percent of the exemption to be granted,
10 the duration of the exemption to be granted, and the political subdivisions to which such
11 exemption is to apply and any other terms, conditions, or stipulations otherwise required. A copy
12 of the resolution shall be provided to the director within thirty calendar days following adoption
13 of the resolution by the governing authority.

14 3. No exemption shall be granted until the governing authority holds a public hearing
15 for the purpose of obtaining the opinions and suggestions of residents of political subdivisions
16 to be affected by the exemption from property taxes. The governing authority shall send, by
17 certified mail, a notice of such hearing to each political subdivision in the area to be affected and
18 shall publish notice of such hearing in a newspaper of general circulation in the area to be
19 affected by the exemption at least twenty days prior to the hearing but not more than thirty days
20 prior to the hearing. Such notice shall state the time, location, date, and purpose of the hearing.

21 4. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem taxes
22 otherwise imposed on subsequent improvements to real property located in an enhanced
23 enterprise zone of enhanced business enterprises or speculative industrial or warehouse buildings

24 as indicated in subsection 1 of this section shall become and remain exempt from assessment and
25 payment of ad valorem taxes of any political subdivision of this state or municipality thereof for
26 a period of not less than ten years following the date such improvements were assessed, provided
27 the improved properties are used for enhanced business enterprises. The exemption for
28 speculative buildings is subject to the approval of the governing authority for a period not to
29 exceed two years if the building is owned by a private entity and five years if the building is
30 owned or ground leased by a public entity. This shall not preclude the building receiving an
31 exemption for the remaining time period established by the governing authority if it was
32 occupied by an enhanced business enterprise. The two- and five-year time periods indicated for
33 speculative buildings shall not be an addition to the local abatement time period for such facility.

34 5. No exemption shall be granted for a period more than twenty-five years following the
35 date on which the original enhanced enterprise zone was designated **or deemed approved** by
36 the department.

37 6. The provisions of subsection 1 of this section shall not apply to improvements made
38 to real property begun prior to August 28, 2004.

39 7. The abatement referred to in this section shall not relieve the assessor or other
40 responsible official from ascertaining the amount of the equalized assessed value of all taxable
41 property annually as required by section 99.855, 99.957, or 99.1042 and shall not have the effect
42 of reducing the payments in lieu of taxes referred to in subdivision (2) of subsection 1 of section
43 99.845, subdivision (2) of subsection 3 of section 99.957, or subdivision (2) of subsection 3 of
44 section 99.1042 unless such reduction is set forth in the plan approved by the governing body
45 of the municipality pursuant to subdivision (1) of subsection 1 of section 99.820, section 99.942,
46 or section 99.1027.

135.967. 1. A taxpayer who establishes a new business facility may, upon approval by
2 the department, be allowed a credit, each tax year for up to [ten] **five** tax years, in an amount
3 determined as set forth in this section, against the tax imposed by chapter 143, excluding
4 withholding tax imposed by sections 143.191 to 143.265. No taxpayer shall receive multiple
5 [ten-year] **five-year** periods for subsequent expansions at the same facility. **Notwithstanding**
6 **the provisions of this subsection, the provisions of section 135.969 shall govern the issuance**
7 **of tax credits for a new business facility in a dormant manufacturing plant zone approved**
8 **and designated as an enhanced enterprise zone, except for those tax credits to be issued**
9 **with respect to such dormant manufacturing plant zone as provided in subsection 5 of this**
10 **section.**

11 2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes
12 a new business facility in an enhanced enterprise zone and is awarded state tax credits under this
13 section may not also receive tax credits under sections 135.100 to 135.150, sections 135.200 to

14 135.286, or section 135.535, and may not simultaneously receive tax credits under sections
15 620.1875 to 620.1890 at the same facility.

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

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

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

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

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

27 (2) The sum calculated based upon **an amount not to exceed the sum of** the following:

28 (a) A **tax** credit [of four hundred dollars for] **up to two and one-half percent of the**
29 **gross wages of** each new business facility employee employed within [an] **the** enhanced
30 enterprise zone; **and**

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

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

36 (d) A **tax** credit [equal] **up to [two] one-half of one** percent of new business facility
37 investment within an enhanced enterprise zone.

38 5. Prior to January 1, 2007, in no event shall the department authorize more than four
39 million dollars annually to be issued for all enhanced business enterprises. After December 31,
40 2006, in no event shall the department authorize more than twenty-four million dollars annually
41 to be issued for all enhanced business enterprises **including any such enhanced business**
42 **enterprises located in dormant manufacturing plant zones under section 135.969.**

43 6. If a facility, which does not constitute a new business facility, is expanded by the
44 taxpayer, the expansion shall be considered eligible for the credit allowed by this section if:

45 (1) The taxpayer's new business facility investment in the expansion during the tax
46 period in which the credits allowed in this section are claimed exceeds one hundred thousand
47 dollars and if the number of new business facility employees engaged or maintained in
48 employment at the expansion facility for the taxable year for which credit is claimed equals or

49 exceeds two, and the total number of employees at the facility after the expansion is at least two
50 greater than the total number of employees before the expansion; and

51 (2) The taxpayer's investment in the expansion and in the original facility prior to
52 expansion shall be determined in the manner provided in subdivision [(19)] **(21)** of section
53 135.950.

54 7. The number of new business facility employees during any taxable year shall be
55 determined by dividing by twelve the sum of the number of individuals employed on the last
56 business day of each month of such taxable year. If the new business facility is in operation for
57 less than the entire taxable year, the number of new business facility employees shall be
58 determined by dividing the sum of the number of individuals employed on the last business day
59 of each full calendar month during the portion of such taxable year during which the new
60 business facility was in operation by the number of full calendar months during such period. For
61 the purpose of computing the credit allowed by this section in the case of a facility which
62 qualifies as a new business facility under subsection 6 of this section, and in the case of a new
63 business facility which satisfies the requirements of paragraph (c) of subdivision [(17)] **(19)** of
64 section 135.950, or subdivision [(25)] **(27)** of section 135.950, the number of new business
65 facility employees at such facility shall be reduced by the average number of individuals
66 employed, computed as provided in this subsection, at the facility during the taxable year
67 immediately preceding the taxable year in which such expansion, acquisition, or replacement
68 occurred and shall further be reduced by the number of individuals employed by the taxpayer or
69 related taxpayer that was subsequently transferred to the new business facility from another
70 Missouri facility and for which credits authorized in this section are not being earned, whether
71 such credits are earned because of an expansion, acquisition, relocation, or the establishment of
72 a new facility.

