

HOUSE SUBSTITUTE  
FOR  
SENATE COMMITTEE SUBSTITUTE  
FOR  
SENATE BILL NO. 1155

1 AN ACT

2 To repeal sections 32.105, 32.110, 71.620,  
3 99.1000, 99.1018, 100.710, 620.1039, RSMo,  
4 and section 100.850 as enacted by conference  
5 committee substitute for senate substitute  
6 for senate committee substitute for house  
7 committee substitute for house bill no. 289,  
8 ninety-second general assembly, first regular  
9 session, and section 100.850 as enacted by  
10 senate committee substitute for senate bill  
11 no. 620, ninety-second general assembly,  
12 first regular session, and to enact in lieu  
13 thereof thirty-four new sections relating to  
14 economic development projects.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,  
16 AS FOLLOWS:

17 Section A. Sections 32.105, 32.110, 71.620, 99.1000,  
18 99.1018, 100.710, 620.1039, RSMo, and section 100.850 as enacted  
19 by conference committee substitute for senate substitute for  
20 senate committee substitute for house committee substitute for  
21 house bill no. 289, ninety-second general assembly, first regular  
22 session, and section 100.850 as enacted by senate committee  
23 substitute for senate bill no. 620, ninety-second general  
24 assembly, first regular session, are repealed and thirty-four new  
25 sections enacted in lieu thereof, to be known as sections 32.105,

**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 boldface type in the above law is proposed language.**

1 32.110, 71.620, 99.1000, 99.1018, 100.710, 100.850, 135.155,  
2 135.214, 135.216, 135.217, 135.218, 135.222, 135.261, 135.286,  
3 135.546, 135.900, 135.903, 135.910, 135.911, 135.1050, 135.1055,  
4 135.1057, 135.1060, 135.1065, 135.1070, 135.1075, 135.1078,  
5 178.980, 178.981, 178.982, 178.983, 178.984, and 620.1039, to  
6 read as follows:

7 32.105. As used in sections 32.100 to 32.125, the following  
8 terms mean:

9 (1) "Affordable housing assistance activities", money, real  
10 or personal property, or professional services expended or  
11 devoted to the construction, or rehabilitation of affordable  
12 housing units;

13 (2) "Affordable housing unit", a residential unit generally  
14 occupied by persons and families with incomes at or below the  
15 levels described in this subdivision and bearing a cost to the  
16 occupant no greater than thirty percent of the maximum eligible  
17 household income for the affordable housing unit. In the case of  
18 owner-occupied units, the cost to the occupant shall be  
19 considered the amount of the gross monthly mortgage payment,  
20 including casualty insurance, mortgage insurance, and taxes. In  
21 the case of rental units, the cost to the occupant shall be  
22 considered the amount of the gross rent. The cost to the  
23 occupant shall include the cost of any utilities, other than  
24 telephone. If any utilities are paid directly by the occupant,  
25 the maximum cost that may be paid by the occupant is to be



1 in the state of Missouri and subject to the state income tax  
2 imposed by the provisions of chapter 143, RSMo, or a corporation  
3 subject to the annual corporation franchise tax imposed by the  
4 provisions of chapter 147, RSMo, or an insurance company paying  
5 an annual tax on its gross premium receipts in this state, or  
6 other financial institution paying taxes to the state of Missouri  
7 or any political subdivision of this state pursuant to the  
8 provisions of chapter 148, RSMo, or an express company which pays  
9 an annual tax on its gross receipts in this state;

10 (4) "Commission", the Missouri housing development  
11 commission;

12 (5) "Community services", any type of counseling and  
13 advice, emergency assistance or medical care furnished to  
14 individuals or groups in the state of Missouri or transportation  
15 services at below-cost rates as provided in sections 208.250 to  
16 208.275, RSMo;

17 (6) "Crime prevention", any activity which aids in the  
18 reduction of crime in the state of Missouri;

19 (7) "Defense industry contractor", a person, corporation or  
20 other entity which will be or has been negatively impacted as a  
21 result of its status as a prime contractor of the Department of  
22 Defense or as a second or third tier contractor. A "second tier  
23 contractor" means a person, corporation or other entity which  
24 contracts to perform manufacturing, maintenance or repair  
25 services for a prime contractor of the Department of Defense, and

1 a "third tier contractor" means a person, corporation or other  
2 entity which contracts with a person, corporation or other entity  
3 which contracts with a prime contractor of the Department of  
4 Defense;

5 (8) "Doing business", among other methods of doing business  
6 in the state of Missouri, a partner in a firm or a shareholder in  
7 an S corporation shall be deemed to be doing business in the  
8 state of Missouri if such firm or S corporation, as the case may  
9 be, is doing business in the state of Missouri;

10 (9) "Economic development", the acquisition, renovation,  
11 improvement, or the furnishing or equipping of existing buildings  
12 and real estate in distressed or blighted areas of the state when  
13 such acquisition, renovation, improvement, or the furnishing or  
14 equipping of the business development projects will result in the  
15 creation or retention of jobs within the state; or, until June  
16 30, 1996, a defense conversion pilot project located in a  
17 standard metropolitan statistical area which contains a city with  
18 a population of at least three hundred fifty thousand  
19 inhabitants, which will assist Missouri-based defense industry  
20 contractors in their conversion from predominately  
21 defense-related contracting to nondefense-oriented manufacturing.  
22 Only neighborhood organizations, as defined in subdivision (15)  
23 of this section, may apply to conduct economic development  
24 projects. Prior to the approval of an economic development  
25 project, the neighborhood organization shall enter into a

1 contractual agreement with the department of economic  
2 development. Credits approved for economic development projects  
3 may not exceed four million dollars from within any one fiscal  
4 year's allocation, except that for fiscal years 2005, 2006, and  
5 2007 credits approved for economic development projects shall not  
6 exceed six million dollars. Neighborhood assistance program tax  
7 credits for economic development projects and affordable housing  
8 assistance as defined in section 32.111, may be transferred, sold  
9 or assigned by a notarized endorsement thereof naming the  
10 transferee;

11 (10) "Education", any type of scholastic instruction or  
12 scholarship assistance to an individual who resides in the state  
13 of Missouri that enables the individual to prepare himself or  
14 herself for better opportunities or community awareness  
15 activities rendered by a statewide organization established for  
16 the purpose of archeological education and preservation;

17 (11) ["Eligible farmers' market", a group of farmers, each  
18 of whom farms agricultural land located within this state which  
19 he or she rents or owns, and who have formed a group for the  
20 purpose of allowing each member farmer to sell his or her  
21 products derived from his or her farming activities to the public  
22 at a common structure or building when at least fifty percent of  
23 the costs of such structure or building are paid for by such  
24 group of farmers;

25 (12) "Eligible new generation cooperative", as defined in

1 section 348.340, RSMo;

2 (13)] "Homeless assistance pilot project", the program  
3 established pursuant to section 32.117;

4 [(14)] (12) "Job training", any type of instruction to an  
5 individual who resides in the state of Missouri that enables the  
6 individual to acquire vocational skills so that the individual  
7 can become employable or be able to seek a higher grade of  
8 employment;

9 [(15)] (13) "Neighborhood organization", any organization  
10 performing community services or economic development activities  
11 in the state of Missouri and:

12 (a) Holding a ruling from the Internal Revenue Service of  
13 the United States Department of the Treasury that the  
14 organization is exempt from income taxation pursuant to the  
15 provisions of the Internal Revenue Code; or

16 (b) Incorporated in the state of Missouri as a  
17 not-for-profit corporation pursuant to the provisions of chapter  
18 355, RSMo; or

19 (c) Designated as a community development corporation by  
20 the United States government pursuant to the provisions of Title  
21 VII of the Economic Opportunity Act of 1964; [or

22 (d) Contributing funds to help finance a building or  
23 structure or purchase equipment located within this state and  
24 used to sell agricultural food products or to add value to food  
25 products produced in this state by members of an eligible new

1 generation cooperative; or contributing funds to help finance a  
2 building or structure or purchase equipment owned by a not-  
3 for-profit organization located within this state and used to  
4 sell agricultural food products or to add value to food products  
5 produced by family farms as defined in subdivision (4) of section  
6 350.010, RSMo, or family farm corporations as defined in  
7 subdivision (5) of section 350.010, RSMo;

8 16)] (14) "Physical revitalization", furnishing financial  
9 assistance, labor, material, or technical advice to aid in the  
10 physical improvement or rehabilitation of any part or all of a  
11 neighborhood area;

12 [(17)] (15) "S corporation", a corporation described in  
13 Section 1361(a)(1) of the United States Internal Revenue Code and  
14 not subject to the taxes imposed by section 143.071, RSMo, by  
15 reason of section 143.471, RSMo;

16 [(18)] (16) "Workfare renovation project", any project  
17 initiated pursuant to sections 215.340 to 215.355, RSMo.

18 32.110. Any business firm which engages in the activities  
19 of providing physical revitalization, economic development, job  
20 training or education for individuals, community services,  
21 [eligible farmers' markets] or crime prevention in the state of  
22 Missouri shall receive a tax credit as provided in section 32.115  
23 if the director of the department of economic development  
24 annually approves the proposal of the business firm; except that,  
25 no proposal shall be approved which does not have the endorsement

1 of the agency of local government within the area in which the  
2 business firm is engaging in such activities which has adopted an  
3 overall community or neighborhood development plan that the  
4 proposal is consistent with such plan. The proposal shall set  
5 forth the program to be conducted, the neighborhood area to be  
6 served, why the program is needed, the estimated amount to be  
7 contributed to the program and the plans for implementing the  
8 program. If, in the opinion of the director of the department of  
9 economic development, a business firm's contribution can more  
10 consistently with the purposes of sections 32.100 to 32.125 be  
11 made through contributions to a neighborhood organization as  
12 defined in subdivision [(15)] (13) of section 32.105, tax credits  
13 may be allowed as provided in section 32.115. The director of  
14 the department of economic development is hereby authorized to  
15 promulgate rules and regulations for establishing criteria for  
16 evaluating such proposals by business firms for approval or  
17 disapproval and for establishing priorities for approval or  
18 disapproval of such proposals by business firms with the  
19 assistance and approval of the director of the department of  
20 revenue. The total amount of tax credit granted for programs  
21 approved pursuant to sections 32.100 to 32.125 shall not exceed  
22 fourteen million dollars in fiscal year 1999 and twenty-six  
23 million dollars in fiscal year 2000, and any subsequent fiscal  
24 year, except as otherwise provided for proposals approved  
25 pursuant to section 32.111, 32.112 or 32.117. All tax credits

1 authorized pursuant to the provisions of sections 32.100 to  
2 32.125 may be used as a state match to secure additional federal  
3 funding. [The total amount of tax credits allowed for programs  
4 of neighborhood organizations defined pursuant to paragraph (d)  
5 of subdivision (15) of section 32.105 is two and one-half million  
6 dollars per fiscal year for fiscal years 2002 to 2006.]

