

FIRST REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE SUBSTITUTE FOR  
**SENATE BILL NO. 343**  
**93RD GENERAL ASSEMBLY**

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Reported from the Committee on Job Creation and Economic Development April 26, 2005 with recommendation that House Committee Substitute for Senate Substitute for Senate Bill No. 343 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

STEPHEN S. DAVIS, Chief Clerk

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**AN ACT**

To repeal sections 99.960, 100.710, and 135.284, RSMo, and section 99.845, as enacted by conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 289, ninety-second general assembly, first regular session and senate bill no. 235, ninety-second general assembly, first regular session, and section 99.845 as enacted by senate committee substitute for senate bill no. 620, ninety-second general assembly, first regular session, section 100.850 as enacted by conference committee substitute for senate substitute for senate committee substitute for house committee substitute for house bill no. 1182, ninety-second general assembly, second regular session, section 100.850 as enacted by house substitute for senate committee substitute for senate bill no. 1155, ninety-second general assembly, first regular session, section 100.850 as enacted by conference committee substitute for house substitute for house committee substitute for senate bill no. 1394, ninety-second general assembly, second regular session, section 135.535 as enacted by conference committee substitute for senate substitute for senate committee substitute for house substitute for house committee substitute for house bill no. 701, ninetieth general assembly, first regular session and section 135.535 as enacted by conference committee substitute no. 2 for house substitute for house committee substitute for senate bill no. 20, ninetieth general assembly, first regular session, and to enact in lieu thereof fifteen new sections relating to job development programs administered by the department of economic development.

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.

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

Section A. Sections 99.960, 100.710, and 135.284, RSMo, and section 99.845, as  
2 enacted by conference committee substitute for senate substitute for senate committee substitute  
3 for house committee substitute for house bill no. 289, ninety-second general assembly, first  
4 regular session and senate bill no. 235, ninety-second general assembly, first regular session, and  
5 section 99.845 as enacted by senate committee substitute for senate bill no. 620, ninety-second  
6 general assembly, first regular session, section 100.850 as enacted by conference committee  
7 substitute for senate substitute for senate committee substitute for house committee substitute  
8 for house bill no. 1182, ninety-second general assembly, second regular session, section 100.850  
9 as enacted by house substitute for senate committee substitute for senate bill no. 1155, ninety-  
10 second general assembly, first regular session, section 100.850 as enacted by conference  
11 committee substitute for house substitute for house committee substitute for senate bill no. 1394,  
12 ninety-second general assembly, second regular session, section 135.535 as enacted by  
13 conference committee substitute for senate substitute for senate committee substitute for house  
14 substitute for house committee substitute for house bill no. 701, ninetieth general assembly, first  
15 regular session and section 135.535 as enacted by conference committee substitute no. 2 for  
16 house substitute for house committee substitute for senate bill no. 20, ninetieth general assembly,  
17 first regular session, are repealed and fifteen new sections enacted in lieu thereof, to be known  
18 as sections 67.1305, 99.845, 99.960, 100.710, 100.850, 135.284, 135.535, 620.1875, 620.1878,  
19 620.1881, 620.1884, 620.1887, 620.1890, 620.1900, and 1, to read as follows:

**67.1305. 1. As used in this section, the term "city" shall mean any incorporated  
2 city, town, or village.**  
3  
4 **2. In lieu of the sales taxes authorized under sections 67.1300 and 67.1303, the  
5 governing body of any city or county may impose, by order or ordinance, a sales tax on all  
6 retail sales made in the city or county which are subject to sales tax under chapter 144,  
7 RSMo. The tax authorized in this section shall not be more than one-half of one percent.  
8 The order or ordinance imposing the tax shall not become effective unless the governing  
9 body of the city or county submits to the voters of the city or county at any citywide, county  
10 or state general, primary or special election a proposal to authorize the governing body to  
11 impose a tax under this section. The tax authorized in this section shall be in addition to  
12 all other sales taxes imposed by law, and shall be stated separately from all other charges  
13 and taxes. The tax authorized in this section shall not be imposed by any city or county  
14 that has imposed a tax under section 67.1300 or 67.1303 unless the tax imposed under those  
sections has expired or been repealed.**

15           **3. The ballot of submission for the tax authorized in this section shall be in**  
16 **substantially the following form:**

17           **Shall ..... (insert the name of the city or county) impose a sales tax at a rate of**  
18 **..... (insert rate of percent) percent for economic development purposes?**

19                                **YES**    **NO**

20

21 **If a majority of the votes cast on the question by the qualified voters voting thereon are in**  
22 **favor of the question, then the tax shall become effective on the first day of the second**  
23 **calendar quarter following the calendar quarter in which the election was held. If a**  
24 **majority of the votes cast on the question by the qualified voters voting thereon are**  
25 **opposed to the question, then the tax shall not become effective unless and until the**  
26 **question is resubmitted under this section to the qualified voters and such question is**  
27 **approved by a majority of the qualified voters voting on the question, provided that no**  
28 **proposal shall be resubmitted to the voters sooner than twelve months from the date of the**  
29 **submission of the last proposal.**

30           **4. All sales taxes collected by the director of revenue under this section on behalf**  
31 **of any county or municipality, less one percent for cost of collection which shall be**  
32 **deposited in the state's general revenue fund after payment of premiums for surety bonds**  
33 **as provided in section 32.087, RSMo, shall be deposited in a special trust fund, which is**  
34 **hereby created, to be known as the "Local Option Economic Development Sales Tax Trust**  
35 **Fund".**

36           **5. The moneys in the local option economic development sales tax trust fund shall**  
37 **not be deemed to be state funds and shall not be commingled with any funds of the state.**  
38 **The director of revenue shall keep accurate records of the amount of money in the trust**  
39 **fund and which was collected in each city or county imposing a sales tax pursuant to this**  
40 **section, and the records shall be open to the inspection of officers of the city or county and**  
41 **the public.**

42           **6. Not later than the tenth day of each month the director of revenue shall**  
43 **distribute all moneys deposited in the trust fund during the preceding month to the city or**  
44 **county which levied the tax. Such funds shall be deposited with the county treasurer of**  
45 **each such county or the appropriate municipal officer in the case of a municipal tax, and**  
46 **all expenditures of funds arising from the local option economic development sales tax trust**  
47 **fund shall be in accordance with this section.**

48           **7. The director of revenue may authorize the state treasurer to make refunds from**  
49 **the amounts in the trust fund and credited to any city or county for erroneous payments**  
50 **and overpayments made, and may redeem dishonored checks and drafts deposited to the**

51 credit of such cities and counties.

52 **8. If any county or municipality abolishes the tax, the city or county shall notify the**  
53 **director of revenue of the action at least ninety days prior to the effective date of the repeal**  
54 **and the director of revenue may order retention in the trust fund, for a period of one year,**  
55 **of two percent of the amount collected after receipt of such notice to cover possible refunds**  
56 **or overpayment of the tax and to redeem dishonored checks and drafts deposited to the**  
57 **credit of such accounts. After one year has elapsed after the effective date of abolition of**  
58 **the tax in such city or county, the director of revenue shall remit the balance in the account**  
59 **to the city or county and close the account of that city or county. The director of revenue**  
60 **shall notify each city or county of each instance of any amount refunded or any check**  
61 **redeemed from receipts due the city or county.**

62 **9. Except as modified in this section, all provisions of sections 32.085 and 32.087,**  
63 **RSMo, shall apply to the tax imposed pursuant to this section.**

64 **10. (1) No revenue generated by the tax authorized in this section shall be used for**  
65 **any retail development project, except for the redevelopment of downtown areas and**  
66 **historic districts. Not more than twenty-five percent of the revenue generated shall be used**  
67 **annually for administrative purposes, including staff and facility costs.**

68 **(2) At least twenty percent of the revenue generated by the tax authorized in this**  
69 **section shall be used solely for projects directly related to long-term economic development**  
70 **preparation, including, but not limited to, the following:**

71 **(a) Acquisition of land;**

72 **(b) Installation of infrastructure for industrial or business parks;**

73 **(c) Improvement of water and wastewater treatment capacity;**

74 **(d) Extension of streets;**

75 **(e) Public facilities directly related to economic development and job creation; and**

76 **(f) Providing matching dollars for state or federal grants relating to such long-term**  
77 **projects.**

78 **(3) The remaining revenue generated by the tax authorized in this section may be**  
79 **used for, but shall not be limited to, the following:**

80 **(a) Marketing;**

81 **(b) Providing grants and loans to companies for job training, equipment**  
82 **acquisition, site development, and infrastructures;**

83 **(c) Training programs to prepare workers for advanced technologies and high skill**  
84 **jobs;**

85 **(d) Legal and accounting expenses directly associated with the economic**  
86 **development planning and preparation process; and**

87 (e) Developing value-added and export opportunities for Missouri agricultural  
88 products.

89 11. All revenue generated by the tax shall be deposited in a special trust fund and  
90 shall be used solely for the designated purposes. If the tax is repealed, all funds remaining  
91 in the special trust fund shall continue to be used solely for the designated purposes. Any  
92 funds in the special trust fund which are not needed for current expenditures may be  
93 invested by the governing body in accordance with applicable laws relating to the  
94 investment of other city or county funds.

95 12. Any city or county imposing the tax authorized in this section shall establish an  
96 economic development tax board. The volunteer board shall receive no compensation or  
97 operating budget.

98 (1) The economic development tax board established by a city shall consist of five  
99 members, to be appointed as follows:

100 (a) One member shall be appointed by the school districts included within any  
101 economic development plan or area funded by the sales tax authorized in this section. Such  
102 members shall be appointed in any manner agreed upon by the affected districts;

103 (b) Three members shall be appointed by the chief elected officer of the city with  
104 the consent of the majority of the governing body of the city; and

105 (c) One member shall be appointed by the governing body of the county in which  
106 the city is located.

107 (2) The economic development tax board established by a county shall consist of  
108 seven members, to be appointed as follows:

109 (a) One member shall be appointed by the school districts included within any  
110 economic development plan or area funded by the sales tax authorized in this section. Such  
111 members shall be appointed in any manner agreed upon by the affected districts;

112 (b) Four members shall be appointed by the governing body of the county; and

113 (c) Two members from the cities, towns, or villages within the county appointed in  
114 any manner agreed upon by the chief elected officers of the cities or villages.

115

116 Of the members initially appointed, three shall be designated to serve for terms of two  
117 years, and the remaining members shall be designated to serve for a term of four years  
118 from the date of such initial appointments. Thereafter, the members appointed shall serve  
119 for a term of four years, except that all vacancies shall be filled for unexpired terms in the  
120 same manner as were the original appointments.

