

Journal of the House

NINETY-FOURTH GENERAL ASSEMBLY
of the
STATE OF MISSOURI
FIRST EXTRAORDINARY SESSION

FIRST DAY, MONDAY, AUGUST 20, 2007

Speaker Jetton in the Chair.

Prayer by Representative Grisamore.

Heavenly Father, we thank You for the incredible privilege to serve our constituents and the people of Missouri. As we go about the people's business this week, we ask You for Your wisdom and strength and pray for Your blessing and protection for our families. In Jesus' name. Amen.

The Pledge of Allegiance to the flag was recited.

MESSAGE FROM THE GOVERNOR

The following Proclamation was received from His Excellency, Governor Matt Blunt:

PROCLAMATION

WHEREAS, Missouri has bridges with a poor or serious condition rating, and it is vital to the safety of Missourians, of visitors to the state, and to the state economy's reliance on a modern and safe transportation infrastructure that the bridges most in need of repair are brought up to good condition as quickly as possible; and

WHEREAS, legislative action is necessary to allow for bonding that will allow the Safe and Sound Bridge Program to begin as soon as possible, which will allow the state to address problems at 800 of Missouri's bridges most in need of repair through a single, efficient contract with construction to be completed within five years; and

WHEREAS, during the First Regular Session of the Ninety-fourth General Assembly, the General Assembly considered House Bill No. 327, with the objective to provide various economic development opportunities in Missouri; and

WHEREAS, the proposed legislation sought to address several concerns, including promoting economic development, quality jobs, and tax credits. The legislation resulted in excessive and unquantifiable expense to Missouri taxpayers; and

WHEREAS, the Governor has promised to promote the wise and prudent use of taxpayer resources to promote economic development in Missouri; and

WHEREAS, the failure to enact a measured and prudent bill for economic development constitutes an immediate economic threat to the well-being of the economy of the state of Missouri; and

WHEREAS, Article IV, Section 9 of the Missouri Constitution authorizes the Governor on extraordinary occasions to convene the General Assembly by proclamation, wherein he shall state specifically each matter on which action is deemed necessary; and

WHEREAS, an extraordinary occasion as envisioned by Article IV, Section 9 of the Missouri Constitution is appropriate given that the action of the General Assembly is deemed necessary concerning Missouri's economic development.

NOW THEREFORE, on the extraordinary occasion that exists in the state of Missouri:

I, MATT BLUNT, GOVERNOR OF THE STATE OF MISSOURI, pursuant to the authority vested in me as Governor by the Missouri Constitution, do, by this Proclamation, convene the Ninety-fourth General Assembly of the state of Missouri in the First Extra Session of the First Regular Session; and

I HEREBY call upon the Senators and Representatives of said General Assembly to meet in their respective chambers in the State Capitol in the City of Jefferson at the hour of 1:00 p.m., Central Daylight Time, August 20, 2007; and

I HEREBY state that the action of said General Assembly is deemed necessary concerning each matter specifically designated and limited hereinafter as follows:

1. To amend section 227.107, RSMo, to authorize the Missouri Highway and Transportation Commission to use "design-build-finance-maintain" for the Safe and Sound Bridge Program and to permit the commission to change and enforce a bid or proposed bond in accordance with the financial and contractual requirements of the design-build-finance-maintain project.
2. To amend or enact sections of the Revised Statutes of Missouri as follows:
 - (1) 32.105: Neighborhood Assistance Program - Add charitable organizations to the definition of business firm allowed to receive the credit.
 - (2) Enact section(s) on: Ticket Scalping - Prohibit a city or county from prohibiting the sale or resale of tickets for admission to any legal event at any price; fees associated with the sale or resale should be permitted.
 - (3) 99.805: Tax Increment Financing - Define the term "Greenfield" as it relates to TIF.
 - (4) 99.820: Tax Increment Financing - Create countywide TIF commissions for Jefferson County, St. Charles County, St. Louis County, and Franklin County.
 - (5) Enact section(s) on: Tax Increment Financing - Prohibit new TIF projects from being authorized within any greenfield located within St. Louis City and any county subject to the authority of the East-West Gateway Council of Governments.
 - (6) Enact section(s) on: Distressed Areas Land Assemblage Tax Credit - Create a distressed areas land assemblage tax credit with an annual cap of \$10 million and a cumulative cap on tax credits issued of \$95 million. Eligible project areas should be at least 75 acres in size, and 80 percent of the project area should be located in a Missouri HUD-qualified census tract or a Missouri distressed community. The applicant should acquire at least 50 acres of eligible parcels in the eligible project area, which may be contiguous or non-contiguous. The area of the redevelopment developed by the tax credit applicant should be limited to 75 percent; the remainder of the redevelopment area should be required to be redeveloped by redevelopers to whom the applicant has assigned all redevelopment rights and obligations.

