

SECOND REGULAR SESSION

HOUSE BILL NO. 1377

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RIZZO.

Pre-filed January 3, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

3273L.01I

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to economic assistance for the promotion of business development.

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

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be
2 known as section 620.040, to read as follows:

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

2 **(1) "Benefit date", the date of receipt of an economic incentive. If the economic**
3 **incentive involves the purchase, lease, or donation of physical equipment, then the benefit**
4 **date is the date the recipient puts the equipment into service. If the economic incentive is**
5 **for improvements to property, then the benefit date is the earlier of either:**

6 **(a) The date the improvements are finished for the entire project; or**

7 **(b) The date the recipient occupies the property;**

8 **(2) "Economic incentive", any form of state or local assistance designed to**
9 **encourage the recipient thereof to promote a specific public purpose, including but not**
10 **limited to grants; subsidies; forgivable loans; loans at rates below those commercially**
11 **available to the recipient; any guarantee of any payment under any loan, lease, other**
12 **obligation; any reduction or deferral of any tax or fee, including tax credits; contributions**
13 **of personal property, real property, or infrastructure; and preferential use of government**
14 **facilities; except that, the phrase shall not apply to tax deductions available to all**
15 **taxpayers;**

16 **(3) "Person", any individual, sole proprietorship, partnership, limited partnership,**
17 **corporation, limited liability corporation, S corporation, or other entity but excluding any**
18 **corporation, limited liability corporation, or S corporation that is a recipient of any tax**

19 credit authorized pursuant to sections 253.545 to 253.561, RSMo, or sections 32.100 to
20 32.125, RSMo;

21 (4) "Public purpose", a specific economic or social goal other than increasing the
22 tax base.

23 2. Effective January 1, 2003, no person shall be eligible to receive an economic
24 incentive unless such person enters into an agreement with the state or local agency,
25 department, or other entity administering the economic incentive on a form obtained from
26 the department of economic development. Such agreement shall include:

27 (1) A description of the economic incentive, including the amount and type of
28 economic incentive;

29 (2) A statement of the public purposes for the economic incentive;

30 (3) Goals for the economic incentive;

31 (4) A description of the financial obligation of the recipient if the goals are not met;

32 (5) A statement of why the economic incentive is needed;

33 (6) A commitment to continue operations at the site where the economic incentive
34 is used for at least five years after the benefit date, if the economic incentive is intended to
35 promote the creation of jobs;

36 (7) The name and address of the parent corporation of the recipient, if any; and

37 (8) A list of all other financial assistance received by the recipient for the same
38 project.

39 3. A recipient which violates any term of an economic incentive agreement shall be
40 required to repay the benefit received to the provider of the benefit plus reasonable interest
41 and penalties and shall be ineligible to receive any economic incentives for a period of five
42 years from the date of violation or until the recipient satisfies its repayment obligation
43 pursuant to this section.

44 4. All providers of economic incentives shall monitor progress by the recipient in
45 achieving agreement goals. A recipient shall provide information regarding goals and
46 results for two years after the benefit date or until the goals are met. If the goals are not
47 met, the recipient shall continue to provide information on the economic incentive until the
48 economic incentive is repaid.

49 5. All providers of economic incentives shall prepare an annual report regarding
50 all economic incentives administered in the previous calendar year and submit such report
51 to the department of economic development by April first. The director of economic
52 development shall promulgate rules governing the contents of such reports. No rule or
53 portion of a rule promulgated pursuant to the authority of this section shall become
54 effective unless it has been promulgated pursuant to chapter 536, RSMo.

55 **6. The department of economic development shall publish a compilation and**
56 **summary of the results of all such reports for the previous calendar year by July first of**
57 **each year. The annual report shall be made available to the public and the department**
58 **shall coordinate the production of annual reports so the useful comparisons across time**
59 **periods and across providers can be made. The department's annual report shall include:**

60 **(1) The total amount of economic incentives awarded in each congressional district**
61 **of the state;**

62 **(2) The distributions of economic incentives by the size of all business recipients;**

63 **(3) Distribution of economic incentives by time category, such as quarterly or**
64 **monthly;**

65 **(4) Distribution of economic incentives by type and public purpose;**

66 **(5) Percentage of all recipients of economic incentives that reached their goals;**

67 **(6) Percentage of all recipients of economic incentives that failed to reach their**
68 **goals by two years from the benefit date;**

69 **(7) Total dollar amount of recipients of economic incentives that failed to reach**
70 **their goals by two years from the benefit date;**

71 **(8) Percentage of recipients of economic incentives that failed to meet their goals**
72 **and that did not repay the amount of the economic incentives received in full; and**

73 **(9) List of recipients that failed to meet the terms of their economic incentive**
74 **agreement in the past five years and have not satisfied their repayment obligations.**

75 **7. The provisions of this section shall apply to all economic incentives allowed by**
76 **law which are given or received after December 31, 2002; except that, no provision of this**
77 **section shall apply to replace a comparable provision contained in a statute creating an**
78 **economic incentive which was effective before January 1, 2003.**