

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 676, Page 27, Section 144.805, Line 34,
2 by inserting after all of said section and line the following:

3
4 "620.3700. 1. For the purposes of this section, the following terms shall mean:

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

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

12 (3) "Eligible project", the improvement or expansion of the project facility of an existing
13 Missouri business, or the relocation to Missouri if not an existing Missouri business, commenced no
14 later than December 31, 2022, that results in the creation of ten or more new jobs and a commitment
15 by a qualified company to make at least one hundred thousand dollars in new capital investment at
16 the project facility within two years of approval of the eligible project;

17 (4) "Existing Missouri business", a qualified company that, for the tax year preceding
18 submission of a notice of intent to the department, had a physical location in Missouri and full-time
19 employees who routinely performed job duties within Missouri;

20 (5) "New capital investment", costs incurred by the qualified company at the project facility
21 after acceptance by the qualified company of the proposal for benefits from the department, for real
22 or personal property, and may include the value of finance or capital leases for real or personal
23 property for the term of such lease at the project facility executed after acceptance by the qualified
24 company of the proposal for benefits from the department or the approval of the notice of intent;

25 (6) "New job", the number of full-time employees located at the project facility that exceeds
26 the project facility base employment less any decrease in the number of full-time employees at
27 related facilities below the related facility base employment. No job that was created prior to the
28 date of the notice of intent shall be deemed a new job;

29 (7) "Notice of intent", a form developed by the department and available online, completed
30 by the qualified company, and submitted to the department stating the qualified company's intent to
31 request benefits pursuant to this section;

32 (8) "Project facility", the building or buildings used by a qualified company at which new
33 jobs and new capital investment are or will be located. A project facility may include separate
34 buildings located within sixty miles of each other such that their purpose and operations are
35 interrelated. Upon approval by the department, a subsequent project facility may be designated if
36 the qualified company demonstrates a need to relocate to the subsequent project facility at any time

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1 during the project period;

2 (9) "Project facility base employment", the greater of the number of full-time employees
3 located at the project facility on the date of the notice of intent or, for the twelve-month period prior
4 to the date of the notice of intent, the average number of full-time employees located at the project
5 facility. In the event the project facility has not been in operation for a full twelve-month period, the
6 average number of full-time employees for the number of months the project facility has been in
7 operation prior to the date of the notice of intent;

8 (10) "Project period", the ten-year period beginning on the date of the qualified company's
9 acceptance of the department's proposal for benefits;

10 (11) "Qualified company", a firm, partnership, joint venture, association, private or public
11 corporation whether organized for profit or not, or headquarters of such entity registered to do
12 business in Missouri that is the owner or operator of a project facility, and that is any of the
13 following:

14 (a) Medical equipment and supplies manufacturing (NAICS 3391);

15 (b) Pharmaceutical and medicine manufacturing (NAICS 32541); or

16 (c) Any other NAICS industry code determined by the department, in consultation with the
17 department of health and senior services, to be vital to the healthcare system in the state;

18 (12) "Related facility", a facility operated by the qualified company or a related company
19 located in this state that is directly related to the operations of the project facility or in which
20 operations substantially similar to the operations of the project facility are performed;

21 (13) "Related facility base employment", the greater of the number of full-time employees
22 located at all related facilities on the date of the notice of intent or, for the twelve-month period prior
23 to the date of the notice of intent, the average number of full-time employees located at all related
24 facilities of the qualified company or a related company located in this state;

25 (14) "State tax liability", any liability incurred by a qualified company pursuant to the
26 provisions of chapter 143 or chapter 148, exclusive of the provisions relating to the withholding of
27 tax as provided for in sections 143.191 to 143.265 and related provisions;

28 (15) "Withholding tax", the state tax imposed by sections 143.191 to 143.265. For purposes
29 of this section, the withholding tax shall be computed using a schedule as determined by the
30 department based on average wages.

31 2. A qualified company may, for the duration of the project period for an eligible project,
32 retain one hundred percent of the withholding tax from the new jobs that would otherwise be
33 withheld and remitted by the qualified company under the provisions of sections 143.191 to
34 143.265. An employee of a qualified company shall receive full credit for the amount of tax
35 withheld as provided in section 143.211.

36 3. In addition to the benefits available pursuant to subsection 2 of this section, all purchases
37 of real and personal property related to the eligible project made during the project period shall be
38 specifically exempted from the provisions of chapter 144, the local sales tax law as defined in
39 section 32.085, and section 238.235, and from the computation of the tax levied, assessed, or
40 payable pursuant to chapter 144, the local sales tax law as defined in section 32.085, and section
41 238.235.

42 4. Notwithstanding any provision of law to the contrary, in addition to the benefits available
43 pursuant to subsections 2 and 3 of this section, for the duration of the project period, the state tax
44 liability of the qualified company shall not exceed such qualified company's state tax liability for the
45 tax year prior to the tax year in which the qualified company's project period for an eligible project
46 begins. The department of revenue shall promulgate rules and regulations to implement the
47 provisions of this subsection. Any rule or portion of a rule, as that term is defined in section
48 536.010, that is created under the authority delegated in this section shall become effective only if it
49 complies with and is subject to all of the provisions of chapter 536 and, if applicable, section

1 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the
2 general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
3 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any
4 rule proposed or adopted after August 28, 2020, shall be invalid and void.