121 13. The board, subject to approval of the governing body of the city or county, shall  
122 consider economic development plans, economic development projects, or designations of

123 an economic development area, and shall hold public hearings and provide notice of any  
124 such hearings. The board shall vote on all proposed economic development plans,  
125 economic development projects, or designations of an economic development area, and  
126 amendments thereto, within thirty days following completion of the hearing on any such  
127 plan, project, or designation, and shall make recommendations to the governing body  
128 within ninety days of the hearing concerning the adoption of or amendment to economic  
129 development plans, economic development projects, or designations of an economic  
130 development area. The governing body of the city or county shall have the final  
131 determination on use and expenditure of any funds received from the tax imposed under  
132 this section.

133 14. The board may consider and recommend using funds received from the tax  
134 imposed under this section for plans, projects or area designations outside the boundaries  
135 of the city or county imposing the tax if, and only if:

136 (1) The city or county imposing the tax or the state receives significant economic  
137 benefit from the plan, project or area designation; and

138 (2) The board establishes an agreement with the governing bodies of all cities and  
139 counties in which the plan, project or area designation is located detailing the authority  
140 and responsibilities of each governing body with regard to the plan, project or area  
141 designation.

142 15. Notwithstanding any other provision of law to the contrary, the local option  
143 economic development sales tax imposed under this section when imposed within a special  
144 taxing district, including, but not limited to a tax increment financing district,  
145 neighborhood improvement district, or community improvement district, shall be excluded  
146 from the calculation of revenues available to such districts, and no revenues from any sales  
147 tax imposed under this section shall be used for the purposes of any such district unless  
148 recommended by the economic development tax board established under this section and  
149 approved by the governing body imposing the tax.

150 16. The board and the governing body of the city or county imposing the tax shall  
151 report at least annually to the governing body of the city or county on the use of the funds  
152 provided under this section and on the progress of any plan, project, or designation  
153 adopted under this section and shall make such report available to the public.

154 17. Not later than the first day of March each year the department of economic  
155 development shall submit to the joint committee on economic development a report which  
156 must include the following information for each project using the tax authorized under this  
157 section:

158 (1) A statement of its primary economic development goals;

159 (2) A statement of the total economic development sales tax revenues received  
160 during the immediately preceding calendar year; and

161 (3) A statement of total expenditures during the preceding calendar year in each  
162 of the following categories:

- 163 (a) Infrastructure improvements;
- 164 (b) Land and or buildings;
- 165 (c) Machinery and equipment;
- 166 (d) Job training investments;
- 167 (e) Direct business incentives;
- 168 (f) Marketing;
- 169 (g) Administration and legal expenses; and
- 170 (h) Other expenditures.

171 18. The governing body of any city or county that has adopted the sales tax  
172 authorized in this section may submit the question of repeal of the tax to the voters on any  
173 date available for elections for the city or county. The ballot of submission shall be in  
174 substantially the following form:

175 Shall ..... (insert the name of the city or county) repeal the sales tax imposed at  
176 a rate of ..... (insert rate of percent) percent for economic development purposes?

177  YES  NO

178  
179 If a majority of the votes cast on the proposal are in favor of repeal, that repeal shall  
180 become effective on December thirty-first of the calendar year in which such repeal was  
181 approved. If a majority of the votes cast on the question by the qualified voters voting  
182 thereon are opposed to the repeal, then the sales tax authorized in this section shall remain  
183 effective until the question is resubmitted under this section to the qualified voters of the  
184 city or county, and the repeal is approved by a majority of the qualified voters voting on  
185 the question.

186 19. If any provision of this section or section 67.1303 or the application thereof to  
187 any person or circumstance is held invalid, the invalidity shall not affect other provisions  
188 or application of this section or section 67.1303 which can be given effect without the  
189 invalid provision or application, and to this end the provisions of this section and section  
190 67.1303 are declared severable.

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in  
2 the event a municipality has undertaken acts establishing a redevelopment plan and  
3 redevelopment project and has designated a redevelopment area after the passage and approval  
4 of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with

5 the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by  
6 passing an ordinance providing that after the total equalized assessed valuation of the taxable real  
7 property in a redevelopment project exceeds the certified total initial equalized assessed  
8 valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and  
9 payments in lieu of taxes, if any, arising from the levies upon taxable real property in such  
10 redevelopment project by taxing districts and tax rates determined in the manner provided in  
11 subsection 2 of section 99.855 each year after the effective date of the ordinance until  
12 redevelopment costs have been paid shall be divided as follows:

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

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

38 (b) Notwithstanding any provisions of this section to the contrary, for purposes of  
39 determining the limitation on indebtedness of local government pursuant to article VI, section  
40 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area



41 selected for redevelopment attributable to the increase above the total initial equalized assessed  
42 valuation shall be included in the value of taxable tangible property as shown on the last  
43 completed assessment for state or county purposes;

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

49 (3) For purposes of this section, "levies upon taxable real property in such redevelopment  
50 project by taxing districts" shall not include the blind pension fund tax levied under the authority  
51 of article III, section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'  
52 inventory replacement tax levied under the authority of subsection 2 of section 6 of article X, of  
53 the Missouri Constitution, except in redevelopment project areas in which tax increment  
54 financing has been adopted by ordinance pursuant to a plan approved by vote of the governing  
55 body of the municipality taken after August 13, 1982, and before January 1, 1998.

56 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection  
57 1 of this section, for redevelopment plans and projects adopted or redevelopment projects  
58 approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total  
59 additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing  
60 districts, which are generated by economic activities within the area of the redevelopment project  
61 over the amount of such taxes generated by economic activities within the area of the  
62 redevelopment project in the calendar year prior to the adoption of the redevelopment project by  
63 ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales  
64 or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant  
65 to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of  
66 taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant  
67 to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid  
68 by the local political subdivision collecting officer to the treasurer or other designated financial  
69 officer of the municipality, who shall deposit such funds in a separate segregated account within  
70 the special allocation fund. Any provision of an agreement, contract or covenant entered into  
71 prior to July 12, 1990, between a municipality and any other political subdivision which provides  
72 for an appropriation of other municipal revenues to the special allocation fund shall be and  
73 remain enforceable.

74 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection  
75 1 of this section, for redevelopment plans and projects adopted or redevelopment projects  
76 approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from

77 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and  
78 which are generated by economic activities within the area of the redevelopment project over the  
79 amount of such taxes generated by economic activities within the area of the redevelopment  
80 project in the calendar year prior to the adoption of the redevelopment project by ordinance,  
81 while tax increment financing remains in effect, but excluding personal property taxes, taxes  
82 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,  
83 taxes levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for the  
84 purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special  
85 assessments other than payments in lieu of taxes and penalties and interest thereon, shall be  
86 allocated to, and paid by the local political subdivision collecting officer to the treasurer or other  
87 designated financial officer of the municipality, who shall deposit such funds in a separate  
88 segregated account within the special allocation fund.

89 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or  
90 redevelopment projects approved by ordinance and which have complied with subsections 4 to  
91 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes  
92 described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,  
93 as defined in subsection 8 of this section, estimated for the businesses within the project area and  
94 identified by the municipality in the application required by subsection 10 of this section, over  
95 and above the amount of such taxes reported by businesses within the project area as identified  
96 by the municipality in their application prior to the approval of the redevelopment project by  
97 ordinance, while tax increment financing remains in effect, may be available for appropriation  
98 by the general assembly as provided in subsection 10 of this section to the department of  
99 economic development supplemental tax increment financing fund, from the general revenue  
100 fund, for distribution to the treasurer or other designated financial officer of the municipality  
101 with approved plans or projects.

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

105 6. No transfer from the general revenue fund to the Missouri supplemental tax increment  
106 financing fund shall be made unless an appropriation is made from the general revenue fund for  
107 that purpose. No municipality shall commit any state revenues prior to an appropriation being  
108 made for that project. For all redevelopment plans or projects adopted or approved after  
109 December 23, 1997, appropriations from the new state revenues shall not be distributed from the  
110 Missouri supplemental tax increment financing fund into the special allocation fund unless the  
111 municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes  
112 and fifty percent of economic activity taxes generated by the project shall be used for eligible

113 redevelopment project costs while tax increment financing remains in effect. This account shall  
114 be separate from the account into which payments in lieu of taxes are deposited, and separate  
115 from the account into which economic activity taxes are deposited.

116 7. In order for the redevelopment plan or project to be eligible to receive the revenue  
117 described in subsection 4 of this section, the municipality shall comply with the requirements of  
118 subsection 10 of this section prior to the time the project or plan is adopted or approved by  
119 ordinance. The director of the department of economic development and the commissioner of  
120 the office of administration may waive the requirement that the municipality's application be  
121 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or  
122 project's approval by ordinance.

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

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

136 (2) The state income tax withheld on behalf of new employees by the employer pursuant  
137 to section 143.221, RSMo, at the business located within the project as identified by the  
138 municipality. The state income tax withholding allowed by this section shall be the  
139 municipality's estimate of the amount of state income tax withheld by the employer within the  
140 redevelopment area for new employees who fill new jobs directly created by the tax increment  
141 financing project.

142 9. Subsection 4 of this section shall apply only to blighted areas located in enterprise  
143 zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal  
144 empowerment zones, or to blighted areas located in central business districts or urban core areas  
145 of cities which districts or urban core areas at the time of approval of the project by ordinance,  
146 provided that the enterprise zones, federal empowerment zones or blighted areas contained one  
147 or more buildings at least fifty years old; and

148 (1) Suffered from generally declining population or property taxes over the twenty-year

149 period immediately preceding the area's designation as a project area by ordinance; or

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

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

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

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

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

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

171 (d) The official statement of any bond issue pursuant to this subsection after December  
172 23, 1997;

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

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

179 (g) The statement of election between the use of the incremental increase of the general  
180 revenue portion of the state sales tax revenues or the state income tax withheld by employers on  
181 behalf of new employees who fill new jobs created in the redevelopment area;

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

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

- 185 (j) The three-digit North American Industry Classification System number or numbers  
186 characterizing the development project;
- 187 (k) The estimated development project costs;
- 188 (l) The anticipated sources of funds to pay such development project costs;
- 189 (m) Evidence of the commitments to finance such development project costs;
- 190 (n) The anticipated type and term of the sources of funds to pay such development  
191 project costs;
- 192 (o) The anticipated type and terms of the obligations to be issued;
- 193 (p) The most recent equalized assessed valuation of the property within the development  
194 project area;
- 195 (q) An estimate as to the equalized assessed valuation after the development project area  
196 is developed in accordance with a development plan;
- 197 (r) The general land uses to apply in the development area;
- 198 (s) The total number of individuals employed in the development area, broken down by  
199 full-time, part-time, and temporary positions;
- 200 (t) The total number of full-time equivalent positions in the development area;
- 201 (u) The current gross wages, state income tax withholdings, and federal income tax  
202 withholdings for individuals employed in the development area;
- 203 (v) The total number of individuals employed in this state by the corporate parent of any  
204 business benefitting from public expenditures in the development area, and all subsidiaries  
205 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,  
206 and temporary positions;
- 207 (w) The number of new jobs to be created by any business benefitting from public  
208 expenditures in the development area, broken down by full-time, part-time, and temporary  
209 positions;
- 210 (x) The average hourly wage to be paid to all current and new employees at the project  
211 site, broken down by full-time, part-time, and temporary positions;
- 212 (y) For project sites located in a metropolitan statistical area, as defined by the federal  
213 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees  
214 in this state for the industries involved at the project, as established by the United States Bureau  
215 of Labor Statistics;
- 216 (z) For project sites located outside of metropolitan statistical areas, the average weekly  
217 wage paid to nonmanagerial employees in the county for industries involved at the project, as  
218 established by the United States Department of Commerce;
- 219 (aa) A list of other community and economic benefits to result from the project;
- 220 (bb) A list of all development subsidies that any business benefitting from public