73 8. In the case where a new business facility employee who is a resident of an enhanced
74 enterprise zone for less than a twelve-month period is employed for less than a twelve-month
75 period, the credits allowed by paragraph (b) of subdivision (2) of subsection 4 of this section
76 shall be determined by multiplying four hundred dollars by a fraction, the numerator of which
77 is the number of calendar days during the taxpayer's tax year for which such credits are claimed,
78 in which the employee was a resident of an enhanced enterprise zone, and the denominator of
79 which is three hundred sixty-five.

80 9. For the purpose of computing the credit allowed by this section in the case of a facility
81 which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case
82 of a new business facility which satisfies the requirements of paragraph (c) of subdivision [(17)]
83 **(19)** of section 135.950 or subdivision [(25)] **(27)** of section 135.950, the amount of the
84 taxpayer's new business facility investment in such facility shall be reduced by the average

85 amount, computed as provided in subdivision [(19)] **(21)** of section 135.950 for new business
86 facility investment, of the investment of the taxpayer, or related taxpayer immediately preceding
87 such expansion or replacement or at the time of acquisition. Furthermore, the amount of the
88 taxpayer's new business facility investment shall also be reduced by the amount of investment
89 employed by the taxpayer or related taxpayer which was subsequently transferred to the new
90 business facility from another Missouri facility and for which credits authorized in this section
91 are not being earned, whether such credits are earned because of an expansion, acquisition,
92 relocation, or the establishment of a new facility.

93 10. For a taxpayer with flow-through tax treatment to its members, partners, or
94 shareholders, the credit shall be allowed to members, partners, or shareholders in proportion to
95 their share of ownership on the last day of the taxpayer's tax period.

96 11. Credits may not be carried forward but shall be claimed for the taxable year during
97 which commencement of commercial operations occurs at such new business facility, and for
98 each of the nine succeeding taxable years for which the credit is issued.

99 12. Certificates of tax credit authorized by this section may be transferred, sold, or
100 assigned by filing a notarized endorsement thereof with the department that names the transferee,
101 the amount of tax credit transferred, and the value received for the credit, as well as any other
102 information reasonably requested by the department. The sale price cannot be less than
103 seventy-five percent of the par value of such credits.

104 13. The director of revenue shall issue a refund to the taxpayer to the extent that the
105 amount of credits allowed in this section exceeds the amount of the taxpayer's income tax.

106 14. Prior to the issuance of tax credits, the department shall verify through the
107 department of revenue, or any other state department, that the tax credit applicant does not owe
108 any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent
109 fees or assessments levied by any state department and through the department of insurance,
110 financial institutions and professional registration that the applicant does not owe any delinquent
111 insurance taxes. Such delinquency shall not affect the authorization of the application for such
112 tax credits, except that the amount of credits issued shall be reduced by the applicant's tax
113 delinquency. If the department of revenue or the department of insurance, financial institutions
114 and professional registration, or any other state department, concludes that a taxpayer is
115 delinquent after June fifteenth but before July first of any year and the application of tax credits
116 to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer
117 shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions
118 to tax shall be tolled. After applying all available credits toward a tax delinquency, the
119 administering agency shall notify the appropriate department, and that department shall update
120 the amount of outstanding delinquent tax owed by the applicant. If any credits remain after

121 satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be
122 issued to the applicant, subject to the restrictions of other provisions of law.

**135.969. 1. A taxpayer who establishes a new business facility in a dormant
2 manufacturing plant zone approved or designated as an enhanced enterprise zone shall
3 receive a tax credit each tax year for five tax years, in an amount determined as set forth
4 in this section against the tax imposed by chapter 143 excluding withholding tax imposed
5 by sections 143.191 to 143.265. No taxpayer shall receive multiple five-year periods for
6 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 a dormant manufacturing plant zone approved or
9 designated as an enhanced enterprise zone and accepts state tax credits under this section
10 shall not also receive tax credits or other benefits for the same new jobs under sections
11 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, section 135.967, and
12 sections 620.1875 to 620.1890, unless such benefits are determined to be necessary by the
13 department.**

**14 3. The taxpayer shall be entitled to receive the tax credit upon satisfaction of one
15 of the following criteria:**

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

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

**21 4. The annual amount of tax credits to be issued for an enhanced business
22 enterprise located in a dormant manufacturing plant zone shall be equal to the lesser of:**

**23 (1) The annual amount of projected state economic benefit for such enhanced
24 business enterprise, as determined by the department; or**

25 (2) An annual amount equal to the sum of the following:

**26 (a) A tax credit equal to two and one-half percent of the gross wages of each new
27 business facility employee employed within the enhanced enterprise zone; and**

**28 (b) A tax credit equal to one-half of one percent of new business facility investment
29 within an enhanced enterprise zone.**

**30 5. As set forth in section 135.967, up to twenty-four million dollars of tax credits
31 shall be authorized annually for issuance of tax credits for all enhanced enterprise zones
32 including any tax credits issued with respect to dormant manufacturing plant zones.**

**33 6. If a facility, which does not constitute a new business facility, is expanded by the
34 taxpayer, the expansion shall be considered eligible for the credit allowed by this section
35 if:**

36 **(1) The taxpayer's new business facility investment in the expansion during the tax**
37 **period in which the credits allowed in this section are claimed exceeds one million dollars**
38 **and if the number of new business facility employees engaged or maintained in**
39 **employment at the expansion facility for the taxable year for which credit is claimed equals**
40 **or exceeds two, and the total number of employees at the facility after the expansion is at**
41 **least two greater than the total number of employees before the expansion; and**

42 **(2) The taxpayer's investment in the expansion and in the original facility prior to**
43 **expansion shall be determined in the manner provided in subdivision (21) of section**
44 **135.950.**