7 71.620. 1. Hereafter no person following for a livelihood  
8 the profession or calling of minister of the gospel, duly  
9 accredited Christian Science practitioner, teacher, professor in  
10 a college, priest, lawyer, certified public accountant, dentist,  
11 chiropractor, optometrist, chiropodist, physician or surgeon in  
12 this state shall be taxed or made liable to pay any municipal or  
13 other corporation tax or license fee of any description whatever  
14 for the privilege of following or carrying on such profession or  
15 calling, and, after December 31, 2003, no investment funds  
16 service corporation, as defined in section 143.451, RSMo, may be  
17 required to pay, or shall be taxed or made liable to pay any  
18 municipal or other corporation tax or license fee of any  
19 description whatever for the privilege of following or carrying  
20 on its business or occupation, in excess of or in an aggregate  
21 amount exceeding twenty-five thousand dollars annually, any law,  
22 ordinance or charter to the contrary notwithstanding.

23 2. No person following for a livelihood the profession of  
24 insurance agent or broker, veterinarian, architect, professional  
25 engineer, land surveyor, auctioneer, or real estate broker or

1 salesman in this state shall be taxed or made liable to pay any  
2 municipal or other corporation tax or license fee for the  
3 privilege of following or carrying on his or her profession by a  
4 municipality unless that person maintains a business office  
5 within that municipality.

6 3. Notwithstanding any other provision of law to the  
7 contrary, after September 1, 2004, no village with less than one  
8 thousand three hundred inhabitants shall impose a business  
9 license tax in excess of [~~ten~~] fifteen thousand dollars per  
10 license.

11 99.1000. As used in sections 99.1000 to 99.1060, unless the  
12 context clearly requires otherwise, the following terms shall  
13 mean:

14 (1) "Authority", the rural economic stimulus authority for  
15 a municipality, created pursuant to section 99.1006;

16 (2) "Baseline year", the calendar year prior to the  
17 adoption of an ordinance by the municipality approving a  
18 development project;

19 (3) "Collecting officer", the officer of the municipality  
20 responsible for receiving and processing payments in lieu of  
21 taxes, economic activity taxes other than economic activity taxes  
22 which are local sales taxes, and other local taxes other than  
23 local sales taxes, and, for local sales taxes and state taxes,  
24 the director of revenue;

25 (4) "Development area", an area designated by a

1 municipality which area shall have the following characteristics:

2 (a) It includes only those parcels of real property  
3 directly and substantially benefited by the proposed development  
4 plan;

5 (b) It can be renovated through one or more development  
6 projects;

7 (c) It is contiguous, provided, however that a development  
8 area may include up to three noncontiguous areas selected for  
9 development projects, provided that each noncontiguous area meets  
10 the requirements of paragraphs (a) and (b) of this subdivision;  
11 and

12 (d) The development area shall not exceed ten percent of  
13 the entire area of the municipality.

14 Subject to the limitation set forth in this subdivision, the  
15 development area can be enlarged or modified as provided in  
16 section 99.1036;

17 (5) "Development facility", a facility producing either a  
18 good derived from an agricultural commodity or using a process to  
19 produce a good derived from an agricultural product;

20 (6) "Development plan", the comprehensive program of a  
21 municipality and to thereby enhance the tax bases of the taxing  
22 districts which extend into the development area through the  
23 reimbursement, payment, or other financing of development project  
24 costs in accordance with sections 99.1000 to 99.1060 and through  
25 the exercise of the powers set forth in sections 99.1000 to

1 99.1060. The development plan shall conform to the requirements  
2 of section 99.1027;

3 [(6)] (7) "Development project", any development project  
4 within a development area which creates a renewable fuel  
5 production facility or eligible new generation processing entity,  
6 and any such development project shall include a legal  
7 description of the area selected for such development project;

8 [(7)] (8) "Development project area", the area located  
9 within a development area selected for a development project;

10 [(8)] (9) "Development project costs" include such costs  
11 to the development plan or a development project, as applicable,  
12 which are expended on public property, buildings, or  
13 rights-of-ways for public purposes to provide infrastructure to  
14 support a development project. Such costs shall only be allowed  
15 as an initial expense which, to be recoverable, must be included  
16 in the costs of a development plan or development project, except  
17 in circumstances of plan amendments approved by the Missouri  
18 agricultural and small business development authority and the  
19 department of economic development. Such infrastructure costs  
20 include, but are not limited to, the following:

21 (a) Costs of studies, appraisals, surveys, plans, and  
22 specifications;

23 (b) Professional service costs, including, but not limited  
24 to, architectural, engineering, legal, marketing, financial,  
25 planning, or special services;

1 (c) Property assembly costs, including, but not limited to,  
2 acquisition of land and other property, real or personal, or  
3 rights or interests therein, demolition of buildings, and the  
4 clearing and grading of land;

5 (d) Costs of rehabilitation, reconstruction, repair, or  
6 remodeling of existing public buildings and fixtures;

7 (e) Costs of construction of public works or improvements;

8 (f) Financing costs, including, but not limited to, all  
9 necessary expenses related to the issuance of obligations issued  
10 to finance all or any portion of the infrastructure costs of one  
11 or more development projects, and which may include capitalized  
12 interest on any such obligations and reasonable reserves related  
13 to any such obligations;

14 (g) All or a portion of a taxing district's capital costs  
15 resulting from any development project necessarily incurred or to  
16 be incurred in furtherance of the objectives of the development  
17 plan, to the extent the municipality by written agreement accepts  
18 and approves such infrastructure costs;

19 (h) Payments to taxing districts on a pro rata basis to  
20 partially reimburse taxes diverted by approval of a development  
21 project;

22 (i) State government costs, including, but not limited to,  
23 the reasonable costs incurred by the department of economic  
24 development, the agricultural and small business development  
25 authority, and the department of revenue in evaluating an

1 application for and administering state supplemental rural  
2 development financing for a development project; and

3 (j) Endowment of positions at an institution of higher  
4 education which has a designation as a Carnegie Research I  
5 University including any campus of such university system,  
6 subject to the provisions of section 99.1043;

7 [(9)] (10) "Economic activity taxes", the total additional  
8 revenue from taxes which are imposed by the municipality and  
9 other taxing districts, and which are generated by economic  
10 activities within each development project area which exceed the  
11 amount of such taxes generated by economic activities within such  
12 development project area in the baseline year; but excluding  
13 taxes imposed on sales or charges for sleeping rooms paid by  
14 transient guests of hotels and motels, licenses, fees, or special  
15 assessments. If a retail establishment relocates within one year  
16 from one facility to another facility within the same county and  
17 the municipality or authority finds that the retail establishment  
18 is a direct beneficiary of development financing, then for  
19 purposes of this definition, the economic activity taxes  
20 generated by the retail establishment shall equal the total  
21 additional revenues from taxes which are imposed by the  
22 municipality and other taxing districts which are generated by  
23 economic activities within the development project area which  
24 exceed the amount of taxes which are imposed by the municipality  
25 and other taxing districts which are generated by economic

1 activities within the development project area generated by the  
2 retail establishment in the baseline year;

3 (11) "Eligible new generation processing entity", as  
4 defined in section 348.432, RSMo;

5 [(10)] (12) "Major initiative", a development project  
6 that:

7 (a) Promotes the development of a facility producing either  
8 a good derived from an agricultural commodity or using a process  
9 to produce a good derived from an agricultural product, the  
10 estimated cost of which is in excess of the amount set forth  
11 below for the municipality, as applicable; or

12 (b) Promotes business location or expansion, the estimated  
13 cost of which is in excess of the amount set forth below for the  
14 municipality, and is estimated to create at least as many new  
15 jobs as set forth below within three years of such location or  
16 expansion:

17 Population of	Estimated	New Jobs
18 Municipality	Project Cost	Created
19 99,999 or less	\$3,000,000	at least 30;

20 [(11)] (13) "Municipality", any city, village,  
21 incorporated town, or any county of this state established on or  
22 prior to January 1, 2001;

23 [(12)] (14) "New job", any job defined as a new job  
24 pursuant to subdivision (10) of section 100.710, RSMo;

1            [(13)] (15) "Obligations", bonds, loans, debentures,  
2 notes, special certificates, or other evidences of indebtedness  
3 issued by the municipality or authority, or other public entity  
4 authorized to issue such obligations pursuant to sections 99.1000  
5 to 99.1060 to carry out a development project or to refund  
6 outstanding obligations;

7            [(14)] (16) "Ordinance", an ordinance enacted by the  
8 governing body of any municipality or an order of the governing  
9 body of such a municipal entity whose governing body is not  
10 authorized to enact ordinances;

11           [(15)] (17) "Other net new revenues", the amount of state  
12 sales tax increment or state income tax increment or the  
13 combination of the amount of each such increment as determined  
14 under section 99.1045;

15           [(16)] (18) "Payment in lieu of taxes", those revenues  
16 from real property in each development project area, which taxing  
17 districts would have received had the municipality not adopted a  
18 development plan and the municipality not adopted development  
19 financing, and which would result from levies made after the time  
20 of the adoption of development financing during the time the  
21 current equalized value of real property in such development  
22 project area exceeds the total equalized value of real property  
23 in such development project area during the baseline year until  
24 development financing for such development project area expires  
25 or is terminated pursuant to sections 99.1000 to 99.1060;