221 expenditures in the development area has previously received for the project, and the name of  
222 any other granting body from which such subsidies are sought;

223 (cc) A list of all other public investments made or to be made by this state or units of  
224 local government to support infrastructure or other needs generated by the project for which the  
225 funding pursuant to this [act] **section** is being sought;

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

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

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

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

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

237 (2) The methodologies used in the application for determining the base year and  
238 determining the estimate of the incremental increase in the general revenue portion of the state  
239 sales tax revenues or the state income tax withheld by employers on behalf of new employees  
240 who fill new jobs created in the redevelopment area shall be approved by the director of the  
241 department of economic development or his or her designee and the commissioner of the office  
242 of administration or his or her designee. Upon approval of the application, the director of the  
243 department of economic development or his or her designee and the commissioner of the office  
244 of administration or his or her designee shall issue a certificate of approval. The department of  
245 economic development may request the appropriation following application approval;

246 (3) The appropriation shall be either a portion of the estimate of the incremental increase  
247 in the general revenue portion of state sales tax revenues in the redevelopment area or a portion  
248 of the estimate of the state income tax withheld by the employer on behalf of new employees  
249 who fill new jobs created in the redevelopment area as indicated in the municipality's application,  
250 approved by the director of the department of economic development or his or her designee and  
251 the commissioner of the office of administration or his or her designee. At no time shall the  
252 [aggregate] annual [appropriation] **amount** of the new state revenues [for redevelopment areas]  
253 **approved for disbursements from the Missouri supplemental tax increment financing fund,**  
254 **in combination with the annual amount of other net new revenues approved for**  
255 **disbursements from the state supplemental downtown development fund under section**  
256 **99.960,** exceed [fifteen] **one hundred forty** million dollars;

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

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

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

277 13. [All personnel and other costs incurred by the department of economic development  
278 for the administration and operation of subsections 4 to 12 of this section shall be paid from the  
279 state general revenue fund. On an annual basis, the general revenue fund shall be reimbursed for  
280 the full amount of such costs by the developer or developers of the project or projects for which  
281 municipalities have made tax increment financing applications for the appropriation of new state  
282 revenues, as provided for in subdivision (1) of subsection 10 of this section. The amount of costs  
283 charged to each developer shall be based upon the percentage arrived at by dividing the monetary  
284 amount of the application made by each municipality for a particular project by the total  
285 monetary amount of all applications received by the department of economic development.]  
286 **Redevelopment project costs may include, at the prerogative of the state, the portion of**  
287 **salaries and expenses of the department of economic development and the department of**  
288 **revenue reasonably allocable to each redevelopment project approved for disbursements**  
289 **from the Missouri supplemental tax increment financing fund for the ongoing**  
290 **administrative functions associated with such redevelopment project. Such amounts shall**  
291 **be recovered from new state revenues deposited into the Missouri supplemental tax**  
292 **increment financing fund created under this section.**

293           14. For redevelopment plans or projects approved by ordinance that result in net new  
294 jobs from the relocation of a national headquarters from another state to the area of the  
295 redevelopment project, the economic activity taxes and new state tax revenues shall not be based  
296 on a calculation of the incremental increase in taxes as compared to the base year or prior  
297 calendar year for such redevelopment project, rather the incremental increase shall be the amount  
298 of total taxes generated from the net new jobs brought in by the national headquarters from  
299 another state. In no event shall this subsection be construed to allow a redevelopment project  
300 to receive an appropriation in excess of up to fifty percent of the new state revenues.

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

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

23           (2) Payments in lieu of taxes attributable to the increase in the current  
24 equalized assessed valuation of each taxable lot, block, tract, or parcel of real  
25 property in the area selected for the redevelopment project and any applicable  
26 penalty and interest over and above the initial equalized assessed value of each  
27 such unit of property in the area selected for the redevelopment project shall be  
28 allocated to and, when collected, shall be paid to the municipal treasurer who  
29 shall deposit such payment in lieu of taxes into a special fund called the "Special  
30 Allocation Fund" of the municipality for the purpose of paying redevelopment  
31 costs and obligations incurred in the payment thereof. Payments in lieu of taxes  
32 which are due and owing shall constitute a lien against the real estate of the  
33 redevelopment project from which they are derived and shall be collected in the  
same manner as the real property tax, including the assessment of penalties and



34 interest where applicable. The municipality may, in the ordinance, pledge the  
35 funds in the special allocation fund for the payment of such costs and obligations  
36 and provide for the collection of payments in lieu of taxes, the lien of which may  
37 be foreclosed in the same manner as a special assessment lien as provided in  
38 section 88.861, RSMo. No part of the current equalized assessed valuation of  
39 each lot, block, tract, or parcel of property in the area selected for the  
40 redevelopment project attributable to any increase above the total initial  
41 equalized assessed value of such properties shall be used in calculating the  
42 general state school aid formula provided for in section 163.031, RSMo, until  
43 such time as all redevelopment costs have been paid as provided for in this  
44 section and section 99.850;

45 (3) For purposes of this section, "levies upon taxable real property in  
46 such redevelopment project by taxing districts" shall not include the blind  
47 pension fund tax levied under the authority of article III, section 38(b) of the  
48 Missouri Constitution, or the merchants' and manufacturers' inventory  
49 replacement tax levied under the authority of subsection 2 of section 6 of article  
50 X, of the Missouri Constitution, except in redevelopment project areas in which  
51 tax increment financing has been adopted by ordinance pursuant to a plan  
52 approved by vote of the governing body of the municipality taken after August  
53 13, 1982, and before January 1, 1998.

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

75 3. In addition to the payments in lieu of taxes described in subdivision  
76 (2) of subsection 1 of this section, for redevelopment plans and projects adopted

77 or redevelopment projects approved by ordinance after August 31, 1991, fifty  
78 percent of the total additional revenue from taxes, penalties and interest which  
79 are imposed by the municipality or other taxing districts, and which are generated  
80 by economic activities within the area of the redevelopment project over the  
81 amount of such taxes generated by economic activities within the area of the  
82 redevelopment project in the calendar year prior to the adoption of the  
83 redevelopment project by ordinance, while tax increment financing remains in  
84 effect, but excluding personal property taxes, taxes imposed on sales or charges  
85 for sleeping rooms paid by transient guests of hotels and motels, taxes levied  
86 pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for  
87 the purpose of public transportation pursuant to section 94.660, RSMo, licenses,  
88 fees or special assessments other than payments in lieu of taxes and penalties and  
89 interest thereon, shall be allocated to, and paid by the local political subdivision  
90 collecting officer to the treasurer or other designated financial officer of the  
91 municipality, who shall deposit such funds in a separate segregated account  
92 within the special allocation fund.

93 4. Beginning January 1, 1998, for redevelopment plans and projects  
94 adopted or redevelopment projects approved by ordinance and which have  
95 complied with subsections 4 to 12 of this section, in addition to the payments in  
96 lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of  
97 this section, up to fifty percent of the new state revenues, as defined in subsection  
98 8 of this section, estimated for the businesses within the project area and  
99 identified by the municipality in the application required by subsection 10 of this  
100 section, over and above the amount of such taxes reported by businesses within  
101 the project area as identified by the municipality in their application prior to the  
102 approval of the redevelopment project by ordinance, while tax increment  
103 financing remains in effect, may be available for appropriation by the general  
104 assembly as provided in subsection 10 of this section to the department of  
105 economic development supplemental tax increment financing fund, from the  
106 general revenue fund, for distribution to the treasurer or other designated  
107 financial officer of the municipality with approved plans or projects.

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

111 6. No transfer from the general revenue fund to the Missouri  
112 supplemental tax increment financing fund shall be made unless an appropriation  
113 is made from the general revenue fund for that purpose. No municipality shall  
114 commit any state revenues prior to an appropriation being made for that project.  
115 For all redevelopment plans or projects adopted or approved after December 23,  
116 1997, appropriations from the new state revenues shall not be distributed from  
117 the Missouri supplemental tax increment financing fund into the special  
118 allocation fund unless the municipality's redevelopment plan ensures that one  
119 hundred percent of payments in lieu of taxes and fifty percent of economic

120 activity taxes generated by the project shall be used for eligible redevelopment  
121 project costs while tax increment financing remains in effect. This account shall  
122 be separate from the account into which payments in lieu of taxes are deposited,  
123 and separate from the account into which economic activity taxes are deposited.

124 7. In order for the redevelopment plan or project to be eligible to receive  
125 the revenue described in subsection 4 of this section, the municipality shall  
126 comply with the requirements of subsection 10 of this section prior to the time  
127 the project or plan is adopted or approved by ordinance. The director of the  
128 department of economic development and the commissioner of the office of  
129 administration may waive the requirement that the municipality's application be  
130 submitted prior to the redevelopment plan's or project's adoption or the  
131 redevelopment plan's or project's approval by ordinance.

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

133 (1) The incremental increase in the general revenue portion of state sales  
134 tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes  
135 that are constitutionally dedicated, taxes deposited to the school district trust fund  
136 in accordance with section 144.701, RSMo, sales and use taxes on motor  
137 vehicles, trailers, boats and outboard motors and future sales taxes earmarked by  
138 law. The incremental increase in the general revenue portion of state sales tax  
139 revenues for an existing or relocated facility shall be the amount that current state  
140 sales tax revenue exceeds the state sales tax revenue in the base year as stated in  
141 the redevelopment plan as provided in subsection 10 of this section; or

142 (2) The state income tax withheld on behalf of new employees by the  
143 employer pursuant to section 143.221, RSMo, at the business located within the  
144 project as identified by the municipality. The state income tax withholding  
145 allowed by this section shall be the municipality's estimate of the amount of state  
146 income tax withheld by the employer within the redevelopment area for new  
147 employees who fill new jobs directly created by the tax increment financing  
148 project.

149 9. Subsection 4 of this section shall apply only to blighted areas located  
150 in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted  
151 areas located in federal empowerment zones, or to blighted areas located in  
152 central business districts or urban core areas of cities which districts or urban core  
153 areas at the time of approval of the project by ordinance, provided that the  
154 enterprise zones, federal empowerment zones or blighted areas contained one or  
155 more buildings at least fifty years old; and

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

159 (2) Was a historic hotel located in a county of the first classification  
160 without a charter form of government with a population according to the most  
161 recent federal decennial census in excess of one hundred fifty thousand and  
162 containing a portion of a city with a population according to the most recent

163 federal decennial census in excess of three hundred fifty thousand.