45 **7. The number of new business facility employees during any taxable year shall be**
46 **determined by dividing by twelve the sum of the number of individuals employed on the**
47 **last business day of each month of such taxable year. If the new business facility is in**
48 **operation for less than the entire taxable year, the number of new business facility**
49 **employees shall be determined by dividing the sum of the number of individuals employed**
50 **on the last business day of each full calendar month during the portion of such taxable year**
51 **during which the new business facility was in operation by the number of full calendar**
52 **months during such period. For the purpose of computing the credit allowed by this**
53 **section in the case of a facility which qualifies as a new business facility under subsection**
54 **6 of this section, and in the case of a new business facility which satisfies the requirements**
55 **of paragraph (c) of subdivision (19) or subdivision (27) of section 135.950, the number of**
56 **new business facility employees at such facility shall be reduced by the average number of**
57 **individuals employed, computed as provided in this subsection, at the facility during the**
58 **taxable year immediately preceding the taxable year in which such expansion, acquisition,**
59 **or replacement occurred and shall further be reduced by the number of individuals**
60 **employed by the taxpayer or related taxpayer that was subsequently transferred to the new**
61 **business facility from another Missouri facility and for which credits authorized in this**
62 **section are not being earned, whether such credits are earned because of an expansion,**
63 **acquisition, relocation, or the establishment of a new facility.**

64 **8. For the purpose of computing the credit allowed by this section in the case of a**
65 **facility which qualifies as a new business facility under subsection 6 of this section, and in**
66 **the case of a new business facility which satisfies the requirements of paragraph (c) of**
67 **subdivision (19) or subdivision (27) of section 135.950, the amount of the taxpayer's new**
68 **business facility investment in such facility shall be reduced by the average amount,**
69 **computed as provided in subdivision (21) of section 135.950 for new business facility**
70 **investment, of the investment of the taxpayer, or related taxpayer immediately preceding**
71 **such expansion or replacement or at the time of acquisition. Furthermore, the amount of**
72 **the taxpayer's new business facility investment shall also be reduced by the amount of**

73 investment employed by the taxpayer or related taxpayer which was subsequently
74 transferred to the new business facility from another Missouri facility and for which
75 credits authorized in this section are not being earned, whether such credits are earned
76 because of an expansion, acquisition, relocation, or the establishment of a new facility.

77 9. For a taxpayer with flow-through tax treatment to its members, partners, or
78 shareholders, the credit shall be allowed to members, partners, or shareholders in
79 proportion to their share of ownership on the last day of the taxpayer's tax period.

80 10. Credits may not be carried forward but shall be claimed for the taxable year
81 during which commencement of commercial operations occurs at such new business
82 facility, and for each of the five succeeding taxable years for which the credit is issued.

83 11. Certificates of tax credit authorized by this section may be transferred, sold, or
84 assigned by filing a notarized endorsement thereof with the department that names the
85 transferee, the amount of tax credit transferred, and the value received for the credit, as
86 well as any other information reasonably requested by the department. The sale price
87 cannot be less than seventy-five percent of the par value of such credits.

88 12. The director of revenue shall issue a refund to the taxpayer to the extent that
89 the amount of credits allowed in this section exceeds the amount of the taxpayer's income
90 tax.

91 13. Prior to the issuance of tax credits, the department shall verify through the
92 department of revenue, or any other state department, that the tax credit applicant does
93 not owe any delinquent income, sales, or use tax or interest or penalties on such taxes, or
94 any delinquent fees or assessments levied by any state department and through the
95 department of insurance, financial institutions and professional registration that the
96 applicant does not owe any delinquent insurance taxes. Such delinquency shall not affect
97 the authorization of the application for such tax credits, except that the amount of credits
98 issued shall be reduced by the applicant's tax delinquency. If the department of revenue
99 or the department of insurance, financial institutions and professional registration, or any
100 other state department, concludes that a taxpayer is delinquent after June fifteenth but
101 before July first of any year and the application of tax credits to such delinquency causes
102 a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty
103 days to satisfy the deficiency in which interest, penalties, and additions to tax shall be
104 tolled. After applying all available credits toward a tax delinquency, the administering
105 agency shall notify the appropriate department, and that department shall update the
106 amount of outstanding delinquent tax owed by the applicant. If any credits remain after
107 satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits
108 shall be issued to the applicant, subject to the restrictions of other provisions of law.

144.810. 1. As used in this section, unless the context clearly indicates otherwise,
2 the following terms mean:

3 (1) "Commencement of commercial operations", shall be deemed to occur during
4 the first calendar year for which the data storage center or server farm facility is first
5 available for use by the operating taxpayer, or first capable of being used by the operating
6 taxpayer, as a data storage center or server farm facility;

7 (2) "Constructing taxpayer", where more than one taxpayer is responsible for a
8 project, a taxpayer responsible for the purchase or construction of the facility, as opposed
9 to a taxpayer responsible for the equipping and ongoing operations of the facility;

10 (3) "Data storage center" or "server farm facility" or "facility", a facility
11 purchased, constructed, extended, improved, or operating under this section, provided that
12 such business facility is engaged in:

13 (a) Wired telecommunications carriers (NAICS 517110); or

14 (b) Data processing, hosting, and related services (NAICS 518210); or

15 (c) Internet publishing and broadcasting and web search portals (NAICS 519130),
16 at the business facility;

17 (4) "Existing facility", a data storage center or server farm facility in this state as
18 it existed prior to August 28, 2011, as determined by the department;

19 (5) "Expanding facility" or "expanding data storage center or server farm
20 facility", an existing facility or replacement facility that expands its operations in this state
21 on or after August 28, 2011, and has net new investment related to the expansion of
22 operations in this state of at least one million dollars during a period of up to twelve
23 consecutive months. An expanding facility shall continue to be an expanding facility
24 regardless of a subsequent change in or addition of operating taxpayers or constructing
25 taxpayers;

26 (6) "Expanding facility project" or "expanding data storage center or server farm
27 facility project", the purchase, construction, extension, improvement, equipping, and
28 operation of an expanding facility;

29 (7) "NAICS", the 2007 edition of the North American Industry Classification
30 System as prepared by the Executive Office of the President, Office of Management and
31 Budget. Any NAICS sector, subsector, industry group, or industry identified in this section
32 shall include its corresponding classification in previous and subsequent federal industry
33 classification systems;

34 (8) "New facility" or "new data storage center or server farm facility", a facility
35 in this state meeting the following requirements:

36 (a) The facility is acquired by, or leased to, an operating taxpayer on or after
37 August 28, 2011. A facility shall be deemed to have been acquired by, or leased to, an