1            [(17)] (19) "Renewable fuel production facility", a  
2 facility producing an energy source which is derived from a  
3 renewable, domestically grown, organic compound capable of  
4 powering machinery, including an engine or power plant, and any  
5 by-product derived from such energy source;

6            [(18)] (20) "Special allocation fund", the fund of the  
7 municipality or its authority required to be established pursuant  
8 to section 99.1042 which special allocation fund shall contain at  
9 least four separate segregated accounts into which payments in  
10 lieu of taxes are deposited in one account, economic activity  
11 taxes are deposited in a second account, other net new revenues  
12 are deposited in a third account, and other revenues, if any,  
13 received by the authority or the municipality for the purpose of  
14 implementing a development plan or a development project are  
15 deposited in a fourth account;

16           [(19)] (21) "State income tax increment", the estimate of  
17 the income tax due the state for salaries or wages paid to new  
18 employees in new jobs at a business located in the development  
19 project area and created by the development project. The  
20 estimate shall be a percentage of the gross payroll which  
21 percentage shall be based upon an analysis by the department of  
22 revenue of the practical tax rate on gross payroll as a factor in  
23 overall taxable income. In no event shall the percentage exceed  
24 two percent;

25           [(20)] (22) "State sales tax increment", the incremental

1 increase in the state sales tax revenue in the development  
2 project area. In no event shall the incremental increase include  
3 any amounts attributable to retail sales unless the Missouri  
4 agricultural and small business development authority and the  
5 department of economic development are satisfied based on the  
6 information provided by the municipality or authority, and such  
7 entities have made a finding that a substantial portion of all  
8 but a de minimus portion of the sales tax increment attributable  
9 to retail sales is from new sources which did not exist in the  
10 state during the baseline year. In addition, the incremental  
11 increase for an existing facility shall be the amount by which  
12 the state sales tax revenue generated at the facility exceeds the  
13 state sales tax revenue generated at the facility in the baseline  
14 year. The incremental increase for a Missouri facility which  
15 relocates to a development project area shall be the amount by  
16 which the state sales tax revenue of the facility exceeds the  
17 state sales tax revenue for the facility in the calendar year  
18 prior to relocation;

19 [(21)] (23) "State sales tax revenues", the general  
20 revenue portion of state sales tax revenues received pursuant to  
21 section 144.020, RSMo, excluding sales taxes that are  
22 constitutionally dedicated, taxes deposited to the school  
23 district trust fund in accordance with section 144.701, RSMo,  
24 sales and use taxes on motor vehicles, trailers, boats and  
25 outboard motors and future sales taxes earmarked by law;

1            [(22)] (24) "Taxing districts", any political subdivision  
2 of this state having the power to levy taxes; and

3            [(23)] (25) "Taxing district's capital costs", those costs  
4 of taxing districts for capital improvements that are found by  
5 the municipal governing bodies to be necessary and to directly  
6 result from a development project.

7            99.1018. 1. The authority created pursuant to section  
8 99.1006 shall constitute a public body corporate and politic,  
9 exercising public and essential governmental functions.

10           2. A municipality or an authority created pursuant to  
11 section 99.1006 shall have all the powers necessary or convenient  
12 to carry out and effectuate the purposes and provisions of  
13 sections 99.1000 to 99.1060, including the following powers in  
14 addition to others granted pursuant to sections 99.1000 to  
15 99.1060:

16           (1) To prepare or cause to be prepared and approve  
17 development plans and development projects to be considered at  
18 public hearings in accordance with sections 99.1000 to 99.1060  
19 and to undertake and carry out development plans and development  
20 projects which have been adopted by ordinance;

21           (2) To arrange or contract for the furnishing or repair, by  
22 any person or agency, public or private, of services, privileges,  
23 streets, roads, public utilities, or other facilities for or in  
24 connection with any development project; and notwithstanding  
25 anything to the contrary contained in sections 99.1000 to 99.1060

1 or any other provision of law, to agree to any conditions that it  
2 may deem reasonable and appropriate attached to federal financial  
3 assistance and imposed pursuant to federal law relating to the  
4 determination of prevailing salaries or wages or compliance with  
5 labor standards, in the undertaking or carrying out of any  
6 development project, and to include in any contract let in  
7 connection with any such development project provisions to  
8 fulfill such of the conditions as it may deem reasonable and  
9 appropriate;

10 (3) Within a development area, to acquire by purchase,  
11 lease, gift, grant, bequest, devise, obtain options upon, or  
12 otherwise acquire any real or personal property or any interest  
13 therein, necessary or incidental to a development project, all in  
14 the manner and at such price as the municipality or authority  
15 determines is reasonably necessary to achieve the objectives of a  
16 development plan;

17 (4) Within a development area, subject to provisions of  
18 section 99.1021 with regard to the disposition of real property,  
19 to sell, lease, exchange, transfer, assign, subdivide, retain for  
20 its own use, mortgage, pledge, hypothecate, or otherwise encumber  
21 or dispose of any real or personal property or any interest  
22 therein, all in the manner and at such price and subject to any  
23 covenants, restrictions, and conditions as the municipality or  
24 authority determines is reasonably necessary to achieve the  
25 objectives of a development plan; to make any such covenants,

1 restrictions, or conditions as covenants running with the land,  
2 and to provide appropriate remedies for any breach of any such  
3 covenants, restrictions, or conditions, including the right in  
4 the municipality or authority to terminate such contracts and any  
5 interest in the property created pursuant thereto;

6 (5) Within a development area, to clear any area by  
7 demolition or removal of existing buildings and structures;

8 (6) To install, repair, construct, reconstruct, or relocate  
9 streets, utilities, and site improvements as necessary or  
10 desirable for the preparation of a development area for use in  
11 accordance with a development plan;

12 (7) Within a development area, to fix, charge, and collect  
13 fees, rents, and other charges for the use of any real or  
14 personal property, or any portion thereof, in which the  
15 municipality or authority has any interest;

16 (8) To accept grants, guarantees, and donations of  
17 property, labor, or other things of value from any public or  
18 private source for purposes of implementing a development plan;

19 (9) In accordance with section 99.1021, to select one or  
20 more developers to implement a development plan, or one or more  
21 development projects, or any portion thereof;

22 (10) To charge as a development project cost the reasonable  
23 costs incurred by the municipality or authority, the department  
24 of economic development, the Missouri [development finance board]  
25 agricultural and small business development authority, or the

1 department of revenue in evaluating, administering, or  
2 implementing the development plan or any development project;

3 (11) To borrow money and issue obligations in accordance  
4 with sections 99.1000 to 99.1060 and provide security for any  
5 such loans or obligations;

6 (12) To insure or provide for the insurance of any real or  
7 personal property or operations of the municipality or authority  
8 against any risks or hazards, including the power to pay premiums  
9 on any such insurance; and to enter into any contracts necessary  
10 to effectuate the purposes of sections 99.1000 to 99.1060;

11 (13) Within a development area, to renovate, rehabilitate,  
12 own, operate, construct, repair, or improve any improvements,  
13 buildings, parking garages, fixtures, structures, and other  
14 facilities;

15 (14) To invest any funds held in reserves or sinking funds,  
16 or any funds not required for immediate disbursement, in property  
17 or securities in which savings banks may legally invest funds  
18 subject to their control; to redeem obligations at the redemption  
19 price established therein or to purchase obligations at less than  
20 redemption price, all obligations so redeemed or purchased to be  
21 canceled;

22 (15) To borrow money and to apply for and accept advances,  
23 loans, grants, contributions, and any other form of financial  
24 assistance from the federal government, state, county,  
25 municipality, or other public body or from any sources, public or

1 private, for the purposes of implementing a development plan, to  
2 give such security as may be required and to enter into and carry  
3 out contracts in connection therewith. A municipality or  
4 authority, notwithstanding the provisions of any other law, may  
5 include in any contract for financial assistance with the federal  
6 government for a project such conditions imposed pursuant to  
7 federal law as the municipality or authority may deem reasonable  
8 and appropriate and which are not inconsistent with the purposes  
9 of sections 99.1000 to 99.1060;

10 (16) To incur development project costs and make such  
11 expenditures as may be necessary to carry out the purposes of  
12 sections 99.1000 to 99.1060; and to make expenditures from funds  
13 obtained from the federal government without regard to any other  
14 laws pertaining to the making and approval of appropriations and  
15 expenditures;

16 (17) To loan the proceeds of obligations issued pursuant to  
17 sections 99.1000 to 99.1060 for the purpose of providing for the  
18 purchase, construction, extension, or improvement of public  
19 infrastructure related to a development project by a developer  
20 pursuant to a development contract approved by the municipality  
21 or authority in accordance with subdivision (2) of section  
22 99.1021;

23 (18) To declare any funds, or any portion thereof, in the  
24 special allocation fund to be excess funds, so long as such  
25 excess funds have not been pledged to the payment of outstanding

1 obligations or outstanding development project costs, are not  
2 necessary for the payment of development project costs incurred  
3 or anticipated to be incurred, and are not required to pay  
4 baseline state sales taxes and baseline state withholding taxes  
5 to the director of revenue. Any such funds deemed to be excess  
6 shall be disbursed in the manner of surplus funds as provided in  
7 section 99.1051;

8 (19) To pledge or otherwise expend funds deposited to the  
9 special allocation fund, or any portion thereof, for the payment  
10 or reimbursement of development project costs incurred by the  
11 authority, the municipality, a developer selected by the  
12 municipality or authority, or any other entity with the consent  
13 of the municipality or authority; to pledge or otherwise expend  
14 funds deposited to the special allocation fund, or any portion  
15 thereof, or to mortgage or otherwise encumber its property, or  
16 any portion thereof, for the payment of obligations issued to  
17 finance development project costs; provided, however, any such  
18 pledge or expenditure of economic activity taxes or other net new  
19 revenues shall be subject to annual appropriation by the  
20 municipality; and

21 (20) To exercise all powers or parts or combinations of  
22 powers necessary, convenient, or appropriate to undertake and  
23 carry out development plans and any development projects and all  
24 the powers granted pursuant to sections 99.1000 to 99.1060,  
25 excluding powers of eminent domain.