- (7) 100.286 and 100.255: Missouri Development Finance Board - Add charitable organizations to definition of taxpayer or person or persons allowed to receive the credit.
- (8) 135.460: Youth Opportunity Program - Add charitable organizations to definition of taxpayers allowed to receive the credit.
- (9) 135.478: Neighborhood Preservation Act - Add charitable organizations to definition of taxpayer allowed to receive the credit.
- (10) 135.500: MO Certified Capital Company Law - Add charitable organizations to definition of person allowed to receive the credit.
- (11) 135.545: Transportation Development in Distressed Area Tax Credit - Add charitable organizations to definition of taxpayer allowed to receive the credit.
- (12) 135.550: Domestic Violence Shelters Tax Credit - Add charitable organizations to definition of taxpayer allowed to receive the credit.
- (13) 135.600: Maternity Home Tax Credit - Add charitable organizations to definition of taxpayer allowed to receive the credit.
- (14) 135.630: Pregnancy Resource Center Tax Credit - Add charitable organizations to definition of taxpayer allowed to receive the credit. Allow credits to be sold and transferred.
- (15) Enact section(s) on: Qualified Beef Cattle Tax Credit - Establish a tax credit for adding additional weight to qualified beef animals. Define the credit as being based on the qualifying beef animal's weight above the taxpayer's established baseline weight at the time of the first qualifying sale and worth 10 cents per pound for each pound added above the taxpayer's established baseline, provided the total pounds added above the taxpayer's baseline sale weight is equal or greater to 200 pounds. Establish an annual cap for this tax credit not to exceed \$3 million. Provide the Missouri Agricultural Small Business Development Authority the authority to waive up to 25 percent of the 200-pound added weight requirement in the event of a federally declared disaster. Add a sunset clause of no later than December 31, 2016.
- (16) Enact section(s) on: New Markets - Create the Qualified Equity Investment Tax Credit of not more than \$15 million to serve as a state match for the federal New Markets tax credit.
- (17) 135.750: Film Production Tax Credit - Increase the annual tax credit cap from \$1.5 million to \$4.5 million and modify eligibility requirements, provisions related to issuance and redemption of credits, and add a sunset clause.
- (18) 135.950: Enhanced Enterprise Zones - Modify the definition of employee to mean a person scheduled to work an average of at least 1,000 hours per year who at all times has the offer of health insurance partially paid by the employer. Modify the definition of "enhanced business enterprise" to exclude educational services (NAICS sector 61), religious organizations (NAICS industry group 8131) or public administration (NAICS sector 92) and to allow the headquarters or administrative office of an otherwise excluded entity to qualify if the offices serve a multi-state territory. Define the terms "facility base employment"; "facility base payroll"; "new job"; "notice of intent"; "related facility" and "related facility base employment."
- (19) 135.963: Enhanced Enterprise Zone - Allow exemption for a speculative industrial or warehouse building constructed by a public entity or a private entity on land leased from a public entity.
- (20) 135.967: Enhanced Enterprise Zone - Increase the annual cap on credits from \$7 million to \$14 million. Modify provisions related to tax credit claims and issuance.

- (21) 135.1150: Residential Treatment Agency Tax Credit - Add charitable organizations to definition of taxpayer allowed to receive the credit.
- (22) 144.030: Raw Materials Used in Auto Manufacturing - Add language allowing a rebuttable presumption that the raw materials used in auto manufacturing contain at least 25 percent recovered materials.
- (23) 173.196: MO Higher Education Scholarship Donation Fund - Allow credits to be sold and transferred.
- (24) 173.796: MO Higher Education Scholarship Donation Fund - Add charitable organizations to definition of taxpayer allowed to receive the credit.
- (25) Enact section(s) on: Vocational School District - Allow for a vocational school district in 11 Southeast Missouri counties.
- (26) 178.895: Community College New Job Training Program - Extend the sunset for the Community College New Job Training Program from 2008 to 2018.
- (27) 178.896: Community College New Job Training Program - Extend the sunset for the Community College New Job Training Fund from 2018 to 2028.
- (28) 348.300: Seed Capital Tax Credit - Add charitable organizations to definition of person allowed to receive the credit.
- (29) 578.395: Ticket Scalping - Repealed. Repeal section 578.395 related to the crime of ticket scalping.
- (30) 620.495: Small Business Incubator Tax Credit - Add charitable organizations to definition of taxpayer allowed to receive the credit.
- (31) Enact section(s) on: MO Workforce Investment Board - Recreate the MO Training and Employment Council as the MO Workforce Investment Board.
- (32) 620.638: New Enterprise Creation Tax Credit - Add charitable organizations to definition of person allowed to receive the credit.
- (33) 620.1030: Qualified Research Expenses Tax Credit - Add charitable organizations to definition of taxpayer allowed to receive the credit.
- (34) 620.1878: Quality Jobs Program - Define the terms, "approval"; "project facility base payroll"; and "related facility base payroll." Modify the definition of the terms, "commencement of operations"; "county average wage"; "employee"; "full-time year-round employee"; "new job"; "new payroll"; "new direct local revenue"; "project facility employment"; "related facility base employment"; "small and expanding business project"; "tax credits" and "withholding tax." Delete definition of "proposal" and "full-time equivalent employees." Modify the definition of the term "qualified company" to require the offering of health insurance to all full-time employees at all facilities located in this state with at least fifty percent of the premiums paid; to exclude public utilities (NAICS 221 including water and sewer services), educational services (NAICS sector 61), religious organizations (NAICS industry group 8131) or public administration (NAICS sector 92) and to allow the headquarters or administrative office of an otherwise excluded entity to qualify if the offices serve a multi-state territory. Modify the definition of "technology business project" to remove the 75 percent requirement on direct employee involvement and to expand the definition to include companies that research, develop or manufacture power system technology for aerospace, space, defense, hybrid vehicles or implantable or wearable medical devices. Replace the term "proposal" with "approval."