38 **operating taxpayer on or after August 28, 2011, if the transfer of title to an operating**
39 **taxpayer, the transfer of possession under a binding contract to transfer title to an**
40 **operating taxpayer, or the commencement of the term of the lease to an operating taxpayer**
41 **occurs on or after August 28, 2011, or, if the facility is constructed, erected, or installed by**
42 **or on behalf of an operating taxpayer, such construction, erection, or installation is**
43 **commenced on or after August 28, 2011;**

44 **(b) If such facility was acquired by an operating taxpayer from another person or**
45 **persons on or after August 28, 2011, and such facility was employed prior to August 28,**
46 **2011, by any other person or persons in the operation of a data storage center or server**
47 **farm facility, the facility shall not be considered a new facility;**

48 **(c) Such facility is not a replacement facility, as defined in this section;**

49 **(d) The new facility project investment is at least five million dollars during a**
50 **period of up to thirty-six consecutive months. Where more than one taxpayer is**
51 **responsible for a project, the investment requirement may be met by an operating**
52 **taxpayer, a constructing taxpayer, or a combination of constructing taxpayers and**
53 **operating taxpayers; and**

54 **(e) A new facility shall continue to be a new facility regardless of a subsequent**
55 **change in or addition of operating taxpayers or constructing taxpayers;**

56 **(9) "New data storage center or server farm facility project", or "new facility**
57 **project", the purchase, construction, extension, improvement, equipping, and operation**
58 **of a new facility;**

59 **(10) "Operating taxpayer", where more than one taxpayer is responsible for a**
60 **project, a taxpayer responsible for the equipping and ongoing operations of the facility, as**
61 **opposed to a taxpayer responsible for the purchasing or construction of the facility;**

62 **(11) "Project taxpayers", each constructing taxpayer and each operating taxpayer**
63 **for a data storage center or server farm facility project;**

64 **(12) "Replacement facility" or "replacement data storage center or server farm**
65 **facility", a facility in this state otherwise described in subdivision (8) of this subsection, but**
66 **which replaces another facility located within the state, which the taxpayer or a related**
67 **taxpayer previously operated but discontinued operating within one year prior to the**
68 **commencement of commercial operations at the new facility;**

69 **(13) "Taxpayer", the purchaser of tangible personal property or a service that is**
70 **subject to state or local sales or use tax and from whom state or local sales or use tax is**
71 **owed. "Taxpayer" shall not mean the seller charged by law with collecting the sales tax**
72 **from the purchaser.**

73 **2. Beginning August 28, 2011, in addition to the exemptions granted under chapter**
74 **144, there shall also be specifically exempted from state and local sales and use taxes**

75 defined, levied, or calculated under section 32.085, sections 144.010 to 144.525, sections
76 144.600 to 144.761, or section 238.235:

77 (1) All electrical energy, gas, water, and other utilities including telecommunication
78 and internet services used in a new data storage center or server farm facility;

79 (2) All machinery, equipment, and computers used in any new data storage center
80 or server farm facility; and

81 (3) All sales at retail of tangible personal property and materials for the purpose
82 of constructing, repairing, or remodeling any new data storage center or server farm
83 facility.

84 3. Any data storage center and server farm facility project seeking a tax exemption
85 under subsection 2 of this section shall submit a project plan to the department of economic
86 development, including identifying each known constructing taxpayer and each known
87 operating taxpayer for the project. The department of economic development shall
88 determine whether the project is eligible for the exemption under subsection 2 of this
89 section conditional upon subsequent verification by the department that the project meets
90 the requirement in paragraph (d) of subdivision (8) of subsection 1 of this section of at least
91 five million dollars of new facility investment over a time period not to exceed thirty-six
92 consecutive months. The department of economic development shall convey such
93 conditional approval to the department of revenue and the identified project taxpayers.
94 After a conditionally approved new facility project has met the investment amount, the
95 project taxpayers shall provide proof of such investment to the department of economic
96 development. Upon verification of such proof, the department of economic development
97 shall certify the project to the department of revenue as being eligible for the exemption
98 dating retroactively to the first day of the thirty-six month period or the first day of the
99 new investment in the event the investment is met in less than thirty-six months. The
100 department of revenue, upon receipt of adequate proof of the amount of sales taxes paid
101 since the first day of the thirty-six month period, or the first day of the new investment in
102 the event the investment is met in less than thirty-six months, shall issue a refund of sales
103 taxes paid as set forth in this section to each operating taxpayer and each constructing
104 taxpayer and issue a certificate of exemption to each new project taxpayer for ongoing
105 exemptions under subsection 2 of this section.

106 4. Beginning August 28, 2011, in addition to the exemptions granted under chapter
107 144, there shall also be specifically exempted from state and local sales and use taxes
108 defined, levied, or calculated under section 32.085, sections 144.010 to 144.525, sections
109 144.600 to 144.761, or section 238.235:

110 (1) All electrical energy, gas, water, and other utilities including telecommunication
111 and internet services used in an expanding data storage center or server farm facility

112 which, on an annual basis, exceeds the amount of electrical energy, gas, water, and other
113 utilities including telecommunication and internet services used in the existing facility or
114 the replaced facility prior to the expansion. "Amount" shall be measured in kilowatt
115 hours, gallons, cubic feet, or other measures applicable to a utility service as opposed to in
116 dollars, to account for increases in rates;

117 (2) All machinery, equipment, and computers used in any expanding data storage
118 center or server farm facility, the cost of which, on an annual basis, exceeds the average of
119 the previous three years' expenditures on machinery, equipment, and computers at the
120 existing facility or the replaced facility prior to the expansion. Existing facilities or
121 replaced facilities in existence for less than three years shall have the average expenditures
122 calculated based upon the applicable time of existence; and

123 (3) All sales at retail of the tangible personal property and materials for the
124 purpose of constructing, repairing, or remodeling any expanding data storage center or
125 server farm facility.

126 5. Any data storage center and server farm facility project seeking a tax exemption
127 under subsection 4 of this section shall submit an expanding project plan to the department
128 of economic development, including identifying each known constructing taxpayer and
129 each known operating taxpayer for the project. The project applicants shall also provide
130 proof satisfactory to the department of economic development that the facility is an
131 expanding facility and has net new investment related to the expansion of operations in this
132 state of at least one million dollars during a time period not to exceed twelve consecutive
133 months. Upon verification of such proof, the department of economic development shall
134 certify the project to the department of revenue as being eligible for the exemption. The
135 department of revenue shall issue a certificate of exemption to each expanding project
136 taxpayer for ongoing exemptions under subsection 4 of this section.