1           3. If any member of the governing body of the municipality,  
2 a commissioner of the authority, or an employee or consultant of  
3 the municipality or authority, involved in the planning and  
4 preparation of a development project, owns or controls an  
5 interest, direct or indirect, in any property included in a  
6 development project area, the individual shall disclose the same  
7 in writing to the clerk of the municipality, and shall also so  
8 disclose the dates, terms, and conditions of any disposition of  
9 any such interest, which disclosures shall be acknowledged by the  
10 governing body of the municipality and entered upon the minutes  
11 books of the governing body of the municipality. If an  
12 individual holds such an interest, then that individual shall  
13 refrain from any further official involvement in regard to a  
14 development project and from voting on any matter pertaining to  
15 such development project or communicating with other  
16 commissioners or members of the authority or the municipality  
17 concerning any matter pertaining to such development project.  
18 Furthermore, subject to the succeeding sentence, no such member,  
19 commissioner, employee, or consultant shall acquire any interest,  
20 direct or indirect, in any property in a development project area  
21 or proposed development project area after either such individual  
22 obtains knowledge of a development project, or first public  
23 notice of such development project, or development project area  
24 pursuant to subsection 2 of section 99.1036, whichever first  
25 occurs. At any time after one year from the adoption of an

1 ordinance designating a development project area, any  
2 commissioner may acquire an interest in real estate located in a  
3 development project area so long as any such commissioner  
4 discloses such acquisition and refrains from voting on any matter  
5 related to the development project area in which the property  
6 acquired by such commissioner is located.

7 4. An authority created pursuant to section 99.1006 shall  
8 have the following powers in addition to others granted pursuant  
9 to sections 99.1000 to 99.1060:

10 (1) To sue and to be sued; to have a seal and to alter the  
11 same at the authority's pleasure; to have perpetual succession;  
12 to make and execute contracts and other instruments necessary or  
13 convenient to the exercise of the powers of the authority; and to  
14 make and from time to time amend and repeal bylaws, rules, and  
15 regulations, not inconsistent with sections 99.1000 to 99.1060,  
16 to carry out the provisions of sections 99.1000 to 99.1060;

17 (2) To delegate to a municipality or other public body any  
18 of the powers or functions of the authority with respect to the  
19 planning or undertaking of a development project, and any such  
20 municipality or public body is hereby authorized to carry out or  
21 perform such powers or functions for the authority;

22 (3) To receive and exercise powers delegated by any  
23 authority, agency, or agent of a municipality created pursuant to  
24 this chapter or chapter 353, RSMo, excluding powers of eminent  
25 domain.

1           100.710. As used in sections 100.700 to 100.850, the  
2 following terms mean:

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

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

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

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

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

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

19          (7) "Economic development project":

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

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

24           (c) For both paragraphs (a) and (b) of this subdivision,  
25 "economic development project" shall also include the development

1 of the real property including construction, installation, or  
2 equipping of a project, including fixtures and equipment, and  
3 facilities necessary or desirable for improvement of the real  
4 property, including surveys; site tests and inspections;  
5 subsurface site work; excavation; removal of structures,  
6 roadways, cemeteries and other surface obstructions; filling,  
7 grading and provision of drainage, storm water retention,  
8 installation of utilities such as water, sewer, sewage treatment,  
9 gas, electricity, communications and similar facilities; off-site  
10 construction of utility extensions to the boundaries of the real  
11 property; and the acquisition, installation, or equipping of  
12 facilities on the real property, for use and occupancy by the  
13 eligible industry or its affiliates;

14 (8) "Eligible employee", a person employed on a full-time  
15 basis in a new job at the economic development project averaging  
16 at least thirty-five hours per week who was not employed by the  
17 eligible industry or a related taxpayer in this state at any time  
18 during the twelve-month period immediately prior to being  
19 employed at the economic development project. For an essential  
20 industry, a person employed on a full-time basis in an existing  
21 job at the economic development project averaging at least  
22 thirty- five hours per week may be considered an eligible  
23 employee for the purposes of the program authorized by sections  
24 100.700 to 100.850;

25 (9) "Eligible industry", a business located within the

1 state of Missouri which is engaged in interstate or intrastate  
2 commerce for the purpose of manufacturing, processing or  
3 assembling products, conducting research and development, or  
4 providing services in interstate commerce, office industries, or  
5 agricultural processing, but excluding retail, health or  
6 professional services. "Eligible industry" does not include a  
7 business which closes or substantially reduces its operation at  
8 one location in the state and relocates substantially the same  
9 operation to another location in the state. This does not  
10 prohibit a business from expanding its operations at another  
11 location in the state provided that existing operations of a  
12 similar nature located within the state are not closed or  
13 substantially reduced. This also does not prohibit a business  
14 from moving its operations from one location in the state to  
15 another location in the state for the purpose of expanding such  
16 operation provided that the board determines that such expansion  
17 cannot reasonably be accommodated within the municipality in  
18 which such business is located, or in the case of a business  
19 located in an incorporated area of the county, within the county  
20 in which such business is located, after conferring with the  
21 chief elected official of such municipality or county and taking  
22 into consideration any evidence offered by such municipality or  
23 county regarding the ability to accommodate such expansion within  
24 such municipality or county. An eligible industry must:

25 (a) Invest a minimum of fifteen million dollars, or ten

1 million dollars for an office industry, in an economic  
2 development project; and

3 (b) Create a minimum of one hundred new jobs for eligible  
4 employees at the economic development project or a minimum of  
5 five hundred jobs if the economic development project is an  
6 office industry or a minimum of two hundred new jobs if the  
7 economic development project is an office industry located within  
8 a distressed community as defined in section 135.530, RSMo, in  
9 the case of an approved company for a project for a world  
10 headquarters of a business whose primary function is tax return  
11 preparation in any home rule city with more than four hundred  
12 thousand inhabitants and located in more than one county, create  
13 a minimum or one hundred new jobs for eligible employees at the  
14 economic development project. An industry that meets the  
15 definition of "essential industry" may be considered an eligible  
16 industry for the purposes of the program authorized by sections  
17 100.700 to 100.850;

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

21 (a) Be a targeted industry;

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

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

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

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

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

20           (12) "Office industry", a regional, national or  
21 international headquarters, a telecommunications operation, a  
22 computer operation, an insurance company, or a credit card  
23 billing and processing center;

24           (13) "Program costs", all necessary and incidental costs of  
25 providing program services including payment of the principal of

1 premium, if any, and interest on certificates, including  
2 capitalized interest, issued to finance a project, and funding  
3 and maintenance of a debt service reserve fund to secure such  
4 certificates. Program costs shall include:

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

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

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

16 (d) All costs of architectural and engineering services,  
17 including test borings, surveys, estimates, plans and  
18 specifications, preliminary investigations and supervision of  
19 construction, as well as the costs for the performance of all the  
20 duties required by or consequent upon the acquisition,  
21 construction, installation or equipping of an economic  
22 development project;

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

1 (f) All other costs of a nature comparable to those  
2 described in this subdivision;

3 (14) "Program services", administrative expenses of the  
4 board, including contracted professional services, and the cost  
5 of issuance of certificates;

6 (15) "Targeted industry", an industry or one of a cluster  
7 of industries that is identified by the department as critical to  
8 the state's economic security and growth and affirmed as such by  
9 the joint committee on economic development policy and planning  
10 established in section 620.602, RSMo.

11 [100.850. 1. The approved company  
12 shall remit to the board a job development  
13 assessment fee, not to exceed five percent of  
14 the gross wages of each eligible employee  
15 whose job was created as a result of the  
16 economic development project, or not to  
17 exceed ten percent if the economic  
18 development project is located within a  
19 distressed community as defined in section  
20 135.530, RSMo, for the purpose of retiring  
21 bonds which fund the economic development  
22 project.

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

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

34 4. Any approved company which has paid  
35 an assessment for debt reduction shall be  
36 allowed a tax credit equal to the amount of  
37 the assessment. The tax credit may be  
38 claimed against taxes otherwise imposed by  
39 chapters 143 and 148, RSMo, except  
40 withholding taxes imposed under the

1 provisions of sections 143.191 to 143.265,  
2 RSMo, which were incurred during the tax  
3 period in which the assessment was made.

4 5. In no event shall the aggregate  
5 amount of tax credits authorized by  
6 subsection 4 of this section exceed eleven  
7 million dollars annually.

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

13 100.850. 1. The approved company shall remit to the board  
14 a job development assessment fee, not to exceed five percent of  
15 the gross wages of each eligible employee whose job was created  
16 as a result of the economic development project, or not to exceed  
17 ten percent if the economic development project is located within  
18 a distressed community as defined in section 135.530, RSMo, for  
19 the purpose of retiring bonds which fund the economic development  
20 project.

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

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

28 4. Any approved company which has paid an assessment for  
29 debt reduction shall be allowed a tax credit equal to the amount  
30 of the assessment. The tax credit may be claimed against taxes  
31 otherwise imposed by chapters 143 and 148, RSMo, except

1 withholding taxes imposed under the provisions of sections  
2 143.191 to 143.265, RSMo, which were incurred during the tax  
3 period in which the assessment was made.

4 5. In no event shall the aggregate amount of tax credits  
5 authorized by subsection 4 of this section exceed [eleven]  
6 fifteen million dollars annually.

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

11 135.155. Notwithstanding any provision of the law to the  
12 contrary, no revenue-producing enterprise shall receive the  
13 incentives set forth in sections 135.100 to 135.150 for  
14 facilities commencing operations on or after January 2, 2005.

15 135.214. In addition to any other enterprise zones  
16 authorized in this chapter, the department of economic  
17 development shall designate one enterprise zone that shall be  
18 located partially in any city of the fourth classification with  
19 more than twelve thousand one hundred but less than twelve  
20 thousand four hundred inhabitants and partially in any city of  
21 the fourth classification with more than nine thousand six  
22 hundred but less than nine thousand seven hundred inhabitants and  
23 shall include all area in between any city of the fourth  
24 classification with more than twelve thousand one hundred but  
25 less than twelve thousand four hundred inhabitants and any city

1 of the fourth classification with more than nine thousand six  
2 hundred but less than nine thousand seven hundred inhabitants  
3 with specific boundaries to be determined by the department of  
4 economic development in conjunction with the governing authority  
5 of the county. Such enterprise zone designation shall only be  
6 made if the area that is to be included in the enterprise zone  
7 meets all the requirements of section 135.205.