5 5. In addition to the benefits available pursuant to subsections 2 to 4 of this section,
6 improvements to real property, as such term is defined in section 137.010, made during the project
7 period for an eligible project at a project facility determined by the local governing body to be
8 located in a blighted area may, upon approval of an authorizing resolution by the governing
9 authority having jurisdiction of the area in which the improvements are made, be exempt, in whole
10 or in part, from assessment and payment of ad valorem taxes of one or more affected political
11 subdivisions. Such authorizing resolution shall specify the percent of the exemption to be granted,
12 the political subdivisions to which such exemption is to apply, the duration of the exemption to be
13 granted, provided the exemption shall not apply after the end of the project period, and any other
14 terms, conditions or stipulations otherwise required. A copy of the resolution shall be provided to
15 the department within thirty calendar days following adoption of the resolution by the governing
16 authority.

17 6. A qualified company that intends to seek benefits pursuant to this section shall submit to
18 the department a notice of intent. The department shall respond within thirty days to a notice of
19 intent with a proposal of benefits or a written response refusing to provide such a proposal and
20 stating the reasons for such refusal, provided that the department may withhold approval or provide
21 a contingent approval until it is satisfied that proper documentation of eligibility has been provided.
22 A qualified company that has been refused a proposal of benefits may resubmit a notice of intent for
23 the eligible project. Failure to respond on behalf of the department shall result in the notice of intent
24 being deemed approved.

25 7. In evaluating a qualified company's notice of intent pursuant to this section, the
26 department shall consider the following factors:

- 27 (1) The significance of the qualified company's need for program benefits;
28 (2) The amount of projected net fiscal benefit to the state of the project and the period in
29 which the state would realize such net fiscal benefit;
30 (3) The overall size and quality of the proposed project, including the number of new jobs,
31 new capital investment, proposed wages, growth potential of the qualified company, the potential
32 multiplier effect of the project, and similar factors;
33 (4) The financial stability and creditworthiness of the qualified company;
34 (5) The level of economic distress in the area;
35 (6) An evaluation of the competitiveness of alternative locations for the project facility, as
36 applicable; and
37 (7) Any other factor required by the department.

38 8. Upon approval of a notice of intent and issuance of a proposal of benefits, the department
39 and the qualified company shall enter into a written agreement covering the applicable project
40 period. The agreement shall specify, at a minimum:

- 41 (1) The committed number of new jobs and new capital investment for each year during the
42 project period;
43 (2) Clawback provisions, as may be required by the department;
44 (3) Financial guarantee provisions as may be required by the department; and
45 (4) Any other provisions the department may require.

46 9. A qualified company receiving benefits pursuant to this section shall provide an annual
47 report to the department of the number of jobs, new capital investment, and such other information
48 as may be required by the department to document the basis for program benefits by no later than
49 ninety days prior to the end of the qualified company's tax year immediately following the tax year

1 for which the benefits provided pursuant to this section are attributed. If the department determines
2 the qualifying company fails to satisfy the provisions of the notice of intent, the qualified company
3 shall not receive any benefits for the balance of the project period. Failure to timely file the annual
4 report required pursuant to this subsection shall result in the recapture of withholding taxes retained
5 by the qualified company during such year. Qualified companies approved for benefits pursuant to
6 this section shall provide to the department, upon request, any and all information and records
7 reasonably required to monitor compliance with program requirements.

8 10. Any qualified company that is awarded benefits pursuant to this section that knowingly
9 hires individuals who are not allowed to work legally in the United States shall immediately forfeit
10 such benefits and shall repay the state and local taxing jurisdictions, as applicable, an amount equal
11 to any state or local tax benefits awarded pursuant to this section.

12 11. No public funds shall be expended, paid, or granted to or on behalf of an existing or
13 proposed research project that involves abortion services, human cloning, or prohibited human
14 research, as those terms are defined under section 196.1127.

15 12. Notwithstanding any provision of law to the contrary, no qualified company shall
16 simultaneously receive benefits pursuant to any other program for the capital investment or new
17 jobs created for which the qualified company is seeking benefits pursuant to this section.

18 13. The department shall adopt rules and regulations to carry out the provisions of this
19 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created
20 under the authority delegated in this section shall become effective only if it complies with and is
21 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and
22 chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to
23 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
24 held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
25 August 28, 2020, shall be invalid and void.

26 14. Under section 23.253 of the Missouri sunset act:

27 (1) The provisions of the new program authorized under this section shall automatically
28 sunset five years after the effective date of this section unless reauthorized by an act of the general
29 assembly;

30 (2) If such program is reauthorized, the program authorized under this section shall
31 automatically sunset ten years after the effective date of the reauthorization of this section;

32 (3) This section shall terminate on September first of the calendar year immediately
33 following the calendar year in which the program authorized under this section is sunset; and

34 (4) Nothing in this subsection shall prevent a qualified company from receiving benefits
35 awarded pursuant to this section during the project period."; and

36
37 Further amend said bill by amending the title, enacting clause, and intersectional references
38 accordingly.