137 6. The sales tax exemptions in subsections 2 and 4 of this section shall be tied to the
138 new or expanding facility project. A certificate of exemption in the hands of a taxpayer
139 that is no longer an operating or constructing taxpayer of the new or expanding facility
140 project shall be invalid as of the date the taxpayer was no longer an operating or
141 constructing taxpayer of the new or expanding facility project. New certificates of
142 exemption shall be issued to successor constructing taxpayers and operating taxpayers at
143 such new or expanding facility projects. The right to the exemption by successor taxpayers
144 shall exist without regard to subsequent levels of investment in the new or expanding
145 facility by successor taxpayers.

146 7. The department of economic development and the department of revenue shall
147 cooperate in conducting random audits to make certain the intent of this section is
148 followed.

149 **8. The department of economic development and the department of revenue shall**
150 **jointly prescribe such rules and regulations necessary to carry out the provisions of this**
151 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**
152 **created under the authority delegated in this section shall become effective only if it**
153 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**
154 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**
155 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**
156 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**
157 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2011,**
158 **shall be invalid and void.**

196.1109. All moneys that are appropriated by the general assembly from the life
2 sciences research trust fund shall be appropriated to the life sciences research board to increase
3 the capacity for quality of life sciences research at public and private not-for-profit institutions
4 in the state of Missouri and to thereby:

5 (1) Improve the quantity and quality of life sciences research at public and private
6 not-for-profit institutions, including but not limited to basic research (including the discovery
7 of new knowledge), translational research (including translating knowledge into a usable form),
8 and clinical research (including the literal application of a therapy or intervention to determine
9 its efficacy), including but not limited to health research in human development and aging,
10 cancer, endocrine, cardiovascular, neurological, pulmonary, and infectious disease, and plant
11 sciences, including but not limited to nutrition and food safety; and

12 (2) Enhance technology transfer and technology commercialization derived from
13 research at public and private not-for-profit institutions within the centers for excellence. For
14 purposes of sections 196.1100 to 196.1130, "technology transfer and technology
15 commercialization" includes stages of the regular business cycle occurring after research and
16 development of a life science technology, including but not limited to reduction to practice, proof
17 of concept, and achieving federal Food and Drug Administration, United States Department of
18 Agriculture, or other regulatory requirements in addition to the definition in section 348.251.
19 Funds received by the board may be used for purposes authorized in sections 196.1100 to
20 196.1130 and shall be subject to the restrictions of sections 196.1100 to 196.1130, including but
21 not limited to the costs of personnel, supplies, equipment, and renovation or construction of
22 physical facilities; provided that in any single fiscal year no more than [ten] **thirty** percent of the
23 moneys appropriated shall be used for the construction of physical facilities and further provided
24 that in any fiscal year **up to** eighty percent of the moneys shall be appropriated to build research
25 capacity at public and private not-for-profit institutions and **at least** twenty percent **and no more**
26 **than fifty percent** of the moneys shall be appropriated for grants to public or private not-for-

27 profit institutions to promote life science technology transfer and technology commercialization.
28 Of the moneys appropriated to build research capacity, twenty percent of the moneys shall be
29 appropriated to promote the development of research of tobacco-related illnesses.

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

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

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

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

13 (3) Contract for [administrative and] support services;

14 (4) Lease or acquire facilities and equipment;

15 (5) Employ administrative staff; and

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

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

20 4. The life sciences research board shall utilize as much of the moneys as reasonably
21 possible for building capacity at public and private not-for-profit institutions to do research rather
22 than for administrative expenses. The board shall not in any fiscal year expend more than two
23 percent of the total moneys appropriated to it and of the moneys that it has in reserve or has
24 received from other sources for its own administrative expenses **for appropriations over twenty**
25 **million dollars; three percent for appropriations less than twenty million dollars but more**
26 **than fifteen million dollars; four percent for appropriations less than fifteen million dollars**
27 **but more than ten million dollars; five percent for appropriations less than ten million**
28 **dollars;** provided, however, that the general assembly by appropriation from the life sciences
29 research trust fund may authorize a limited amount of additional moneys to be expended for
30 administrative costs.

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

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

- 2 (1) **"Applicable percentage"**, six percent for the fiscal year beginning July 1, 2012,
3 **and the next fourteen consecutive fiscal years; five percent for the immediately subsequent**
4 **five fiscal years; and four percent for the immediately subsequent five fiscal years;**
- 5 (2) **"Applied research"**, any activity that seeks to utilize, synthesize, or apply
6 **existing knowledge, information, or resources to the resolution of a specific problem,**
7 **question, or issue of science and innovation, including but not limited to translational**
8 **research;**
- 9 (3) **"Base year"**, fiscal year ending June 30, 2011;
- 10 (4) **"Base year gross wages"**, gross wages paid by science and innovation companies
11 **to science and innovation employees during fiscal year ending June 30, 2011;**
- 12 (5) **"Basic research"**, any original investigation for the advancement of scientific
13 **or technical knowledge of science and innovation;**
- 14 (6) **"Commercialization"**, any of the full spectrum of activities required for a new
15 **technology, product, or process to be developed from the basic research or conceptual stage**
16 **through applied research or development to the marketplace, including without limitation,**
17 **the steps leading up to and including licensing, sales, and service;**
- 18 (7) **"Corporation"**, the Missouri technology corporation established under this
19 **section;**
- 20 (8) **"Fields of applicable expertise"**, any of the following fields: science and
21 **innovation research, development, or commercialization, including basic research and**
22 **applied research; corporate finance, venture capital, and private equity related to science**
23 **and innovation; the business and management of science and innovation companies;**
24 **education related to science and innovation; or civic or corporate leadership in areas**
25 **related to science and innovation;**
- 26 (9) **"Inherent conflict of interest"**, a fundamental or systematic conflict of interest
27 **that prevents a person from serving as a disinterested director of the corporation and from**
28 **routinely performing his or her duties as a director of the corporation;**
- 29 (10) **"NAICS industry groups" or "NAICS codes"**, the North American Industry
30 **Classification System developed under the auspices of the United States Office of**
31 **Management and Budget and adopted in 1997, as may be amended, revised, or replaced**
32 **by similar classification systems for similar uses from time to time;**
- 33 (11) **"Science and innovation"**, the use of compositions and methods in research,
34 **development, and manufacturing processes for such diverse areas as agriculture-**
35 **biotechnology, animal health, biochemistry, bioinformatics, energy, environment, forestry,**
36 **homeland security, information technology, medical devices, medical diagnostics, medical**
37 **instruments, medical therapeutics, microbiology, nanotechnology, pharmaceuticals, plant**
38 **biology, and veterinary medicine, including future developments in such areas;**