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

168 (1) The director of the department of economic development or his or her  
169 designee and the commissioner of the office of administration or his or her  
170 designee have approved a tax increment financing application made by the  
171 municipality for the appropriation of the new state revenues. The municipality  
172 shall include in the application the following items in addition to the items in  
173 section 99.810:

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

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

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

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

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

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

191 (g) The statement of election between the use of the incremental increase  
192 of the general revenue portion of the state sales tax revenues or the state income  
193 tax withheld by employers on behalf of new employees who fill new jobs created  
194 in the redevelopment area;

195 (2) The methodologies used in the application for determining the base  
196 year and determining the estimate of the incremental increase in the general  
197 revenue portion of the state sales tax revenues or the state income tax withheld  
198 by employers on behalf of new employees who fill new jobs created in the  
199 redevelopment area shall be approved by the director of the department of  
200 economic development or his or her designee and the commissioner of the office  
201 of administration or his or her designee. Upon approval of the application, the  
202 director of the department of economic development or his or her designee and  
203 the commissioner of the office of administration or his or her designee shall issue  
204 a certificate of approval. The department of economic development may request  
205 the appropriation following application approval;

206 (3) The appropriation shall be either a portion of the estimate of the  
207 incremental increase in the general revenue portion of state sales tax revenues in  
208 the redevelopment area or a portion of the estimate of the state income tax  
209 withheld by the employer on behalf of new employees who fill new jobs created  
210 in the redevelopment area as indicated in the municipality's application, approved  
211 by the director of the department of economic development or his or her designee  
212 and the commissioner of the office of administration or his or her designee. At  
213 no time shall the aggregate annual appropriation of the new state revenues for  
214 redevelopment areas exceed fifteen million dollars;

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

220 11. In addition to the areas authorized in subsection 9 of this section, the  
221 funding authorized pursuant to subsection 4 of this section shall also be available  
222 in a federally approved levee district, where construction of a levee begins after  
223 December 23, 1997, and which is contained within a county of the first  
224 classification without a charter form of government with a population between  
225 fifty thousand and one hundred thousand inhabitants which contains all or part  
226 of a city with a population in excess of four hundred thousand or more  
227 inhabitants.

228 12. There is hereby established within the state treasury a special fund to  
229 be known as the "Missouri Supplemental Tax Increment Financing Fund", to be  
230 administered by the department of economic development. The department shall  
231 annually distribute from the Missouri supplemental tax increment financing fund  
232 the amount of the new state revenues as appropriated as provided in the  
233 provisions of subsections 4 and 5 of this section if and only if the conditions of  
234 subsection 10 of this section are met. The fund shall also consist of any gifts,  
235 contributions, grants or bequests received from federal, private or other sources.  
236 Moneys in the Missouri supplemental tax increment financing fund shall be  
237 disbursed per project pursuant to state appropriations.

238 13. All personnel and other costs incurred by the department of economic  
239 development for the administration and operation of subsections 4 to 12 of this  
240 section shall be paid from the state general revenue fund. On an annual basis, the  
241 general revenue fund shall be reimbursed for the full amount of such costs by the  
242 developer or developers of the project or projects for which municipalities have  
243 made tax increment financing applications for the appropriation of new state  
244 revenues, as provided for in subdivision (1) of subsection 10 of this section. The  
245 amount of costs charged to each developer shall be based upon the percentage  
246 arrived at by dividing the monetary amount of the application made by each  
247 municipality for a particular project by the total monetary amount of all  
248 applications received by the department of economic development.

249                   14. For redevelopment plans or projects approved by ordinance that  
250 result in net new jobs from the relocation of a national headquarters from another  
251 state to the area of the redevelopment project, the economic activity taxes and  
252 new state tax revenues shall not be based on a calculation of the incremental  
253 increase in taxes as compared to the base year or prior calendar year for such  
254 redevelopment project, rather the incremental increase shall be the amount of  
255 total taxes generated from the net new jobs brought in by the national  
256 headquarters from another state. In no event shall this subsection be construed  
257 to allow a redevelopment project to receive an appropriation in excess of up to  
258 fifty percent of the new state revenues.]  
259

99.960. 1. A municipality shall submit an application to the department of economic  
2 development for review and submission of an analysis and recommendation to the Missouri  
3 development finance board for a determination as to approval of the disbursement of the project  
4 costs of one or more development projects from the state supplemental downtown development  
5 fund. The department of economic development shall forward the application to the Missouri  
6 development finance board with the analysis and recommendation. In no event shall any  
7 approval authorize a disbursement of one or more development projects from the state  
8 supplemental downtown development fund which exceeds the allowable amount of other net  
9 new revenues derived from the development area. An application submitted to the department  
10 of economic development shall contain the following, in addition to the items set forth in section  
11 99.942:

12           (1) An estimate that one hundred percent of the payments in lieu of taxes and economic  
13 activity taxes deposited to the special allocation fund must and will be used to pay development  
14 project costs or obligations issued to finance development project costs to achieve the objectives  
15 of the development plan. Contributions to the development project from any private  
16 not-for-profit organization or local contributions from tax abatement or other sources may be  
17 substituted on a dollar-for-dollar basis for the local match of one hundred percent of payments  
18 in lieu of taxes and economic activity taxes from the fund;

19           (2) Identification of the existing businesses located within the development project area  
20 and the development area;

21           (3) The aggregate baseline year amount of state sales tax revenues and the aggregate  
22 baseline year amount of state income tax withheld on behalf of existing employees, reported by  
23 existing businesses within the development project area. Provisions of section 32.057, RSMo,  
24 notwithstanding, municipalities will provide this information to the department of revenue for  
25 verification. The department of revenue will verify the information provided by the  
26 municipalities within forty-five days of receiving a request for such verification from a  
27 municipality;

28 (4) An estimate of the state sales tax increment and state income tax increment within  
29 the development project area after redevelopment;

30 (5) An affidavit that is signed by the developer or developers attesting that the provision  
31 of subdivision (2) of subsection 3 of section 99.942 has been met and specifying that the  
32 development area would not be reasonably anticipated to be developed without the appropriation  
33 of the other net new revenues;

34 (6) The amounts and types of other net new revenues sought by the applicant to be  
35 disbursed from state supplemental downtown development fund over the term of the  
36 development plan;

37 (7) The methodologies and underlying assumptions used in determining the estimate of  
38 the state sales tax increment and the state income tax increment; and

39 (8) Any other information reasonably requested by the department of economic  
40 development and the Missouri development finance board.

41 2. The department of economic development shall make all reasonable efforts to process  
42 applications within sixty days of receipt of the application.

43 3. The Missouri development finance board shall make a determination regarding the  
44 application for a certificate allowing disbursements from the state supplemental downtown  
45 development fund and shall forward such determination to the director of the department of  
46 economic development. In no event shall the amount of disbursements from the state  
47 supplemental downtown development fund approved for a project, in addition to any other state  
48 economic development funding or other state incentives, exceed the projected state benefit of  
49 the development project, as determined by the department of economic development through a  
50 cost-benefit analysis. Any political subdivision located either wholly or partially within the  
51 development area shall be permitted to submit information to the department of economic  
52 development for consideration in its cost-benefit analysis. Upon approval of state supplemental  
53 downtown development financing, a certificate of approval shall be issued by the department of  
54 economic development containing the terms and limitations of the disbursement.

55 4. At no time shall the annual amount of other net new revenues approved for  
56 disbursements from the state supplemental downtown development fund, **in combination with**  
57 **the annual amount of new state revenues approved for disbursements from the Missouri**  
58 **supplemental tax increment financing under section 99.845**, exceed one hundred [fifty] **forty**  
59 million dollars.

60 5. Development projects receiving disbursements from the state supplemental downtown  
61 development fund shall be limited to receiving such disbursements for fifteen years, unless  
62 specific approval for a longer term is given by the director of the department of economic  
63 development, as set forth in the certificate of approval; except that, in no case shall the duration

64 exceed twenty-five years. The approved term notwithstanding, state supplemental downtown  
65 development financing shall terminate when development financing for a development project  
66 is terminated by a municipality.

67         6. The municipality shall deposit payments received from the state supplemental  
68 downtown development fund in a separate segregated account for other net new revenues within  
69 the special allocation fund.

70         7. Development project costs may include, at the prerogative of the state, the portion of  
71 salaries and expenses of the department of economic development, the Missouri development  
72 finance board, and the department of revenue reasonably allocable to each development project  
73 approved for disbursements from the state supplemental downtown development fund for the  
74 ongoing administrative functions associated with such development project. Such amounts shall  
75 be recovered from other net new revenues deposited into the state supplemental downtown  
76 development fund created pursuant to section 99.963.

77         8. A development project approved for state supplemental downtown development  
78 financing may not thereafter elect to receive tax increment financing pursuant to the real property  
79 tax increment allocation redevelopment act, sections 99.800 to 99.865, and continue to receive  
80 state supplemental downtown development financing pursuant to sections 99.915 to 99.980.

81         9. The department of economic development, in conjunction with the Missouri  
82 development finance board, may establish the procedures and standards for the determination  
83 and approval of applications by the promulgation of rules and regulations and publish forms to  
84 implement the provisions of this section and section 99.963.

85         10. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that  
86 is created under the authority delegated in this section and section 99.963 shall become effective  
87 only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and, if  
88 applicable, section 536.028, RSMo. This section, section 99.963, and chapter 536, RSMo, are  
89 nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536,  
90 RSMo, to review, to delay the effective date, or to disapprove and annul a rule are subsequently  
91 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted  
92 after August 28, 2003, shall be invalid and void.

93         11. The Missouri development finance board shall consider parity based on population  
94 and geography of the state among the regions of the state in making determinations on  
95 applications pursuant to this section.