8 135.216. In addition to any other enterprise zones  
9 authorized in this chapter, the department of economic  
10 development shall designate one enterprise zone within any county  
11 of the third classification without a township form of government  
12 and with more than thirty-one thousand but less than thirty-one  
13 thousand one hundred inhabitants. Such enterprise zone  
14 designation shall only be made if the area that is to be included  
15 in the enterprise zone meets all the requirements of section  
16 135.205.

17 135.217. In addition to any other enterprise zones  
18 authorized under this chapter, the department of economic  
19 development shall designate one enterprise zone that shall have  
20 boundaries that are the same as any county of the third  
21 classification without a township form of government and with  
22 more than thirteen thousand seventy-five but less than thirteen  
23 thousand one hundred seventy-five inhabitants. Such enterprise  
24 zone designation shall only be made if the area that is to be  
25 included in the enterprise zone meets all the requirements of

1 section 135.205.

2 135.218. 1. Notwithstanding the provisions of section  
3 135.230, to the contrary, any enterprise zone designated in any  
4 county of the third classification with a township form of  
5 government and with more than thirteen thousand seven hundred but  
6 less than thirteen thousand eight hundred inhabitants or  
7 designated in any county of the third classification without a  
8 township form of government and with more than fifteen thousand  
9 seven hundred but less than fifteen thousand eight hundred  
10 inhabitants shall not expire before December 31, 2015.

11 2. In addition to the number of enterprise zones authorized  
12 by the provisions of sections 135.200 to 135.270, the department  
13 of economic development shall designate one such zone in every  
14 county of the third classification without a township form of  
15 government and with more than six thousand seven hundred fifty  
16 but less than six thousand eight hundred fifty inhabitants. Such  
17 designation shall only be made if the area in the county which is  
18 to be included in the enterprise zone meets all the requirements  
19 of section 135.205.

20 135.222. 1. In addition to any other enterprise zones  
21 authorized under this chapter, the department of economic  
22 development shall designate one enterprise zone that shall have  
23 boundaries that are the same as any city of the fourth  
24 classification with more than four thousand three hundred but  
25 less than four thousand five hundred inhabitants and located in

1 any county of the first classification with more than  
2 ninety-three thousand eight hundred but less than ninety-three  
3 thousand nine hundred inhabitants. Such enterprise zone  
4 designation shall only be made if the area that is to be included  
5 in the enterprise zone meets all the requirements of section  
6 135.205.

7 2. In addition to any other enterprise zones authorized  
8 under this chapter, the department of economic development shall  
9 designate one enterprise zone that shall have boundaries that are  
10 the same as any city of the fourth classification with more than  
11 five thousand four hundred but less than five thousand five  
12 hundred inhabitants and located in more than one county. Such  
13 enterprise zone designation shall only be made if the area that  
14 is to be included in the enterprise zone meets all the  
15 requirements of section 135.205.

16 135.261. In addition to all other enterprise zones  
17 authorized in this chapter, the department of economic  
18 development shall designate one such zone in any county of the  
19 third classification without a township form of government and  
20 with more than thirty-two thousand five hundred but less than  
21 thirty-two thousand six hundred inhabitants. Such enterprise  
22 zone designation shall only be made if such area which is to be  
23 included in the enterprise zone meets all the requirements of  
24 section 135.205.

25 135.286. 1. Notwithstanding any provision of law to the

1 contrary, no revenue-producing enterprise shall receive the state  
2 tax exemption, state tax credits, or state tax refund as provided  
3 in sections 135.200 to 135.283 for facilities commencing  
4 operations on or after January 1, 2005. This provision is not  
5 intended to affect in any way the local real property tax  
6 abatement authorized by section 135.215.

7 2. Notwithstanding subsection 4 of section 135.215 to the  
8 contrary, if an exemption pursuant to section 135.215 is granted  
9 on property prior to the expiration of the twenty-five year  
10 anniversary of the designation of the enterprise zone, the  
11 property may continue to receive that exemption for up to twenty-  
12 five years following the date the exemption on that property was  
13 granted, provided that the total number of years of exemption on  
14 that property shall not exceed twenty-five.

15 135.546. For all tax years beginning on or after January 1,  
16 2005, no tax credits shall be approved, awarded, or issued to any  
17 person or entity claiming any tax credit under section 135.545.

18 135.900. As used in sections 135.900 to 135.910, the  
19 following terms mean:

20 (1) "Department", the department of economic development;

21 (2) "Director", the director of the department of economic  
22 development;

23 (3) "Earned income", all income not derived from retirement  
24 accounts, pensions, or transfer payments;

25 (4) "New business facility", the same meaning as such term

1 is defined in section 135.100; except that the term "lease" as  
2 used therein shall not include the leasing of property defined in  
3 paragraph (d) of subdivision (6) of this section;

4 (5) "Population", all residents living in an area who are  
5 not enrolled in any course at a college or university in the  
6 area;

7 (6) "Revenue-producing enterprise":

8 (a) Manufacturing activities classified as SICs 20 through  
9 39;

10 (b) Agricultural activities classified as SIC 025;

11 (c) Rail transportation terminal activities classified as  
12 SIC 4013;

13 (d) Renting or leasing of residential property to low- and  
14 moderate-income persons as defined in 42 U.S.C.A. 5302(a)(20);

15 (e) Motor freight transportation terminal activities  
16 classified as SIC 4231;

17 (f) Public warehousing and storage activities classified as  
18 SICs 422 and 423 except SIC 4221, miniwarehouse warehousing and  
19 warehousing self-storage;

20 (g) Water transportation terminal activities classified as  
21 SIC 4491;

22 (h) Airports, flying fields, and airport terminal services  
23 classified as SIC 4581;

24 (i) Wholesale trade activities classified as SICs 50 and  
25 51;

1           (j) Insurance carriers activities classified as SICs 631,  
2           632, and 633;

3           (k) Research and development activities classified as SIC  
4           873, except 8733;

5           (l) Farm implement dealer activities classified as SIC  
6           5999;

7           (m) Employment agency activities classified as SIC 7361;

8           (n) Computer programming, data processing, and other  
9           computer-related activities classified as SIC 737;

10          (o) Health service activities classified as SICs 801, 802,  
11          803, 804, 806, 807, 8092, and 8093;

12          (p) Interexchange telecommunications as defined in  
13          subdivision (20) of section 386.020, RSMo, or training activities  
14          conducted by an interexchange telecommunications company as  
15          defined in subdivision (19) of section 386.020, RSMo;

16          (q) Recycling activities classified as SIC 5093;

17          (r) Banking activities classified as SICs 602 and 603;

18          (s) Office activities as defined in subdivision (8) of  
19          section 135.100, notwithstanding SIC classification;

20          (t) Mining activities classified as SICs 10 through 14;

21          (u) The administrative management of any of the foregoing  
22          activities; or

23          (v) Any combination of any of the foregoing activities;

24          (8) "SIC", the standard industrial classification as such  
25          classifications are defined in the 1987 edition of the standard

1 industrial classification manual as prepared by the executive  
2 office of the president, office of management and budget;

3 (9) "Transfer payments", payments made under Medicaid,  
4 Medicare, Social Security, child support or custody agreements,  
5 and separation agreements.

6 135.903. 1. To qualify as a rural empowerment zone, an  
7 area shall meet all the following criteria:

8 (1) The area is one of pervasive poverty, unemployment, and  
9 general distress;

10 (2) At least sixty-five percent of the population has  
11 earned income below eighty percent of the median income of all  
12 residents within the state according to the last decennial census  
13 or other appropriate source as approved by the director;

14 (3) The population of the area is at least four hundred but  
15 not more than three thousand five hundred at the time of  
16 designation as a rural empowerment zone;

17 (4) The level of unemployment of persons, according to the  
18 most recent data available from the division of employment  
19 security or from the United States Bureau of Census and approved  
20 by the director, within the area exceeds one and one-half times  
21 the average rate of unemployment for the state of Missouri over  
22 the previous twelve months, or the percentage of area residents  
23 employed on a full-time basis is less than fifty percent of the  
24 statewide percentage of residents employed on a full-time basis;

25 (5) The area is situated more than ten miles from any

1 existing rural empowerment zone;

2 (6) The area is situated in a county of the third  
3 classification without a township form of government and with  
4 more than eight thousand nine hundred twenty-five but less than  
5 nine thousand twenty-five inhabitants; and

6 (7) The area is not situated in an existing enterprise  
7 zone.

8 2. The governing body of any county in which an area may be  
9 designated a rural empowerment zone shall submit to the  
10 department an application showing that the area complies with the  
11 requirements of subsection 1 of this section. The department  
12 shall declare the area a rural empowerment zone if upon  
13 investigation the department finds that the area meets the  
14 requirements of subsection 1 of this section. If the area is  
15 found not to meet the requirements, the governing body shall have  
16 the opportunity to submit another application for designation as  
17 a rural empowerment zone and the department shall designate the  
18 area a rural empowerment zone if upon investigation the  
19 department finds that the area meets the requirements of  
20 subsection 1 of this section.

21 3. There shall be no more than two rural empowerment zones  
22 as created under sections 135.900 to 135.910 in existence at any  
23 time.