39 **(12) "Science and innovation company", a corporation, limited liability company,**
40 **S corporation, partnership, registered limited liability partnership, foundation, association,**
41 **nonprofit entity, sole proprietorship, business trust, person, group, or other entity that is:**

42 **(a) Engaged in the research, development, commercialization, or business of science**
43 **and innovation in the state, including, without limitation, research, development, or**
44 **production directed toward developing or providing science and innovation products,**
45 **processes, or services for specific commercial or public purposes, including hospitals,**
46 **nonprofit research institutions, incubators, accelerators, and universities currently located**
47 **or involved in the research, development, commercialization, or business of science and**
48 **innovation in the state; or**

49 **(b) Identified by the following NAICS industry groups or NAICS codes or any**
50 **amended or successor code sections covering such areas of research, development, and**
51 **commercial endeavors: 3251; 3253; 3254; 3391; 51121; 54138; 54171; 62231; 111191;**
52 **111421; 111920; 111998; 311119; 311211; 311221; 311222; 311223; 325193; 325199;**
53 **325221; 325222; 325611; 325612; 325613; 325311; 325312; 325314; 325320; 325411;**
54 **325412; 325414; 333298; 334510; 334516; 334517; 339111; 339112; 339113; 339114;**
55 **339115; 339116; 424910; 541710; 621511; and 621512.**

56

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

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

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

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

72 **(3)] (15) "Technology development", strategically focused research directed at**
73 **developing investment-grade technologies which are important for market competitiveness.**

74 **2. The governor may, on behalf of the state and in accordance with chapter 355, RSMo,**
75 **establish a private not-for-profit corporation named the "Missouri Technology Corporation", to**

76 carry out the provisions of sections 348.251 to 348.266. As used in sections [348.251 to
77 348.266] **348.250 to 348.275** the word "corporation" means the Missouri technology corporation
78 authorized by this section. Before certification by the governor, the corporation shall conduct
79 a public hearing for the purpose of giving all interested parties an opportunity to review and
80 comment [upon] **on** the articles of incorporation, bylaws and [method] **methods** of operation of
81 the corporation. Notice of the hearing shall be given at least fourteen days prior to the hearing.

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

4 [(1)] **2.** The purposes of the corporation are to contribute to the strengthening of the
5 economy of the state through the development of science and [technology] **innovation**, to
6 promote the modernization of Missouri businesses by supporting the transfer of science,
7 technology and quality improvement methods to the workplace[, and] ; to enhance the
8 productivity and modernization of Missouri businesses by providing leadership in the
9 establishment of methods of technology application, technology commercialization and
10 technology development; **to make Missouri businesses, institutions, and universities more**
11 **competitive and increase their likelihood of success; to support and enhance local and**
12 **regional strategies and initiatives that capitalize on the unique science and innovation**
13 **assets across the state; to make Missouri a highly desirable state in which to conduct,**
14 **facilitate, support, fund, and perform science and innovation research, development, and**
15 **commercialization; to facilitate and effect the creation, attraction, retention, growth, and**
16 **enhancement of both existing and new science and innovation companies in the state; to**
17 **make Missouri a national and international leader in economic activity based on science**
18 **and innovation; to enhance workforce development; to create and retain quality jobs; to**
19 **advance scientific knowledge; and to improve the quality of life for the citizens of the state**
20 **of Missouri in both urban and rural communities.**

21 [(2)] **3.** The board of directors of the corporation [is] **shall be** composed of fifteen
22 persons. The governor shall annually appoint one of its members, who must be from the private
23 sector, as [chairman] **chairperson**. The board shall consist of the following members:

24 [(a)] **(1)** The director of the department of economic development, or the director's
25 designee;

26 [(b)] **(2)** The president of the University of Missouri system, or the president's designee;

27 [(c)] **(3)** A member of the state senate, appointed by the president pro tem of the senate;

28 [(d)] **(4)** A member of the house of representatives, appointed by the speaker of the
29 house;

30 [(e)] (5) Eleven members appointed by the governor, [two of which shall be from the
31 public sector and nine members from the private sector who shall include, but shall not be
32 limited to, individuals who represent technology-based businesses and industrial interests;

33 (f)] **with the advice and consent of the senate, who are recognized for outstanding**
34 **knowledge, leadership, and expertise in one or more of the fields of applicable expertise.**
35

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

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

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

47 (5)].

48 **4.** Any changes in the articles of incorporation or bylaws must be approved by the
49 governor[;].

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

56 (7)] **5.** **At the discretion of the state auditor,** the corporation is subject to an [annual]
57 audit [by the state auditor] and [that] the corporation shall bear the full cost of the audit.

58 **6.** **Each of the directors of the corporation provided for in subdivisions (1) and (2)**
59 **of subsection 3 of this section shall remain a director until the designating individual**
60 **specified in such subdivisions designates a replacement by sending a written**
61 **communication to the governor and the chairperson of the board of the corporation;**
62 **provided however, that if the director of economic development or the president of the**
63 **University of Missouri system designates himself or herself to the corporation board, such**
64 **person's service as a corporation director shall cease immediately when that person no**
65 **longer serves as the director of economic development or as the president of the University**

66 of Missouri system. Each of the directors of the corporation provided for in subdivisions
67 (3) and (4) of subsection 3 of this section shall remain a director until the appointing
68 member of the general assembly specific in such subdivisions appoints a replacement by
69 sending a written communication to the governor and the chairperson of the corporation
70 board; provided however, that if the speaker of the house or the president pro tem of the
71 senate appoints himself or herself to the corporation board, such person's service as a
72 corporation director shall cease immediately when that person no longer serves as the
73 speaker of the house or the president pro tem of the senate.