100.710. As used in sections 100.700 to 100.850, the following terms mean:

2         (1) "Assessment", an amount of up to five percent of the gross wages paid in one year  
3 by an eligible industry to all eligible employees in new jobs, or up to ten percent if the economic  
4 development project is located within a distressed community as defined in section 135.530,



5 RSMo;

6 (2) "Board", the Missouri development finance board as created by section 100.265;

7 (3) "Certificates", the revenue bonds or notes authorized to be issued by the board  
8 pursuant to section 100.840;

9 (4) "Credit", the amount agreed to between the board and an eligible industry, but not  
10 to exceed the assessment attributable to the eligible industry's project;

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

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

13 (7) "Economic development project":

14 (a) The acquisition of any real property by the board, the eligible industry, or its affiliate;

15 or

16 (b) The fee ownership of real property by the eligible industry or its affiliate; and

17 (c) For both paragraphs (a) and (b) of this subdivision, "economic development project"  
18 shall also include the development of the real property including construction, installation, or  
19 equipping of a project, including fixtures and equipment, and facilities necessary or desirable for  
20 improvement of the real property, including surveys; site tests and inspections; subsurface site  
21 work; excavation; removal of structures, roadways, cemeteries and other surface obstructions;  
22 filling, grading and provision of drainage, storm water retention, installation of utilities such as  
23 water, sewer, sewage treatment, gas, electricity, communications and similar facilities; off-site  
24 construction of utility extensions to the boundaries of the real property; and the acquisition,  
25 installation, or equipping of facilities on the real property, for use and occupancy by the eligible  
26 industry or its affiliates;

27 (8) "Eligible employee", a person employed on a full-time basis in a new job at the  
28 economic development project averaging at least thirty-five hours per week who was not  
29 employed by the eligible industry or a related taxpayer in this state at any time during the  
30 twelve-month period immediately prior to being employed at the economic development project.  
31 For an essential industry, a person employed on a full-time basis in an existing job at the  
32 economic development project averaging at least thirty-five hours per week may be considered  
33 an eligible employee for the purposes of the program authorized by sections 100.700 to 100.850;

34 (9) "Eligible industry", a business located within the state of Missouri which is engaged  
35 in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling  
36 products, conducting research and development, or providing services in interstate commerce,  
37 office industries, or agricultural processing, but excluding retail, health or professional services.  
38 "Eligible industry" does not include a business which closes or substantially reduces its operation  
39 at one location in the state and relocates substantially the same operation to another location in  
40 the state. This does not prohibit a business from expanding its operations at another location in

41 the state provided that existing operations of a similar nature located within the state are not  
42 closed or substantially reduced. This also does not prohibit a business from moving its  
43 operations from one location in the state to another location in the state for the purpose of  
44 expanding such operation provided that the board determines that such expansion cannot  
45 reasonably be accommodated within the municipality in which such business is located, or in the  
46 case of a business located in an incorporated area of the county, within the county in which such  
47 business is located, after conferring with the chief elected official of such municipality or county  
48 and taking into consideration any evidence offered by such municipality or county regarding the  
49 ability to accommodate such expansion within such municipality or county. An eligible industry  
50 must:

51 (a) Invest a minimum of fifteen million dollars, or ten million dollars for an office  
52 industry, in an economic development project; and

53 (b) Create a minimum of one hundred new jobs for eligible employees at the economic  
54 development project or a minimum of five hundred jobs if the economic development project  
55 is an office industry or a minimum of two hundred new jobs if the economic development project  
56 is an office industry located within a distressed community as defined in section 135.530, RSMo,  
57 or in the case of an approved company for a project for a world headquarters of a business whose  
58 primary function is tax return preparation in any home rule city with more than four hundred  
59 thousand inhabitants and located in more than one county, create a minimum of one hundred new  
60 jobs for eligible employees at the economic development project. An industry that meets the  
61 definition of "essential industry" may be considered an eligible industry for the purposes of the  
62 program authorized by sections 100.700 to 100.850;

63

64 **Notwithstanding the preceding provisions of this subdivision, a development agency, as**  
65 **such term is defined in subdivision (3) of section 100.255, or a corporation, limited liability**  
66 **company, or partnership formed on behalf of a development agency, at the option of the**  
67 **board, may be authorized to act as an eligible industry with such obligations and rights**  
68 **otherwise applicable to an eligible industry, including the rights of an approved company**  
69 **under section 100.850, so long as the eligible industry otherwise meets the requirements**  
70 **imposed by this subsection.**

71 (10) "Essential industry", a business that otherwise meets the definition of eligible  
72 industry except an essential industry shall:

73 (a) Be a targeted industry;

74 (b) Be located in a home rule city with more than twenty-six thousand but less than  
75 twenty-seven thousand inhabitants located in any county with a charter form of government and  
76 with more than one million inhabitants;

77 (c) Have maintained at least two thousand jobs at the proposed economic development  
78 project site each year for a period of four years preceding the year in which application for the  
79 program authorized by sections 100.700 to 100.850 is made and during the year in which said  
80 application is made;

81 (d) For the duration of the certificates, retain at the proposed economic development  
82 project site the level of employment that existed at the site in the taxable year immediately  
83 preceding the year in which application for the program authorized by sections 100.700 to  
84 100.850 is made; and

85 (e) Invest a minimum of five hundred million dollars in the economic development  
86 project by the end of the third year after the issuance of the certificates under this program;

87 (11) "New job", a job in a new or expanding eligible industry not including jobs of  
88 recalled workers, replacement jobs or jobs that formerly existed in the eligible industry in the  
89 state. For an essential industry, an existing job may be considered a new job for the purposes of  
90 the program authorized by sections 100.700 to 100.850;

91 (12) "Office industry", a regional, national or international headquarters, a  
92 telecommunications operation, a computer operation, an insurance company, or a credit card  
93 billing and processing center;

94 (13) "Program costs", all necessary and incidental costs of providing program services  
95 including payment of the principal of premium, if any, and interest on certificates, including  
96 capitalized interest, issued to finance a project, and funding and maintenance of a debt service  
97 reserve fund to secure such certificates. Program costs shall include:

98 (a) Obligations incurred for labor and obligations incurred to contractors, subcontractors,  
99 builders and materialmen in connection with the acquisition, construction, installation or  
100 equipping of an economic development project;

101 (b) The cost of acquiring land or rights in land and any cost incidental thereto, including  
102 recording fees;

103 (c) The cost of contract bonds and of insurance of all kinds that may be required or  
104 necessary during the course of acquisition, construction, installation or equipping of an economic  
105 development project which is not paid by the contractor or contractors or otherwise provided for;

106 (d) All costs of architectural and engineering services, including test borings, surveys,  
107 estimates, plans and specifications, preliminary investigations and supervision of construction,  
108 as well as the costs for the performance of all the duties required by or consequent upon the  
109 acquisition, construction, installation or equipping of an economic development project;

110 (e) All costs which are required to be paid under the terms of any contract or contracts  
111 for the acquisition, construction, installation or equipping of an economic development project;  
112 and

- 113 (f) All other costs of a nature comparable to those described in this subdivision;
- 114 (14) "Program services", administrative expenses of the board, including contracted
- 115 professional services, and the cost of issuance of certificates;
- 116 (15) "Targeted industry", an industry or one of a cluster of industries that is identified
- 117 by the department as critical to the state's economic security and growth and affirmed as such by
- 118 the joint committee on economic development policy and planning established in section
- 119 620.602, RSMo.

[100.850. 1. The approved company shall remit to the board a job development assessment fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as a result of the economic development project, or not to exceed ten percent if the economic development project is located within a distressed community as defined in section 135.530, RSMo, for the purpose of retiring bonds which fund the economic development project.

2. Any approved company remitting an assessment as provided in subsection 1 of this section shall make its payroll books and records available to the board at such reasonable times as the board shall request and shall file with the board documentation respecting the assessment as the board may require.

3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the date the bonds are retired.

4. Any approved company which has paid an assessment for debt reduction shall be allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed against taxes otherwise imposed by chapters 143 and 148, RSMo, except withholding taxes imposed under the provisions of sections 143.191 to 143.265, RSMo, which were incurred during the tax period in which the assessment was made.

5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this section exceed eleven million dollars annually. If the approved company shall be a project for a world headquarters of a business whose primary function is tax return preparation in any home rule city with more than four hundred thousand inhabitants and located in more than one county, the aggregate amount of tax credits authorized by subsection 4 of this section shall be increased to eleven million nine hundred fifty thousand dollars annually.

6. The director of revenue shall issue a refund to the approved company to the extent that the amount of credits allowed in subsection 4 of this section exceeds the amount of the approved company's income tax.]

100.850. 1. The approved company shall remit to the board a job development assessment fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as a result of the economic development project, or not to exceed ten percent if

4 the economic development project is located within a distressed community as defined in section  
5 135.530, RSMo, for the purpose of retiring bonds which fund the economic development project.

6 2. Any approved company remitting an assessment as provided in subsection 1 of this  
7 section shall make its payroll books and records available to the board at such reasonable times  
8 as the board shall request and shall file with the board documentation respecting the assessment  
9 as the board may require.

10 3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the  
11 date the bonds are retired.

12 4. Any approved company which has paid an assessment for debt reduction shall be  
13 allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed  
14 against taxes otherwise imposed by chapters 143 and 148, RSMo, except withholding taxes  
15 imposed under the provisions of sections 143.191 to 143.265, RSMo, which were incurred  
16 during the tax period in which the assessment was made.

17 5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this  
18 section exceed fifteen million dollars annually. **Of such amount, nine hundred fifty thousand**  
19 **dollars shall be reserved for an approved project for a world headquarters of a business**  
20 **whose primary function is tax return preparation that is located in any home rule city with**  
21 **more than four hundred thousand inhabitants and located in more than one county, which**  
22 **amount reserved shall end in the year of the final maturity of the certificates issued for**  
23 **such approved project.**

24 6. The director of revenue shall issue a refund to the approved company to the extent that  
25 the amount of credits allowed in subsection 4 of this section exceeds the amount of the approved  
26 company's income tax.

27

[100.850. 1. The approved company shall remit to the board a job  
2 development assessment fee, not to exceed five percent of the gross wages of  
3 each eligible employee whose job was created as a result of the economic  
4 development project, or not to exceed ten percent if the economic development  
5 project is located within a distressed community as defined in section 135.530,  
6 RSMo, for the purpose of retiring bonds which fund the economic development  
7 project.

8 2. Any approved company remitting an assessment as provided in  
9 subsection 1 of this section shall make its payroll books and records available to  
10 the board at such reasonable times as the board shall request and shall file with  
11 the board documentation respecting the assessment as the board may require.

12 3. Any assessment remitted pursuant to subsection 1 of this section shall  
13 cease on the date the bonds are retired.

14 4. Any approved company which has paid an assessment for debt  
15 reduction shall be allowed a tax credit equal to the amount of the assessment.

16 The tax credit may be claimed against taxes otherwise imposed by chapters 143  
17 and 148, RSMo, except withholding taxes imposed under the provisions of  
18 sections 143.191 to 143.265, RSMo, which were incurred during the tax period  
19 in which the assessment was made.

20 5. In no event shall the aggregate amount of tax credits authorized by  
21 subsection 4 of this section exceed eleven million nine hundred fifty thousand  
22 dollars annually. Of such amount, nine hundred fifty thousand dollars shall be  
23 reserved for an approved project for a world headquarters of a business whose  
24 primary function is tax return preparation that is located in any home rule city  
25 with more than four hundred thousand inhabitants and located in more than one  
26 county.

27 6. The director of revenue shall issue a refund to the approved company  
28 to the extent that the amount of credits allowed in subsection 4 of this section  
29 exceeds the amount of the approved company's income tax.]  
30

135.284. The repeal and reenactment of sections [99.845,] 100.710, 100.840, [100.850]  
2 and 178.892, and the enactment of sections 135.276, 135.277, 135.279, 135.281, and 135.283  
3 shall expire on January 1, 2006, if no essential industry retention projects have been approved  
4 by the department of economic development by December 31, 2005. If an essential industry  
5 retention project has been approved by the department of economic development by December  
6 31, 2005, the repeal and reenactment of sections [99.845,] 100.710, 100.840, [100.850] and  
7 178.892, and the enactment of sections 135.276, 135.277, 135.279, 135.281, and 135.283 shall  
8 expire on January 1, 2020.