24 135.910. All of the Missouri taxable income attributed to a  
25 new business facility in a rural empowerment zone which is earned

1 by a taxpayer establishing and operating a new business facility  
2 located within a rural empowerment zone shall be exempt from  
3 taxation under chapter 143, RSMo, if such new business facility  
4 is responsible for the creation of ten new full-time jobs in the  
5 zone within one year from the date on which the tax abatement  
6 begins. All of the Missouri taxable income attributed to a  
7 revenue-producing enterprise in a rural empowerment zone which is  
8 earned by a taxpayer operating a revenue-producing enterprise  
9 located within a rural empowerment zone and employing nineteen or  
10 fewer full-time employees shall be exempt from taxation under  
11 chapter 143, RSMo, if such revenue-producing enterprise is  
12 responsible for the creation of five new full-time jobs in the  
13 zone within one year from the date on which the tax abatement  
14 begins. All of the Missouri taxable income attributed to a  
15 revenue-producing enterprise in a rural empowerment zone which is  
16 earned by a taxpayer operating a revenue-producing enterprise  
17 located within a rural empowerment zone and employing twenty or  
18 more full-time employees shall be exempt from taxation under  
19 chapter 143, RSMo, if such revenue-producing enterprise is  
20 responsible for the creation of a number of new full-time jobs in  
21 the zone equal to twenty-five percent of the number of full-time  
22 employees employed by the revenue-producing enterprise on the  
23 date on which tax abatement begins within one year from the date  
24 on which the tax abatement begins.

25 135.911. The provisions of sections 135.900 to 135.910

1 shall expire on August 28, 2014.

2 135.1050. The following terms, whenever used in sections  
3 135.1050 to 135.1075 mean:

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

13 (2) "Board", an enhanced enterprise zone board established  
14 pursuant to section 135.1057;

15 (3) "Commencement of commercial operations", shall be  
16 deemed to occur during the first taxable year for which the new  
17 business facility is first put into use by the taxpayer in the  
18 enhanced business enterprise in which the taxpayer intends to use  
19 the new business facility;

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

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

23 (6) "Employee", a person employed by the enhanced business  
24 enterprise on:

25 (a) A regular, full-time basis;

1           (b) A part-time basis, provided such person is customarily  
2 performing such duties an average of at least twenty hours per  
3 week; or

4           (c) A seasonal basis, provided such person performs such  
5 duties for at least eighty percent of the season customary for  
6 the position in which such person is employed;

7           (7) "Enhanced business enterprise", an industry or one of a  
8 cluster of industries that is either:

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

11           (b) Will have an impact on industry cluster development, as  
12 identified by the governing authority in its application for  
13 designation of an enhanced enterprise zone and approved by the  
14 department; but excluding gambling establishments (NAICS industry  
15 group 7132), retail trade (NAICS sectors 44 and 45) and food and  
16 drinking places (NAICS subsector 722). Service industries may be  
17 eligible only if a majority of its annual revenues will be  
18 derived from services provided out of the state.

19           (8) "Existing business facility", any facility in this  
20 state which was employed by the taxpayer claiming the credit in  
21 the operation of an enhanced business enterprise immediately  
22 prior to an expansion, acquisition, addition, or replacement;

23           (9) "Facility", any building used as an enhanced business  
24 enterprise located within an enhanced enterprise zone, including  
25 the land on which the facility is located and all machinery,

1 equipment, and other real and depreciable tangible personal  
2 property acquired for use at and located at or within such  
3 facility and used in connection with the operation of such  
4 facility;

5 (10) "Governing authority", the body holding primary  
6 legislative authority over a county or incorporated municipality;

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

13 (12) "New business facility", a facility that satisfies the  
14 following requirements:

15 (a) Such facility is employed by the taxpayer in the  
16 operation of an enhanced business enterprise. Such facility shall  
17 not be considered a new business facility in the hands of the  
18 taxpayer if the taxpayer's only activity with respect to such  
19 facility is to lease it to another person or persons. If the  
20 taxpayer employs only a portion of such facility in the operation  
21 of an enhanced business enterprise, and leases another portion of  
22 such facility to another person or persons or does not otherwise  
23 use such other portions in the operation of an enhanced business  
24 enterprise, the portion employed by the taxpayer in the operation  
25 of an enhanced business enterprise shall be considered a new

1 business facility, if the requirements of paragraphs (b), (c),  
2 and (d) of this subdivision are satisfied;

3 (b) Such facility is acquired by, or leased to, the  
4 taxpayer after December 31, 2004. A facility shall be deemed to  
5 have been acquired by, or leased to, the taxpayer after December  
6 31, 2004, if the transfer of title to the taxpayer, the transfer  
7 of possession pursuant to a binding contract to transfer title to  
8 the taxpayer, or the commencement of the term of the lease to the  
9 taxpayer occurs after December 31, 2004;

10 (c) If such facility was acquired by the taxpayer from  
11 another taxpayer and such facility was employed immediately prior  
12 to the acquisition by another taxpayer in the operation of an  
13 enhanced business enterprise, the operation of the same or a  
14 substantially similar enhanced business enterprise is not  
15 continued by the taxpayer at such facility; and

16 (d) Such facility is not a replacement business facility,  
17 as defined in subdivision (16) of this section;

18 (13) "New business facility employee", an employee of the  
19 taxpayer in the operation of a new business facility during the  
20 taxable year for which the credit allowed by section 135.1070 is  
21 claimed, except that truck drivers and rail and barge vehicle  
22 operators and other operators of rolling stock for hire shall not  
23 constitute new business facility employees.

24 (14) "New business facility investment", the value of real  
25 and depreciable tangible personal property, acquired by the

1 taxpayer as part of the new business facility, which is used by  
2 the taxpayer in the operation of the new business facility,  
3 during the taxable year for which the credit allowed by 135.1070  
4 is claimed, except that trucks, truck-trailers, truck  
5 semitrailers, rail vehicles, barge vehicles, aircraft and other  
6 rolling stock for hire, track, switches, barges, bridges,  
7 tunnels, and rail yards and spurs shall not constitute new  
8 business facility investments. The total value of such property  
9 during such taxable year shall be:

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

11 (b) Eight times the net annual rental rate, if leased by  
12 the taxpayer. The net annual rental rate shall be the annual  
13 rental rate paid by the taxpayer less any annual rental rate  
14 received by the taxpayer from subrentals. The new business  
15 facility investment shall be determined by dividing by twelve the  
16 sum of the total value of such property on the last business day  
17 of each calendar month of the taxable year. If the new business  
18 facility is in operation for less than an entire taxable year,  
19 the new business facility investment shall be determined by  
20 dividing the sum of the total value of such property on the last  
21 business day of each full calendar month during the portion of  
22 such taxable year during which the new business facility was in  
23 operation by the number of full calendar months during such  
24 period;

25 (15) "Related taxpayer":

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

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

5           (c) A corporation, partnership, trust or association  
6 controlled by an individual, corporation, partnership, trust or  
7 association in control of the taxpayer. "Control of a  
8 corporation" shall mean ownership, directly or indirectly, of  
9 stock possessing at least fifty percent of the total combined  
10 voting power of all classes of stock entitled to vote, "control  
11 of a partnership or association" shall mean ownership of at least  
12 fifty percent of the capital or profits interest in such  
13 partnership or association, and "control of a trust" shall mean  
14 ownership, directly or indirectly, of at least fifty percent of  
15 the beneficial interest in the principal or income of such trust;  
16 ownership shall be determined as provided in Section 318 of the  
17 Internal Revenue Code of 1986, as amended;

18           (16) "Replacement business facility", a facility otherwise  
19 described in subdivision (12) of this section, hereafter referred  
20 to in this subdivision as "new facility", which replaces another  
21 facility, hereafter referred to in this subdivision as "old  
22 facility", located within the state, which the taxpayer or a  
23 related taxpayer previously operated but discontinued operating  
24 on or before the close of the first taxable year for which the  
25 credit allowed by this section is claimed. A new facility shall

1 be deemed to replace an old facility if the following conditions  
2 are met:

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

8 (b) The old facility was employed by the taxpayer or a  
9 related taxpayer in the operation of an enhanced business  
10 enterprise and the taxpayer continues the operation of the same  
11 or substantially similar enhanced business enterprise at the new  
12 facility.

13 Notwithstanding the preceding provisions of this subdivision, a  
14 facility shall not be considered a replacement business facility  
15 if the taxpayer's new business facility investment, as computed  
16 in subdivision (14) of this section, in the new facility during  
17 the tax period for which the credits allowed in 135.1070 are  
18 claimed exceed one million dollars and if the total number of  
19 employees at the new facility exceeds the total number of  
20 employees at the old facility by at least two;

21 (17) "Same or substantially similar enhanced business  
22 enterprise", an enhanced business enterprise in which the nature  
23 of the products produced or sold, or activities conducted, are  
24 similar in character and use or are produced, sold, performed, or

1 conducted in the same or similar manner as in another enhanced  
2 business enterprise.

3 135.1055. 1. For purposes of sections 135.1050 to  
4 135.1075, an area must meet the following criteria in order to  
5 qualify as an enhanced enterprise zone:

6 (1) The area must be a blighted area, have pervasive  
7 poverty, unemployment and general distress; and

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

11 (a) Within the state of Missouri, according to the last  
12 decennial census or other appropriate source as approved by the  
13 director; or

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

17 (3) The resident population of the area must be at least  
18 five hundred but not more than one hundred thousand at the time  
19 of designation as an enhanced enterprise zone if the area lies  
20 within a metropolitan statistical area, as established by the  
21 United States Census Bureau, or if the area does not lie within a  
22 metropolitan statistical area, the resident population of the  
23 area at the time of designation must be at least five hundred but  
24 not more than forty thousand inhabitants. If the population of  
25 the jurisdiction of the governing authority does not meet the

1 minimum population requirements set forth in this subdivision,  
2 the population of the area must be at least fifty percent of the  
3 population of the jurisdiction. However, no enhanced enterprise  
4 zone shall be created which consists of the total area within the  
5 political boundaries of a county; and

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

10 (a) The state of Missouri over the previous twelve months;  
11 or

12 (b) The county or city not within a county over the  
13 previous twelve months.

14 2. Notwithstanding the requirements of subsection 1 of this  
15 section to the contrary, an enhanced enterprise zone may be  
16 established in an area located within a county for which public  
17 and individual assistance has been requested by the governor  
18 pursuant to Section 401 of the Robert T. Stafford Disaster Relief  
19 and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an  
20 emergency proclaimed by the governor pursuant to section 44.100,  
21 RSMo, due to a natural disaster of major proportions, if the area  
22 to be designated is blighted and sustained severe damage as a  
23 result of such natural disaster, as determined by the state  
24 emergency management agency. An application for designation as  
25 an enhanced enterprise zone pursuant to this subsection must be

1 made before the expiration of one year from the date the governor  
2 requested federal relief for the area sought to be designated.