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

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

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

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

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

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

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

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

103 **11. Members of the board shall serve without compensation. Members of the board**
104 **attending meetings of the board, or attending committee or advisory meetings thereof, shall**
105 **be paid mileage and all other applicable expenses, provided that such expenses are**
106 **reasonable, consistent with policies established from time to time by the board, and not**
107 **otherwise inconsistent with law.**

108 **12. The board may adopt, repeal, and amend such articles of incorporation, bylaws,**
109 **and methods of operation that are not contrary to law or inconsistent with sections 348.250**
110 **to 348.275, as it deems expedient for its own governance and for the governance and**
111 **management of the corporation and its committees and advisory boards; provided that any**
112 **changes in the articles of incorporation or bylaws approved by the board must also be**
113 **approved by the governor.**

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

126 **14. The corporation may employ such employees as it may require and upon such**
127 **terms and conditions as it may establish that are consistent with state and federal law. The**
128 **corporation may establish personnel, payroll, benefit, and other such systems as authorized**
129 **by the board, and provide death and disability benefits. Corporation employees, including**
130 **the president, shall be considered state employees for the purposes of membership in the**
131 **Missouri state employees' retirement system and the Missouri consolidated health care**
132 **plan. Compensation paid by the corporation shall constitute pay from a department for**
133 **purposes of accruing benefits under the Missouri state employees' retirement system. The**
134 **corporation may also adopt, in accordance with requirements of the federal Internal**
135 **Revenue Code of 1986, as amended, a defined contribution plan sponsored by the**
136 **corporation with respect to employees, including the president, employed by the**
137 **corporation. Nothing in sections 348.250 to 348.275 shall be construed as placing any**
138 **officer or employee of the corporation or member of the board in the classified or the**
139 **unclassified service of the state of Missouri under Missouri laws and regulations governing**

140 **civil service. No employee of the corporation shall be eligible to serve as a member of the**
141 **board until two years immediately following the end of his or her employment with the**
142 **corporation. All employees of the corporation shall be bound by, and agree to obey, the**
143 **corporation's conflicts of interest policy, including annually completing and submitting to**
144 **the board a disclosure and compliance certificate in accordance with such conflicts of**
145 **interest policy.**

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

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

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

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

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

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

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

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

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

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

189 **21. The corporation shall be exempt from:**

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

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

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

197

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

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

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

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

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

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

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

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

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

33 **(3) Evaluate and summarize the best national and international practices for**
34 **technology commercialization of university research and describe efforts that each**
35 **university member has undertaken to implement best practices, including a description of**
36 **the specific outcomes university members have achieved in technology commercialization;**
37 **and**

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

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

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

 348.261. [The corporation, after being certified by the governor as provided by section
2 348.251, may] **1. Subject to the provisions of section 196.1127, the corporation shall have**
3 **all of the powers necessary or convenient to carry out the purposes and provisions of**
4 **sections 348.250 to 348.275, including the powers as specified therein, and without**
5 **limitation, the power to:**

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

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

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

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

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

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

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

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

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

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

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

34 (12) Contract with innovation centers, as established in section 348.271, small business
35 development corporations, as established in sections 620.1000 to 620.1007, centers for advanced
36 technology, as established in section 348.272, and other entities or organizations for the
37 provision of technology application, technology commercialization and technology development
38 services. [Such contracting procedures shall not be subject to the provisions of chapter 34; and]
39 ;

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

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

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

50 **(16) Procure such insurance, participate in such insurance plans, or provide such**
51 **self insurance or both as it deems necessary or convenient; provided however, the purchase**
52 **of insurance, participation in an insurance plan, or creation of a self-insurance fund by the**
53 **corporation shall not be deemed as a waiver or relinquishment of any sovereign immunity**
54 **to which the corporation or its officers, directors, employees, or agents are otherwise**
55 **entitled;**

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

58 **(18) Expend any and all funds from the Missouri science and innovation**
59 **reinvestment fund and all other assets and resources of the corporation for the exclusive**
60 **purpose of fulfilling any purpose, power, or duty of the corporation under sections 348.250**

61 to 348.275, including but not limited to implementing the powers, purposes, and duties of
62 the corporation as enumerated in this section;

63 (19) Participate in joint ventures and collaborate with any taxpayer, governmental
64 body or agency, insurer, university, or college of the state, or any other entity to facilitate
65 any activities or programs consistent with the purpose and intent of sections 348.250 to
66 348.275; and

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

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

81 3. Except as expressly provided in sections 348.250 to 348.275, all monies earned
82 or received by the corporation, including all funds derived from the commercialization of
83 science and innovation products, methods, services, and technology by the corporation, or
84 any affiliate or subsidiary thereof, or from the Missouri science and innovation
85 reinvestment fund, shall belong exclusively to and be subject to the exclusive control of the
86 corporation.

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

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

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

348.262. In order to assist the corporation in achieving the objectives identified in
2 section 348.261, the department of economic development may contract with the corporation for
3 activities consistent with the corporation's purpose, as specified in [section 348.256] sections
4 348.250 to 348.275. When contracting with the corporation under the provisions of this section,

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

348.263. 1. [The Missouri business modernization and technology corporation shall
2 replace the corporation for science and technology. All moneys, property or any other assets
3 remaining with the corporation for science and technology after all obligations are satisfied on
4 August 28, 1993, shall be transferred to the Missouri business modernization and technology
5 corporation. All powers, duties and functions performed by the Missouri corporation of science
6 and technology on August 28, 1993, shall be transferred to the Missouri business modernization
7 and technology corporation.] **Except as otherwise provided in sections 348.250 to 348.275,
8 the corporation shall be subject to requirements applicable to governmental bodies and
9 records contained in sections 610.010 to 610.225.**

10 2. [The Missouri technology corporation shall replace the Missouri business
11 modernization and technology corporation. All moneys, property or any other assets remaining
12 with the Missouri business modernization and technology corporation after all obligations are
13 satisfied on August 28, 1994, shall be transferred to the Missouri technology corporation. All
14 powers, duties and functions performed by the Missouri business modernization and technology
15 corporation on August 28, 1994, shall be transferred to the Missouri technology corporation.]
16 **In addition to the exceptions available under sections 610.010 to 610.225, the records of the
17 corporation shall not be subject to the provisions of sections 610.010 to 610.225, when,
18 upon determination by the corporation, the disclosure of the information in the records
19 would be harmful to the competitive position of the corporation and such records contain:**

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

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

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

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

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

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

33 3. **In addition to the exceptions available under sections 610.010 to 610.225, the
34 corporation, including the board, executive committee, audit committee, and research**