[135.535. 1. A corporation, limited liability corporation, partnership or  
2 sole proprietorship, which moves its operations from outside Missouri or outside  
3 a distressed community into a distressed community, or which commences  
4 operations in a distressed community on or after January 1, 1999, and in either  
5 case has more than seventy-five percent of its employees at the facility in the  
6 distressed community, and which has fewer than one hundred employees for  
7 whom payroll taxes are paid, and which is a manufacturing, biomedical, medical  
8 devices, scientific research, animal research, computer software design or  
9 development, computer programming, telecommunications or a professional firm  
10 shall receive a forty percent credit against income taxes owed pursuant to chapter  
11 143, 147 or 148, RSMo, other than taxes withheld pursuant to sections 143.191  
12 to 143.265, RSMo, for each of the three years after such move, if approved by the  
13 department of economic development, which shall issue a certificate of eligibility  
14 if the department determines that the taxpayer is eligible for such credit. The  
15 maximum amount of credits per taxpayer set forth in this subsection shall not  
16 exceed one hundred twenty-five thousand dollars for each of the three years for  
17 which the credit is claimed. The department of economic development, by means  
18 of rule or regulation promulgated pursuant to the provisions of chapter 536,

19 RSMo, shall assign appropriate standard industrial classification numbers to the  
20 companies which are eligible for the tax credits provided for in this section. Such  
21 three-year credits shall be awarded only one time to any company which moves  
22 its operations from outside of Missouri or outside of a distressed community into  
23 a distressed community or to a company which commences operations within a  
24 distressed community. A taxpayer shall file an application for certification of the  
25 tax credits for the first year in which credits are claimed and for each of the two  
26 succeeding taxable years for which credits are claimed.

27 2. Employees of such facilities physically working and earning wages for  
28 that work within a distressed community whose employers have been approved  
29 for tax credits pursuant to subsection 1 of this section by the department of  
30 economic development for whom payroll taxes are paid shall, also be eligible to  
31 receive a tax credit against individual income tax, imposed pursuant to chapter  
32 143, RSMo, equal to one and one-half percent of their gross salary paid at such  
33 facility earned for each of the three years that the facility receives the tax credit  
34 provided by this section, so long as they were qualified employees of such entity.  
35 The employer shall calculate the amount of such credit and shall report the  
36 amount to the employee and the department of revenue.

37 3. A tax credit against income taxes owed pursuant to chapter 143, 147  
38 or 148, RSMo, other than the taxes withheld pursuant to sections 143.191 to  
39 143.265, RSMo, in lieu of the credit against income taxes as provided in  
40 subsection 1 of this section, may be taken by such an entity in a distressed  
41 community in an amount of forty percent of the amount of funds expended for  
42 computer equipment and its maintenance, medical laboratories and equipment,  
43 research laboratory equipment, manufacturing equipment, fiber optic equipment,  
44 high speed telecommunications, wiring or software development expense up to  
45 a maximum of seventy-five thousand dollars in tax credits for such equipment or  
46 expense per year per entity and for each of three years after commencement in or  
47 moving operations into a distressed community. A corporation, partnership or  
48 sole proprietorship, which has no more than one hundred employees for whom  
49 payroll taxes are paid, and which is already located in a distressed community,  
50 which expends funds for such equipment as set forth in this subsection in an  
51 amount exceeding its average of the prior two years for such equipment, shall be  
52 eligible to receive a twenty-five percent tax credit against income taxes owed  
53 pursuant to chapters 143, 147 and 148, RSMo, up to a maximum of seventy-five  
54 thousand dollars in tax credits for such additional equipment and expense per  
55 such entity. Tax credits pursuant to this subsection or subsection 1 may be used  
56 to satisfy the state tax liability due in the tax year the credit is certified, and that  
57 was due during the previous three years, and in any of the five tax years  
58 thereafter.

59 4. Tax credits shall be approved for applicants meeting the requirements  
60 of this section in the order that such applications are received. Certificates of tax  
61 credits issued in accordance with this section may be transferred, sold or assigned

62 by notarized endorsement which names the transferee.

63 5. The tax credits allowed pursuant to subsections 1, 2 and 3 of this  
64 section shall be for an amount of no more than ten million dollars for each year  
65 beginning in 1999. The total maximum credit for all entities already located in  
66 distressed communities and claiming credits pursuant to subsection 3 of this  
67 section shall be seven hundred and fifty thousand dollars. The department of  
68 economic development in approving taxpayers for the credit as provided for in  
69 subsection 4 of this section shall use information provided by the department of  
70 revenue regarding taxes paid in the previous year, or projected taxes for those  
71 entities newly established in the state, as the method of determining when this  
72 maximum will be reached and shall maintain a record of the order of approval.  
73 Any tax credit not used in the period for which the credit was approved may be  
74 carried over until the full credit has been allowed.

75 6. A Missouri employer relocating into a distressed community and  
76 having employees covered by a collective bargaining agreement at the facility  
77 from which it is relocating shall not be eligible for the credits in subsection 1 or  
78 3 of this section, and its employees shall not be eligible for the credit in  
79 subsection 2 of this section if the relocation violates or terminates a collective  
80 bargaining agreement covering employees at the facility, unless the affected  
81 collective bargaining unit concurs with the move.

82 7. Notwithstanding any provision of law to the contrary, no taxpayer shall  
83 earn the tax credits allowed in this section and the tax credits otherwise allowed  
84 in section 135.110, or the tax credits, exemptions, and refund otherwise allowed  
85 in sections 135.200, 135.220, 135.225 and 135.245, respectively, for the same  
86 business for the same tax period.

87 8. An existing business located within a distressed community, that hires  
88 new employees within such distressed communities may be eligible for the tax  
89 credits provided in this section. In order to be eligible for such tax credits, the  
90 business located within the distressed community, during one of its tax years,  
91 must employ within such distressed communities at least twice as many workers  
92 as were employed at the beginning of that tax year. Prior to the addition of the  
93 new employees, the business shall have no more than one hundred employees.  
94 The provisions of this section shall apply only to a business which is a  
95 manufacturing, biomedical, medical devices, scientific research, animal research,  
96 computer software design or development, computer programming, or  
97 telecommunications business or a professional firm.]

98

135.535. 1. A corporation, limited liability corporation, partnership or sole  
2 proprietorship, which moves its operations from outside Missouri or outside a distressed  
3 community into a distressed community, or which commences operations in a distressed  
4 community on or after January 1, 1999, and in either case has more than seventy-five percent of  
5 its employees at the facility in the distressed community, and which has fewer than one hundred



6 employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical  
7 devices, scientific research, animal research, computer software design or development,  
8 computer programming, **including Internet, web hosting, and other information technology,**  
9 **wireless or wired or other** telecommunications or a professional firm shall receive a forty  
10 percent credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than  
11 taxes withheld pursuant to sections 143.191 to 143.265, RSMo, for each of the three years after  
12 such move, if approved by the department of economic development, which shall issue a  
13 certificate of eligibility if the department determines that the taxpayer is eligible for such credit.  
14 The maximum amount of credits per taxpayer set forth in this subsection shall not exceed one  
15 hundred twenty-five thousand dollars for each of the three years for which the credit is claimed.  
16 The department of economic development, by means of rule or regulation promulgated pursuant  
17 to the provisions of chapter 536, RSMo, shall assign appropriate [standard industrial  
18 classification] **North American Industry Classification System** numbers to the companies  
19 which are eligible for the tax credits provided for in this section. Such three-year credits shall  
20 be awarded only one time to any company which moves its operations from outside of Missouri  
21 or outside of a distressed community into a distressed community or to a company which  
22 commences operations within a distressed community. A taxpayer shall file an application for  
23 certification of the tax credits for the first year in which credits are claimed and for each of the  
24 two succeeding taxable years for which credits are claimed.

25         2. Employees of such facilities physically working and earning wages for that work  
26 within a distressed community whose employers have been approved for tax credits pursuant to  
27 subsection 1 of this section by the department of economic development for whom payroll taxes  
28 are paid shall, also be eligible to receive a tax credit against individual income tax, imposed  
29 pursuant to chapter 143, RSMo, equal to one and one-half percent of their gross salary paid at  
30 such facility earned for each of the three years that the facility receives the tax credit provided  
31 by this section, so long as they were qualified employees of such entity. The employer shall  
32 calculate the amount of such credit and shall report the amount to the employee and the  
33 department of revenue.

34         3. A tax credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo,  
35 other than the taxes withheld pursuant to sections 143.191 to 143.265, RSMo, in lieu of the  
36 credit against income taxes as provided in subsection 1 of this section, may be taken by such an  
37 entity in a distressed community in an amount of forty percent of the amount of funds expended  
38 for computer equipment and its maintenance, medical laboratories and equipment, research  
39 laboratory equipment, manufacturing equipment, fiber optic equipment, high speed  
40 telecommunications, wiring or software development expense up to a maximum of seventy-five  
41 thousand dollars in tax credits for such equipment or expense per year per entity and for each of

42 three years after commencement in or moving operations into a distressed community.

43 4. A corporation, partnership or sole partnership, which has no more than one hundred  
44 employees for whom payroll taxes are paid, which is already located in a distressed community  
45 and which expends funds for such equipment pursuant to subsection 3 of this section in an  
46 amount exceeding its average of the prior two years for such equipment, shall be eligible to  
47 receive a tax credit against income taxes owed pursuant to chapters 143, 147 and 148, RSMo,  
48 in an amount equal to the lesser of seventy-five thousand dollars or twenty-five percent of the  
49 funds expended for such additional equipment per such entity. Tax credits allowed pursuant to  
50 this subsection or subsection 1 of this section may be carried back to any of the three prior tax  
51 years and carried forward to any of the five tax years.

52 5. An existing corporation, partnership or sole proprietorship that is located within a  
53 distressed community and that relocates employees from another facility outside of the distressed  
54 community to its facility within the distressed community, and an existing business located  
55 within a distressed community that hires new employees for that facility may both be eligible for  
56 the tax credits allowed by subsections 1 and 3 of this section. To be eligible for such tax credits,  
57 such a business, during one of its tax years, shall employ within a distressed community at least  
58 twice as many employees as were employed at the beginning of that tax year. A business hiring  
59 employees shall have no more than one hundred employees before the addition of the new  
60 employees. This subsection shall only apply to a business which is a manufacturing, biomedical,  
61 medical devices, scientific research, animal research, computer software design or development,  
62 computer programming or telecommunications business, or a professional firm.