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

12 4. In addition to meeting the requirements of subsection 1,  
13 2, or 3 of this section, an area, to qualify as an enhanced  
14 enterprise zone, must be demonstrated by the governing authority  
15 to have either:

16 (1) The potential to create sustainable jobs in a targeted  
17 industry; or

18 (2) A demonstrated impact on local industry cluster  
19 development.

20 135.1057. 1. A governing authority planning to seek  
21 designation of an enhanced enterprise zone shall establish an  
22 enhanced enterprise zone board. The number of members on the  
23 board shall be seven. One member of the board shall be appointed  
24 by the school district or districts located within the area  
25 proposed for designation as an enhanced enterprise zone. One

1 member of the board shall be appointed by other affected taxing  
2 districts. The remaining five members shall be chosen by the  
3 chief elected official of the county or municipality.

4 2. The school district member and the affected taxing  
5 district member shall each have initial terms of five years. Of  
6 the five members appointed by the chief elected official, two  
7 shall have initial terms of four years, two shall have initial  
8 terms of three years, and one shall have an initial term of two  
9 years. Thereafter, members shall serve terms of five years.  
10 Each commissioner shall hold office until a successor has been  
11 appointed. All vacancies shall be filled in the same manner as  
12 the original appointment. For inefficiency or neglect of duty or  
13 misconduct in office, a member of the board may be removed by the  
14 applicable appointing authority.

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

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

22 5. The role of he board shall be to conduct the activities  
23 necessary to advise the governing authority on the designation of  
24 an enhanced enterprise zone and any other advisory duties as  
25 determined by the governing authority. The role of the board

1 after the designation of an enhanced enterprise zone shall be  
2 review and assessment of zone activities as it relates to the  
3 annual reports as set forth in section 135.1060.

4 135.1060. 1. Any governing authority that desires to have  
5 any portion of a city or unincorporated area of a county under  
6 its control designated as an enhanced enterprise zone shall hold  
7 a public hearing for the purpose of obtaining the opinion and  
8 suggestions of those persons who will be affected by such  
9 designation. The governing authority shall notify the director  
10 of such hearing at least thirty days prior thereto and shall  
11 publish notice of such hearing in a newspaper of general  
12 circulation in the area to be affected by such designation at  
13 least twenty days prior to the date of the hearing but not more  
14 than thirty days prior to such hearing. Such notice shall state  
15 the time, location, date, and purpose of the hearing. The  
16 director, or the director's designee, shall attend such hearing.

17 2. After a public hearing is held as required in subsection  
18 1 of this section, the governing authority may file a petition  
19 with the department requesting the designation of a specific area  
20 as an enhanced enterprise zone. Such petition shall include, in  
21 addition to a description of the physical, social, and economic  
22 characteristics of the area:

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

25 (2) A specific and practical process for individual

1 businesses to obtain waivers from burdensome local regulations,  
2 ordinances, and orders which serve to discourage economic  
3 development within the area to be designated an enhanced  
4 enterprise zone, except that such waivers shall not substantially  
5 endanger the health or safety of the employees of any such  
6 business or the residents of the area;

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

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

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

17 (6) A specific plan to provide assistance to any person or  
18 business dislocated as a result of activities within the enhanced  
19 enterprise zone. Such plan shall determine the need of dislocated  
20 persons for relocation assistance; provide, prior to  
21 displacement, information about the type, location, and price of  
22 comparable housing or commercial property; provide information  
23 concerning state and federal programs for relocation assistance  
24 and provide other advisory services to displaced persons. Public  
25 agencies may choose to provide assistance under the Uniform

1 Relocation and Real Property Acquisition Act, 42 U.S.C. section  
2 4601, et seq., to meet the requirements of this subdivision; and

3 (7) A description or plan that demonstrates the  
4 requirements of subsection 4 of section 135.1055.

5 3. An enhanced enterprise zone designation shall be  
6 effective upon such approval by the department and shall expire  
7 in twenty-five years.

8 4. Each designated enhanced enterprise zone board must  
9 report to the director on an annual basis regarding the status of  
10 the zone and business activity within the zone.

11 135.1065. 1. Improvements made to "real property" as such  
12 term is defined in section 137.010, RSMo, which are made in an  
13 enhanced enterprise zone subsequent to the date such zone or  
14 expansion thereto was designated, may, upon approval of an  
15 authorizing resolution by the governing authority having  
16 jurisdiction of the area in which the improvements are made, be  
17 exempt, in whole or in part, from assessment and payment of ad  
18 valorem taxes of one or more affected political subdivisions.

19 2. Such authorizing resolution shall specify the percent of  
20 the exemption to be granted, the duration of the exemption to be  
21 granted, and the political subdivisions to which such exemption  
22 is to apply and any other terms, conditions, or stipulations  
23 otherwise required. A copy of the resolution shall be provided  
24 to the director within thirty calendar days following adoption of  
25 the resolution by the governing authority.

1           3. No exemption shall be granted until the governing  
2 authority holds a public hearing for the purpose of obtaining the  
3 opinions and suggestions of residents of political subdivisions  
4 to be affected by the exemption from property taxes. The  
5 governing authority shall send, by certified mail, a notice of  
6 such hearing to each political subdivision in the area to be  
7 affected and shall publish notice of such hearing in a newspaper  
8 of general circulation in the area to be affected by the  
9 exemption at least twenty days prior to the hearing but not more  
10 than thirty days prior to the hearing. Such notice shall state  
11 the time, location, date, and purpose of the hearing.

12           4. Notwithstanding subsection 1 of this section, at least  
13 one-half of the ad valorem taxes otherwise imposed on subsequent  
14 improvements to real property located in an enhanced enterprise  
15 zone shall become and remain exempt from assessment and payment  
16 of ad valorem taxes of any political subdivision of this state or  
17 municipality thereof for a period of not less than ten years  
18 following the date such improvements were assessed, provided the  
19 improved properties are used for enhanced business enterprises.

20           5. No exemption shall be granted for a period more than  
21 twenty-five years following the date on which the original  
22 enhanced enterprise zone was designated by the department.

23           6. The provisions of subsection 1 of this section shall not  
24 apply to improvements made to real property begun prior to August  
25 28, 2004.

1           7. The abatement referred to in this section shall not  
2 relieve the assessor or other responsible official from  
3 ascertaining the amount of the equalized assessed value of all  
4 taxable property annually as required by sections 99.855, 99.957,  
5 or 99.1042, RSMo, and shall not have the effect of reducing the  
6 payments in lieu of taxes referred to in subdivision (2) of  
7 subsection 1 of section 99.845, RSMo, subdivision (2) of  
8 subsection 3 of section 99.957, RSMo, or subdivision (2) of  
9 subsection 3 of section 99.1042, RSMo, unless such reduction is  
10 set forth in the plan approved by the governing body of the  
11 municipality pursuant to subdivision (1) of section 99.820,  
12 section 99.942, or section 99.1027, RSMo.

13           135.1070. 1. A taxpayer who establishes a new business  
14 facility may, upon approval by the department, be allowed a  
15 credit, each tax year for up to ten tax years, in an amount  
16 determined as set forth in this section, against the tax imposed  
17 by chapter 143, RSMo, excluding withholding tax imposed by  
18 sections 143.191 to 143.265, RSMo. No taxpayer shall receive  
19 multiple ten-year periods for subsequent expansions at the same  
20 facility.

21           2. Notwithstanding any provision of law to the contrary,  
22 any taxpayer who establishes a new business facility in an  
23 enhanced enterprise zone and is awarded state tax credits under  
24 this section may not also receive tax credits under sections  
25 135.100 to 135.150, sections 135.200 to 135.268, or section

1 135.535.

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

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

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

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

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

17 (2) The sum calculated based upon the following:

18 (a) A credit of four hundred dollars for each new business  
19 facility employee employed within an enhanced enterprise zone;

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

23 (c) An additional credit of four hundred dollars for each  
24 new business facility employee who is paid by the enhanced  
25 business enterprise a wage that exceeds the average wage paid

1 within the county in which the facility is located, as determined  
2 by the department; and

3 (d) A credit equal to two percent of new business facility  
4 investment within an enhanced enterprise zone.

5 5. In no event shall the department authorize more than  
6 seven million dollars annually to be issued for all enhanced  
7 business enterprises.

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

11 (1) The taxpayer's new business facility investment in the  
12 expansion during the tax period in which the credits allowed in  
13 this section are claimed exceeds one hundred thousand dollars and  
14 if the number of new business facility employees engaged or  
15 maintained in employment at the expansion facility for the  
16 taxable year for which credit is claimed equals or exceeds two,  
17 and the total number of employees at the facility after the  
18 expansion is at least two greater than the total number of  
19 employees before the expansion; and

20 (2) The taxpayer's investment in the expansion and in the  
21 original facility prior to expansion shall be determined in the  
22 manner provided in subdivision (12) of section 135.1050.

23 7. The number of new business facility employees during any  
24 taxable year shall be determined by dividing by twelve the sum of  
25 the number of individuals employed on the last business day of

1 each month of such taxable year. If the new business facility is  
2 in operation for less than the entire taxable year, the number of  
3 new business facility employees shall be determined by dividing  
4 the sum of the number of individuals employed on the last  
5 business day of each full calendar month during the portion of  
6 such taxable year during which the new business facility was in  
7 operation by the number of full calendar months during such  
8 period. For the purpose of computing the credit allowed by this  
9 section in the case of a facility which qualifies as a new  
10 business facility under subsection 6 of this section, and in the  
11 case of a new business facility which satisfies the requirements  
12 of paragraph (c) of subdivision (10) of section 135.1050, or  
13 subdivision (14) of section 135.1050, the number of new business  
14 facility employees at such facility shall be reduced by the  
15 average number of individuals employed, computed as provided in  
16 this subsection, at the facility during the taxable year  
17 immediately preceding the taxable year in which such expansion,  
18 acquisition, or replacement occurred and shall further be reduced  
19 by the number of individuals employed by the taxpayer or related  
20 taxpayer that was subsequently transferred to the new business  
21 facility from another Missouri facility and for which credits  
22 authorized in this section are not being earned, whether such  
23 credits are earned because of an expansion, acquisition,  
24 relocation, or the establishment of a new facility.