- (35) 620.1881: Quality Jobs Program - Increase the annual tax credit cap from \$12 million to \$40 million. Create a preference for qualified companies and projects targeted at an area that has been recently classified as a disaster area by the federal government. Replace the word "proposal" with "approval." Modify provisions related to qualified companies receiving incentives in addition to Quality Jobs. Modify provisions related to small and expanding business projects, technology business projects, high impact projects and job retention projects. Create a category for Small Business job retention and flood survivor relief. Modify provision related to the retention of withholding tax and annual reporting. Modify provisions related to tax credit claims and issuance.
3. To allow the Senate to consider appointments to boards, commissions, departments, divisions, and other government bodies that require advice and consent of the Senate.
4. Such additional matters as may be recommended by the Governor through special message to the General Assembly once it has convened.

IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Missouri, in the City of Jefferson, on this 16th day of August, 2007.

/s/ Matt Blunt
Governor

ATTEST:
/s/ Robin Carnahan
Secretary of State

INTRODUCTION OF HOUSE BILLS

The following House Bills were read the first time and copies ordered printed:

HB 1, introduced by Representative Richard, relating to economic incentive and development programs.

HB 2, introduced by Representatives St. Onge, Kuessner, Munzlinger, Meadows, Faith and Denison, relating to state highways and transportation commission design-build state highway project bond requirements.

MESSAGE FROM THE SENATE

Mr. Speaker: I am instructed by the Senate to inform the House of Representatives that the Senate has taken up and adopted **SR 1**.

SENATE RESOLUTION NO. 1

BE IT RESOLVED by the Senate of the Ninety-fourth General Assembly, First Regular Session, that the Secretary of Senate inform the House of Representatives that the Senate is duly convened in the First Extra Session of the First Regular Session and is ready for consideration of its business.

The following members' presence was noted: Aull, Baker (25), Brandom, Bringer, Bruns, Cooper (120), Day, El-Amin, Emery, Harris (23), Holsman, Hoskins, Hubbard, Hughes, Hunter, Jones (89), Jones (117), Kraus, Kuessner, Lembke, LeVota, Loehner, Low (39), McClanahan,

McGhee, Nance, Parson, Pratt, Quinn (9), Richard, Rucker, Sander, Scavuzzo, Schieffer, Schlottach, Shively, Silvey, Smith (14), Sutherland, Talboy, Todd, Viebrock, Villa, Weter, Whorton, Wildberger, Wright-Jones and Yates.

ADJOURNMENT

On motion of Speaker Jetton, the House adjourned until 10:00 a.m., Tuesday, August 21, 2007.

COMMITTEE MEETINGS

RULES

Tuesday, August 21, 2007, 3:00 p.m. Hearing Room 1.

Executive session may follow.

Public hearings to be held on: HB 1, HB 2

SPECIAL COMMITTEE ON JOB CREATION AND ECONOMIC DEVELOPMENT

Tuesday, August 21, 2007, 12:00 p.m. Hearing Room 7.

Executive session may follow.

Public hearing to be held on: HB 1

TRANSPORTATION

Tuesday, August 21, 2007, 12:00 p.m. Hearing Room 3.

Executive session may follow.

Public hearing to be held on: HB 2

HOUSE CALENDAR

SECOND DAY, TUESDAY, AUGUST 21, 2007

HOUSE BILLS FOR SECOND READING

HB 1 and HB 2