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

67 7. The tax credits allowed pursuant to subsections 1, 2, 3, 4 and 5 of this section shall  
68 be for an amount of no more than ten million dollars for each year beginning in 1999. The total  
69 maximum credit for all entities already located in distressed communities and claiming credits  
70 pursuant to subsection 4 of this section shall be seven hundred and fifty thousand dollars. The  
71 department of economic development in approving taxpayers for the credit as provided for in  
72 subsection 6 of this section shall use information provided by the department of revenue  
73 regarding taxes paid in the previous year, or projected taxes for those entities newly established  
74 in the state, as the method of determining when this maximum will be reached and shall maintain  
75 a record of the order of approval. Any tax credit not used in the period for which the credit was  
76 approved may be carried over until the full credit has been allowed.

77 8. A Missouri employer relocating into a distressed community and having employees

78 covered by a collective bargaining agreement at the facility from which it is relocating shall not  
79 be eligible for the credits in subsection 1, 3, 4 or 5 of this section, and its employees shall not be  
80 eligible for the credit in subsection 2 of this section if the relocation violates or terminates a  
81 collective bargaining agreement covering employees at the facility, unless the affected collective  
82 bargaining unit concurs with the move.

83 9. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax  
84 credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the  
85 tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and  
86 135.245, respectively, for the same business for the same tax period.

**620.1875. Sections 620.1875 to 620.1890, shall be known and may be cited as the**  
2 **"Missouri Quality Jobs Act".**

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

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

4 (2) "Commencement of operations", the starting date for the qualified company's  
5 first new employee, which must be no later than twelve months from the date of the  
6 proposal;

7 (3) "County average wage", the average wages in each county as determined by the  
8 department for the most recently completed full calendar year. However, if the computed  
9 county average wage is above the statewide average wage, the statewide average wage shall  
10 be deemed the county average wage for such county. The department shall publish the  
11 county average wage for each county at least annually;

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

13 (5) "Director", the director of the department of economic development;

14 (6) "Employee", a person employed by a qualified company;

15 (7) "Full-time equivalent employees", employees of the qualified company  
16 converted to reflect an equivalent of the number of full-time, year-round employees. The  
17 method for converting part-time and seasonal employees into an equivalent number of  
18 full-time, year-round employees shall be published in a rule promulgated by the  
19 department as authorized in section 620.1884;

20 (8) "Full-time, year-round employee", an employee of the company that works an  
21 average of at least thirty-five hours per week for a twelve-month period, and one for which  
22 the qualified company offers health insurance and pays at least fifty percent of such  
23 insurance premiums;

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

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

30 (11) "NAICS", the 1997 edition of the North American Industry Classification  
31 System as prepared by the Executive Office of the President, Office of Management and  
32 Budget. Any NAICS sector, subsector, industry group or industry identified in this section  
33 shall include its corresponding classification in subsequent federal industry classification  
34 systems;

35 (12) "New direct local revenue", the present value of the dollar amount of direct  
36 net new tax revenues of the local political subdivisions likely to be produced by the project  
37 over a ten-year period as calculated by the department and net new utility revenues,  
38 provided the local incentives include a discount or other direct incentives from utilities  
39 owned or operated by the political subdivision;

40 (13) "New investment", the purchase or leasing of new tangible assets to be placed  
41 in operation at the project facility, which will be directly related to the new jobs;

42 (14) "New job", the number of full-time, year-round employees located at the  
43 project facility that exceeds the project facility base employment less any decrease in the  
44 number of full-time equivalent employees at related facilities below the related facility base  
45 employment;

46 (15) "New payroll", the amount of wages paid by a qualified company to employees  
47 in new jobs;

48 (16) "Notice of intent", a form developed by the department, completed by the  
49 qualified company and submitted to the department which states the qualified company's  
50 intent to hire new jobs and request benefits under this program;

51 (17) "Percent of local incentives", the amount of local incentives divided by the  
52 amount of new direct local revenue;

53 (18) "Program", the Missouri quality jobs program provided in sections 620.1875  
54 to 620.1890;

55 (19) "Project facility", the building used by a qualified company at which the new  
56 jobs and new investment will be located. A project facility may include separate buildings  
57 that are located within one mile of each other such that their purpose and operations are  
58 interrelated;

59 (20) "Project facility base employment", for the twelve-month period prior to the  
60 date of the proposal, the average number of full-time equivalent employees located at the  
61 project facility. In the event the project facility has not been in operation for a full

62 twelve-month period, project facility base employment is the average number of full-time  
63 equivalent employees for the number of months the project facility has been in operation  
64 prior to the date of the proposal;

65 (21) "Project period", the time period that the benefits are provided to a qualified  
66 company;

67 (22) "Proposal", a document submitted by the department to the qualified  
68 company that states the benefits that may be provided by this program. The effective date  
69 of such proposal cannot be prior to the commencement of operations. The proposal shall  
70 not offer benefits regarding any jobs created prior to its effective date unless the proposal  
71 is for a job retention project;

72 (23) "Qualified company", a firm, partnership, joint venture, association, private  
73 or public corporation whether organized for profit or not, or headquarters of such entity  
74 registered to do business in Missouri that is the owner or operator of a project facility. For  
75 the purposes of sections 620.1875 to 620.1890, the term "qualified company" shall not  
76 include:

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

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

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

80 (d) Utilities regulated by the Missouri public service commission;

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

84 (f) Any company that has filed for or has publicly announced its intention to file  
85 for bankruptcy protection;

86 (24) "Related company" means:

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

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

91 (c) Corporations, partnerships, trusts or associations controlled by an individual,  
92 corporation, partnership, trust or association in control of the qualified company. As used  
93 in this subdivision, "control of a corporation" shall mean ownership, directly or indirectly,  
94 of stock possessing at least fifty percent of the total combined voting power of all classes  
95 of stock entitled to vote, "control of a partnership or association" shall mean ownership  
96 of at least fifty percent of the capital or profits interest in such partnership or association,  
97 "control of a trust" shall mean ownership, directly or indirectly, of at least fifty percent

98 of the beneficial interest in the principal or income of such trust, and ownership shall be  
99 determined as provided in section 318 of the Internal Revenue Code of 1986, as amended;

100 (25) "Related facility", a facility operated by the qualified company or a related  
101 company located in this state that is directly related to the operations of the project facility;

102 (26) "Related facility base employment", for the twelve-month period prior to the  
103 date of the proposal, the average number of full-time equivalent employees located at all  
104 related facilities of the qualified company or a related company located in this state;

105 (27) "Rural area", a county in Missouri with a population less than seventy-five  
106 thousand or that does not contain an individual city with a population greater than fifty  
107 thousand according to the most recent federal decennial census;

108 (28) "Small and expanding business project", a qualified company that, within two  
109 years of the date of the proposal creates a minimum of twenty new jobs if the project  
110 facility is located in a rural area or a minimum of forty new jobs if the project facility is  
111 not located in a rural area and has fewer than one hundred total employees on the date of  
112 the proposal regardless of the location of the qualified company;

113 (29) "Tax credits", tax credits issued by the department to offset the state income  
114 taxes imposed by chapter 143, RSMo, or which may be sold or refunded as provided for  
115 in this program;

116 (30) "Technology business project", a qualified company that, within two years of  
117 the date of the proposal creates a minimum of ten new jobs with at least seventy-five  
118 percent of the new jobs directly involved in the operations of a technology company as  
119 determined by a regulation promulgated by the department under the provisions of section  
120 620.1884, RSMo, and classified by NAICS codes;

121 (31) "Withholding tax", the state tax imposed by sections 143.191 to 143.265,  
122 RSMo.

620.1881. 1. The department of economic development shall respond within thirty  
2 days to a company who provides a notice of intent with either a proposal or a rejection of  
3 the notice of intent. Failure to respond on behalf of the department of economic  
4 development shall result in the notice of intent being deemed a proposal for the purposes  
5 of this section. A qualified company who is provided a proposal for a project shall be  
6 allowed a benefit as provided in this program in the amount and duration provided in this  
7 section. A qualified company may receive additional periods for subsequent new jobs at  
8 the same facility after the full initial period if the minimum thresholds are met as set forth  
9 in sections 620.1875 to 620.1890. There is no limit on the number of periods a qualified  
10 company may participate in the program, as long as the minimum thresholds are achieved  
11 and the qualified company provides the department with the required reporting and is in

12 proper compliance for this program or other state programs.

13       **2. Notwithstanding any provision of law to the contrary, any qualified company**  
14 **that is awarded benefits under this program may not also receive tax credits or exemptions**  
15 **under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections**  
16 **135.900 to 135.906, RSMo, for the same new jobs at the project facility. The benefits**  
17 **available to the company under any other state programs for which the company is eligible**  
18 **and which utilize withholding tax from the new jobs of the company must first be credited**  
19 **to the other state program before the withholding retention level applicable under the**  
20 **Missouri quality jobs act will begin to accrue. These other state programs include, but are**  
21 **not limited to, the new jobs training program under sections 178.892 to 178.896, RSMo, the**  
22 **job retention program under sections 178.760 to 178.764, RSMo, the real property tax**  
23 **increment allocation redevelopment act, sections 99.800 to 99.865, RSMo, or the Missouri**  
24 **downtown and rural economic stimulus act under sections 99.915 to 99.980, RSMo. If any**  
25 **qualified company also participates in the new jobs training program in sections 178.892**  
26 **to 178.896, RSMo, the company shall retain no withholding tax, but the department shall**  
27 **issue a refundable tax credit for the full amount of benefit allowed under this subdivision.**

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

29       **(1) Small and expanding business projects: In exchange for the consideration**  
30 **provided by the new tax revenues and other economic stimulus that will be generated by**  
31 **the new jobs created by the program, a qualified company may retain an amount equal to**  
32 **the withholding tax from the new jobs that would otherwise be withheld and remitted by**  
33 **the qualified company under the provisions of sections 143.191 to 143.265, RSMo, for a**  
34 **period of three years from the date the required number of new jobs were created if the**  
35 **average wage of the new payroll equals or exceeds the county average wage or for a period**  
36 **of five years from the date the required number of new jobs were created if the average**  
37 **wage of the new payroll equals or exceeds one hundred twenty percent of the county**  
38 **average wage;**

39       **(2) Technology business projects: In exchange for the consideration provided by**  
40 **the new tax revenues and other economic stimulus that will be generated by the new jobs**  
41 **created by the program, a qualified company may retain an amount equal to a maximum**  
42 **of five percent of new payroll for a period of five years from the date the required number**  
43 **of jobs were created from the withholding tax of the new jobs that would otherwise be**  
44 **withheld and remitted by the qualified company under the provisions of sections 143.191**  
45 **to 143.265, RSMo, if the average wage of the new payroll equals or exceeds the county**  
46 **average wage. An additional one-half percent of new payroll may be added to the five**  
47 **percent maximum if the average wage of the new payroll in any year exceeds one hundred**