35 **alliance of Missouri, or other such committees or boards that the corporation may**
36 **authorize from time to time, may discuss, consider, and take action on any the following**
37 **in closed session, when upon determination by the corporation, including as appropriate**
38 **the board, executive committee, audit committee, and research alliance of Missouri, or**
39 **other such committees or boards that the corporation may authorize from time to time,**
40 **disclosure of such items would be harmful to the competitive position of the corporation:**

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

43 (2) **The condition, acquisition, use, or disposition of real or personal property; or**

44 (3) **Contracts for applied research; basic research; science and innovation product**
45 **development, manufacturing, or commercialization; construction and renovation of science**
46 **and innovation facilities; or marketing or operational strategies.**

47 **4. Notwithstanding any other provision of this section, the corporation may not**
48 **close a record that contains proprietary information about a limitation set forth in section**
49 **196.1127.**

348.264. [1.] There is hereby established in the state treasury a special fund to be known
2 as the "Missouri [Technology Investment] **Science and Innovation Reinvestment Fund**", which
3 shall consist of all moneys which may be appropriated to it by the general assembly **based on**
4 **the applicable percentage of the amount by which science and innovation employees' gross**
5 **wages for the year exceeds the base year gross wages pursuant to section 348.265; other**
6 **funds appropriated to it by the general assembly**, and also any gifts, contributions, grants or
7 bequests received from federal, private or other sources. [Such moneys shall include federal
8 funds which may be received from the National Institute for Science and Technology, the Small
9 Business Administration and the Department of Defense through its Technology Reinvestment
10 Program.] Money in the Missouri [technology investment program] **science and innovation**
11 **reinvestment fund** shall be used to carry out the provisions of sections [348.251] **348.250** to
12 348.275. Moneys for business modernization programs, technology application programs,
13 technology commercialization programs and technology development programs established
14 pursuant to the provisions of sections [348.251] **348.250** to 348.275 shall be available from
15 appropriations made by the general assembly from the Missouri [technology investment] **science**
16 **and innovation reinvestment** fund. Any moneys remaining in the Missouri [technology
17 investment] **science and innovation reinvestment** fund at the end of any fiscal year shall not
18 lapse to the general revenue fund, as provided in section 33.080, but shall remain in the Missouri
19 technology investment fund.

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

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

16 **2. Notwithstanding section 23.250 to the contrary, for each of the twenty-five**
17 **funding years, beginning July 1, 2011, the director of revenue shall transfer to the Missouri**
18 **science and innovation reinvestment fund an amount equal to the product of the applicable**
19 **percentage multiplied by an amount equal to the increase in aggregate science and**
20 **innovation employees' gross wages for the prior fiscal year, over the base year gross wages.**
21 **The director of revenue may make estimated payments to the Missouri science and**
22 **innovation reinvestment fund more frequently based on estimates provided by the director**
23 **of revenue and reconciled annually.**

24 **3. Local political subdivisions may contribute to the Missouri science and**
25 **innovation reinvestment fund through a grant, contract, or loan by dedicating a portion**
26 **of any sales tax or property tax increase resulting from increases in science and innovation**
27 **company economic activity occurring after August 28, 2011, or other such taxes or fees as**
28 **such local political subdivisions may establish.**

29 **4. Subject to the provisions of section 196.1127, funding generated by the provisions**
30 **of this section shall be expended by the corporation to further its purposes as specified in**
31 **section 348.256.**

32 **5. Upon enactment of this section, the corporation shall prepare a strategic plan for**
33 **the use of the funding to be generated by the provisions of this section, and may consult**
34 **with science and innovation partners, including, but not limited to the research alliance of**

35 Missouri, as established in section 348.257; the life sciences research board established in
36 section 196.1003; and the innovation centers or centers for advanced technology, as
37 established in section 348.272. The corporation shall make a draft strategic plan available
38 for public comment prior to publication of the final strategic plan.

2 348.269. 1. Nothing contained in sections 348.250 to 348.275 shall be construed as
3 a restriction or limitation upon any powers that the corporation might otherwise have
4 under chapter 355, and 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 shall be construed as allowing the board
7 to sell the corporation or substantially all of the assets of the corporation, or to merge the
8 corporation with another institution, without prior authorization by the general assembly.

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

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

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

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

12 programs that enhance the development of such ventures and such assistance may be provided
13 for fees or other consideration.

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

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

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

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

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

13 (3) "Person", any individual, corporation, partnership, or other entity, including any
14 charitable corporation which is exempt from federal income tax and whose Missouri unrelated
15 business taxable income, if any, would be subject to the state income tax imposed under chapter
16 143;

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

18 (5) "Qualified economic development organization", any corporation organized under
19 the provisions of chapter 355 which has as of January 1, 1991, obtained a contract with the
20 department of economic development to operate an innovation center to promote, assist and
21 coordinate the research and development of new services, products or processes in the state of

22 Missouri; and the Missouri technology corporation organized pursuant to the provisions of
23 sections [348.253 to 348.266] **348.250 to 348.275**;

24 (6) "Qualified fund", any corporation, partnership, joint venture, unincorporated
25 association, trust or other organization which is established under the laws of Missouri after
26 December 31, 1985, which meets all of the following requirements established by this
27 subdivision. The fund shall have as its sole purpose and business the making of investments, of
28 which at least ninety percent of the dollars invested shall be qualified investments. The fund
29 shall enter into a contract with one or more qualified economic development organizations which
30 shall entitle the qualified economic development organizations to receive not less than ten
31 percent of all distributions of equity and dividends or other earnings of the fund. Such contracts
32 shall require the qualified fund to transfer to the Missouri technology corporation organized
33 pursuant to the provisions of sections [348.253 to 348.266] **348.250 to 348.275** this interest and
34 make corresponding distributions thereto in the event the qualified economic development
35 organization holding such interest is dissolved or ceases to do business for a period of one year
36 or more;

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

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

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

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

48 (11) "Uninvested capital", the amount of any distribution, other than of earnings, by a
49 qualified fund made within five years of the issuance of a certificate of tax credit as provided by
50 sections 348.300 to 348.318; or the portion of all qualified contributions to a qualified fund
51 which are not invested as qualified investments within five years of the issuance of a certificate
52 of tax credit as provided by sections 348.300 to 348.318 to the extent that the amount not so
53 invested exceeds ten percent of all such qualified contributions.

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

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

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

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

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

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

T