48 twenty percent of the county average wage in the county in which the project facility is  
49 located, plus an additional one-half percent of new payroll may be added if the average  
50 wage of the new payroll in any year exceeds one hundred forty percent of the average wage  
51 in the county in which the project facility is located. The department shall issue a  
52 refundable tax credit for any difference between the amount of benefit allowed under this  
53 subdivision and the amount of withholding tax retained by the company, in the event the  
54 withholding tax is not sufficient to provide the entire amount of benefit due to the qualified  
55 company under this subdivision. The calendar year annual maximum amount of tax  
56 credits that may be issued to any qualified company for a project or combination of  
57 projects is five hundred thousand dollars;

58 (3) High impact projects: In exchange for the consideration provided by the new  
59 tax revenues and other economic stimulus that will be generated by the new jobs created  
60 by the program, a qualified company may retain an amount from the withholding tax of  
61 the new jobs that would otherwise be withheld and remitted by the qualified company  
62 under the provisions of sections 143.191 to 143.265, RSMo, equal to three percent of new  
63 payroll for a period of five years from the date the required number of jobs were created  
64 if the average wage of the new payroll equals or exceeds the county average wage of the  
65 county in which the project facility is located. The percentage of payroll allowed under  
66 this subdivision shall be three and one-half percent of new payroll if the average wage of  
67 the new payroll in any year exceeds one hundred twenty percent of the county average  
68 wage in the county in which the project facility is located. The percentage of payroll  
69 allowed under this subdivision shall be four percent of new payroll if the average wage of  
70 the new payroll in any year exceeds one hundred forty percent of the county average wage  
71 in the county in which the project facility is located. An additional one percent of new  
72 payroll may be added to these percentages if local incentives equal between ten percent and  
73 twenty-four percent of the new direct local revenue; an additional two percent of new  
74 payroll is added to these percentages if the local incentives equal between twenty-five  
75 percent and forty-nine percent of the new direct local revenue; or an additional three  
76 percent of payroll is added to these percentages if the local incentives equal fifty percent  
77 or more of the new direct local revenue. The department shall issue a refundable tax credit  
78 for any difference between the amount of benefit allowed under this subdivision and the  
79 amount of withholding tax retained by the company, in the event the withholding tax is not  
80 sufficient to provide the entire amount of benefit due to the qualified company under this  
81 subdivision. The calendar year annual maximum amount of tax credits that may be issued  
82 to any qualified company for a project or combination of projects is seven hundred fifty  
83 thousand dollars. The calendar year annual maximum amount of tax credit that may be



84 issued to any qualified company for a project or combination of projects may be increased  
85 up to one million dollars if such action is proposed by the department and approved by the  
86 quality jobs advisory task force established in section 620.1887; provided, however, until  
87 such time as the initial at-large members of the quality jobs advisory task force are  
88 appointed, this determination shall be made by the director of the department of economic  
89 development. In considering such a request, the task force shall rely on economic modeling  
90 and other information supplied by the department when requesting the increased limit on  
91 behalf of the project.

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

95 (a) For each of the twenty-four months preceding the year in which application for  
96 the program is made; the qualified company must have maintained at least one thousand  
97 full-time, year-round employees at the employer's site in the state at which the jobs are  
98 based, and the average wage of such employees must meet or exceed the county average  
99 wage;

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

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

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

114 (e) The local taxing entities shall provide local incentives of at least fifty percent of  
115 the new direct local revenues created by the project over a ten year period.

116

117 The quality jobs advisory task force may recommend to the department of economic  
118 development that appropriate penalties be applied to the company for violating the  
119 agreement. The amount of the job retention credit granted may be equal to up to fifty

120 percent of the amount of withholding tax generated by the full-time, year-round jobs at the  
121 project facility for a period of five years. The calendar year annual maximum amount of  
122 tax credit that may be issued to any qualified company for a job retention project or  
123 combination of job retention projects shall be seven hundred fifty thousand dollars per  
124 year, but the maximum amount may be increased up to one million dollars if such action  
125 is proposed by the department and approved by the quality jobs advisory task force  
126 established in section 620.1887; provided, however, until such time as the initial at-large  
127 members of the quality jobs advisory task force are appointed, this determination shall be  
128 made by the director of the department of economic development. In considering such a  
129 request, the task force shall rely on economic modeling and other information supplied by  
130 the department when requesting the increased limit on behalf of the job retention project.  
131 In no event shall the total amount of all tax credits issued for the entire job retention  
132 program under this subdivision exceed three million dollars annually. Notwithstanding  
133 the above, no tax credits shall be issued for job retention projects approved by the  
134 department after August 30, 2007.

135       4. The qualified company shall provide an annual report of the number of jobs and  
136 such other information as may be required by the department to document the basis for  
137 the benefits of this program. The department may withhold the approval of any benefits  
138 until it is satisfied that proper documentation has been provided, and shall reduce the  
139 benefits to reflect any reduction in full-time, year-round employees.

140       5. The maximum calendar year annual tax credits issued for the entire program  
141 shall not exceed twelve million dollars. Notwithstanding any provision of law to the  
142 contrary, the maximum annual tax credits authorized under section 135.535, RSMo, is  
143 hereby reduced from ten million dollars to eight million dollars, with the balance of two  
144 million dollars transferred to this program. There shall be no limit on the amount of  
145 withholding taxes that may be retained by approved companies under this program.

146       6. The department shall allocate the annual tax credits based on the date of the  
147 proposal, reserving such tax credits based on the department's best estimate of new jobs  
148 and new payroll of the project, and the other factors in the determination of benefits of this  
149 program. However, the annual issuance of tax credits is subject to the annual verification  
150 of the actual new payroll. The allocation of tax credits for the period assigned to a project  
151 shall expire if, within two years from the date of commencement of operations, or proposal  
152 if applicable, the minimum thresholds have not been achieved. The qualified company  
153 may retain authorized amounts from the withholding tax under this section once the  
154 minimum new jobs thresholds are met for the duration of the project period. No benefits  
155 shall be provided under this program until the qualified company meets the minimum new

156 **jobs thresholds. In the event the qualified company does not meet the minimum new job**  
157 **threshold, the qualified company may submit a new notice of intent or the department may**  
158 **provide a new proposal for a new project of the qualified company at the project facility**  
159 **or other facilities.**

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

164 **8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and**  
165 **148, RSMo, and may not be carried forward but shall be claimed within one year of the**  
166 **close of the taxable year for which they were issued.**

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

171 **10. The director of revenue shall issue a refund to the qualified company to the**  
172 **extent that the amount of credits allowed in this section exceeds the amount of the qualified**  
173 **company's income tax.**

174 **11. An employee of a qualified company will receive full credit for the amount of**  
175 **tax withheld as provided in section 143.221, RSMo.**

176 **12. If any provision of sections 620.1875 to 620.1890 or application thereof to any**  
177 **person or circumstance is held invalid, the invalidity shall not affect other provisions or**  
178 **application of these sections which can be given effect without the invalid provisions or**  
179 **application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby**  
180 **declared severable.**

**620.1884. The department may adopt such rules, statements of policy, procedures,**  
2 **forms, and guidelines as may be necessary to carry out the provisions of sections 620.1875**  
3 **to 620.1890. Any rule or portion of a rule, as that term is defined in section 536.010,**  
4 **RSMo, that is created under the authority delegated in this section shall become effective**  
5 **only if it complies with and is subject to all of the provisions of chapter 536, RSMo, and,**  
6 **if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are**  
7 **nonseverable and if any of the powers vested with the general assembly pursuant to**  
8 **chapter 536, RSMo, to review, to delay the effective date, or to disapprove and annul a rule**  
9 **are subsequently held unconstitutional, then the grant of rulemaking authority and any**  
10 **rule proposed or adopted after August 28, 2005, shall be invalid and void.**

**620.1887. There is hereby created a volunteer task force, to be known as the**

2 "Quality Jobs Advisory Task Force", which shall consist of the chairperson of the  
3 economic development committee of the Missouri senate or his or her designee, a member  
4 of the economic development committee of the Missouri senate appointed by the minority  
5 leader of the Missouri senate, the chairperson of the economic development committee of  
6 the Missouri house of representatives or his or her designee, a member of the economic  
7 development committee of the Missouri house of representatives appointed by the minority  
8 leader of the Missouri house of representatives, the director of the department of economic  
9 development or his or her designee, and two members to be appointed by the governor  
10 with the advice and consent of the senate.

2 620.1890. Prior to March first each year, the department will provide a report on  
3 the program to the general assembly including the names of participating companies,  
4 location of such companies, the annual amount of benefits provided, the estimated net state  
5 fiscal impact (direct and indirect new state taxes derived from the project), the number of  
6 new jobs created or jobs retained, the average wages of each project, and the types of  
7 qualified companies using the program.

2 620.1900. 1. The department of economic development may charge a fee to the  
3 recipient of any tax credits issued by the department, in an amount up to two and one-half  
4 percent of the amount of tax credits issued. The fee shall be paid by the recipient upon the  
5 issuance of the tax credits. However, no fee shall be charged for the tax credits issued  
6 under section 135.460, RSMo, or section 208.770, RSMo, or under sections 32.100 to  
7 32.125, RSMo, if issued for community services, crime prevention, education, job training,  
8 or physical revitalization.

2 2. All fees received by the department of economic development under this section  
3 shall be deposited solely to the credit of the economic development advancement fund,  
4 created under subsection 3 of this section.

11 3. There is hereby created in the state treasury the "Economic Development  
12 Advancement Fund", which shall consist of money collected under this section. The state  
13 treasurer shall be custodian of the fund and shall approve disbursements from the fund  
14 in accordance with sections 30.170 and 30.180, RSMo. Upon appropriation, money in the  
15 fund shall be used solely for the administration of this section. Notwithstanding the  
16 provisions of section 33.080, RSMo, to the contrary, any moneys remaining in the fund at  
17 the end of the biennium shall not revert to the credit of the general revenue fund. The state  
18 treasurer shall invest moneys in the fund in the same manner as other funds are invested.  
19 Any interest and moneys earned on such investments shall be credited to the fund.

20 4. Such fund shall consist of any fees charged under subsection 1 of this section, any  
21 gifts, contributions, grants, or bequests received from federal, private, or other sources,

22 fees or administrative charges from private activity bond allocations, moneys transferred  
23 or paid to the department in return for goods or services provided by the department, and  
24 any appropriations to the fund.

25 **5. At least fifty percent of the fees and other moneys deposited in the fund shall be**  
26 **appropriated for marketing, technical assistance, and training, contracts for specialized**  
27 **economic development services, and new initiatives and pilot programming to address**  
28 **economic trends. The remainder may be appropriated toward the costs of staffing and**  
29 **operating expenses for the program activities of the department of economic development,**  
30 **and for accountability functions.**

**Section 1. Notwithstanding any other provision of law to the contrary, the time for**  
2 **approval of essential industry retention projects as identified in section 135.284, RSMo, is**  
3 **extended until December 31, 2007, and if an essential industry retention project has been**  
4 **approved by the department of economic development by December 31, 2007, the**  
5 **provisions of section 135.284 shall expire on January 1, 2020.**