25 8. In the case where a new business facility employee is a

1 resident of an enhanced enterprise zone for less than a twelve-  
2 month period is employed for less than a twelve-month period, the  
3 credits allowed by paragraph (b) of subdivision (2) of subsection  
4 4 of this section shall be determined by multiplying four hundred  
5 dollars by a fraction, the numerator of which is the number of  
6 calendar days during the taxpayer's tax year for which such  
7 credits are claimed, in which the employee was a resident of an  
8 enhanced enterprise zone, and the denominator of which is three  
9 hundred and sixty-five.

10 9. For the purpose of computing the credit allowed by this  
11 section in the case of a facility which qualifies as a new  
12 business facility pursuant to subsection 6 of this section, and  
13 in the case of a new business facility which satisfies the  
14 requirements of paragraph (c) of subdivision (12) of section  
15 135.1050 or subdivision (16) of section 135.1050, the amount of  
16 the taxpayer's new business facility investment in such facility  
17 shall be reduced by the average amount, computed as provided in  
18 subdivision (12) of section 135.1050 for new business facility  
19 investment, of the investment of the taxpayer, or related  
20 taxpayer immediately preceding such expansion or replacement or  
21 at the time of acquisition. Furthermore, the amount of the  
22 taxpayer's new business facility investment shall also be reduced  
23 by the amount of investment employed by the taxpayer or related  
24 taxpayer which was subsequently transferred to the new business  
25 facility from another Missouri facility and for which credits

1 authorized in this section are not being earned, whether such  
2 credits are earned because of an expansion, acquisition,  
3 relocation, or the establishment of a new facility.

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

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

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

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

22 135.1075. The department may adopt such rules, statements  
23 of policy, procedures, forms, and guidelines as may be necessary  
24 to carry out the provisions of sections 135.1050 to 135.1075.  
25 Any rule or portion of a rule, as that term is defined in section

1 536.010, RSMo, that is created under the authority delegated in  
2 this section shall become effective only if it complies with and  
3 is subject to all of the provisions of chapter 536, RSMo, and, if  
4 applicable, section 536.028, RSMo. This section and chapter 536,  
5 RSMo, are nonseverable and if any of the powers vested with the  
6 general assembly pursuant to chapter 536, RSMo, to review, to  
7 delay the effective date, or to disapprove and annul a rule are  
8 subsequently held unconstitutional, then the grant of rulemaking  
9 authority and any rule proposed or adopted after August 28, 2004,  
10 shall be invalid and void.

11 135.1078. All enterprise zones designated before January 1,  
12 2006, shall be eligible to receive the tax benefits under  
13 sections 135.1050 through 135.1075, RSMo.

14 178.980. As used in sections 178.980 to 178.984, the  
15 following terms mean:

16 (1) "Agreement", the agreement between an employer and a  
17 junior college district concerning a project. An agreement may  
18 be for a period not to exceed ten years when the program services  
19 associated with a project are not in excess of five hundred  
20 thousand dollars. For a project where the associated program  
21 costs are greater than five hundred thousand dollars, the  
22 agreement may not exceed a period of eight years;

23 (2) "Board of trustees", the board of trustees of a junior  
24 college district;

25 (3) "Capital investment", an investment in research and

1 development, working capital, and real and tangible personal  
2 business property except inventory or property intended for sale  
3 to customers. Trucks, truck trailers, truck semi-trailers, rail  
4 and barge vehicles and other rolling stock for hire, track,  
5 switches, barges, bridges, tunnels, rail yards, and spurs shall  
6 not qualify as a capital investment. The amount of such  
7 investment shall be the original cost of the property if owned,  
8 or eight times the net annual rental rate if leased;

9 (4) "Certificate", industrial retained jobs training  
10 certificates issued under section 178.983;

11 (5) "Date of commencement of the project", the date of the  
12 agreement;

13 (6) "Employee", the person employed in a retained job;

14 (7) "Employer", the person maintaining retained jobs in  
15 conjunction with a project;

16 (8) "Industry", a business located within this state which  
17 enters into an agreement with a community college district and  
18 which is engaged in interstate or intrastate commerce for the  
19 purpose of manufacturing, processing, or assembling products,  
20 conducting research and development, or providing services in  
21 interstate commerce, but excluding retail services;

22 (9) "Program costs", all necessary and incidental costs of  
23 providing program services, including payment of the principal,  
24 premium, and interest on certificates, including capitalized  
25 interest, issued to finance a project, funding and maintenance of

1 a debt service reserve fund to secure such certificates and  
2 wages, salaries and benefits of employees participating in on-  
3 the-job training;

4 (10) "Program services" includes, but is not limited to,  
5 the following:

6 (a) Retained jobs training;

7 (b) Adult basic education and job-related instruction;

8 (c) Vocational and skill-assessment services and testing;

9 (d) Training facilities, equipment, materials, and  
10 supplies;

11 (e) On-the-job training;

12 (f) Administrative expenses equal to seventeen percent of  
13 the total training costs, two percent to be paid to the  
14 department of economic development for deposit into the Missouri  
15 job development fund created under section 620.478, RSMo;

16 (g) Subcontracted services with state institutions of  
17 higher education, private colleges or universities, or other  
18 federal, state, or local agencies;

19 (h) Contracted or professional services; and

20 (i) Issuance of certificates;

21 (11) "Project", a training arrangement which is the subject  
22 of an agreement entered into between the community college  
23 district and an employer to provide program services that is not  
24 also the subject of an agreement entered into between a community  
25 college district and an employer to provide program services

1 under sections 178.892 to 178.896;

2 (12) "Retained job", a job in a stable industry, not  
3 including jobs for recalled workers, which was in existence for  
4 at least two consecutive calendar years preceding the year in  
5 which the application for the retained jobs training program was  
6 made;

7 (13) "Retained jobs credit from withholding", the credit as  
8 provided in section 178.982;

9 (14) "Retained jobs training program", or "program", the  
10 project or projects established by a community college district  
11 for the retention of jobs, by providing education and training of  
12 workers for existing jobs for stable industry in the state;

13 (15) "Stable industry", a business that otherwise meets the  
14 definition of industry and retains existing jobs. To be a stable  
15 industry, the business shall have:

16 (a) Maintained at least one hundred employees per year at  
17 the employer's site in the state at which the jobs are based, for  
18 each of the two calendar years preceding the year in which  
19 application for the program is made;

20 (b) Retained at that site the level of employment that  
21 existed in the taxable year immediately preceding the year in  
22 which application for the program is made; and

23 (c) Made or agree to make a capital investment aggregating  
24 at least one million dollars to acquire or improve long-term  
25 assets (including leased facilities) such as property, plant, or

1 equipment (excluding program costs) at the employer's site in the  
2 state at which jobs are based over a period of three consecutive  
3 calendar years, as certified by the employer and:

4 a. Have made substantial investment in new technology  
5 requiring the upgrading of worker's skills; or

6 b. Be located in a border county of the state and represent  
7 a potential risk of relocation from the state; or

8 c. Be determined to represent a substantial risk of  
9 relocation from the state by the director of the department of  
10 economic development;

11 (16) "Total training costs", costs of training, including  
12 supplies, wages and benefits of instructors, subcontracted  
13 services, on-the-job training, training facilities, equipment,  
14 skill assessment, and all program services excluding issuance of  
15 certificates.

16 178.981. A community college district, with the approval of  
17 the department of economic development in consultation with the  
18 office of administration, may enter into an agreement to  
19 establish a project and provide program services to an employer.  
20 As soon as possible after initial contact between a community  
21 college district and a potential employer regarding the  
22 possibility of entering into an agreement, the district shall  
23 inform the division of workforce development of the department of  
24 economic development and the office of administration about the  
25 potential project. The division of workforce development shall

1 evaluate the proposed project within the overall job training  
2 efforts of the state to ensure that the project will not  
3 duplicate other job training programs. The department of  
4 economic development shall have fourteen days from receipt of the  
5 application to approve or disapprove projects. If no response is  
6 received by the community college within fourteen days, the  
7 projects are approved. Any project that is disapproved must be  
8 in writing stating the reasons for the disapproval. If an  
9 agreement is entered into, the district and the employer shall  
10 notify the department of revenue within fifteen calendar days.  
11 An agreement may provide, but is not limited to:

12 (1) Payment of program costs, including deferred costs,  
13 which may be paid from one or a combination of the following  
14 sources:

15 (a) Funds appropriated by the general assembly from the  
16 Missouri community college job retention program fund and  
17 disbursed by the division of workforce development in respect of  
18 retained jobs credit from withholding to be received or derived  
19 from retained employment resulting from the project;

20 (b) Tuition, student fees, or special charges fixed by the  
21 board of trustees to defray program costs in whole or in part;

22 (c) Guarantee of payments to be received under paragraph  
23 (a) or (b) of this subdivision;

24 (2) Payment of program costs shall not be deferred for a  
25 period longer than ten years if program costs do not exceed five

1 hundred thousand dollars, or eight years if program costs exceed  
2 five hundred thousand dollars from the date of commencement of  
3 the project;

4 (3) Costs of on-the-job training for employees shall  
5 include wages or salaries of participating employees. Payments  
6 for on-the-job training shall not exceed the average of fifty  
7 percent of the total percent of the total wages paid by the  
8 employer to each participant during the period of training.  
9 Payment for on-the-job training may continue for up to six months  
10 from the date of the employer's capital investment;

11 (4) A provision which fixes the minimum amount of retained  
12 jobs credit from withholding, or tuition and fee payments which  
13 shall be paid for program costs;

14 (5) Any payment required to be made by an employer is a  
15 lien upon the employer's business property until paid and has  
16 equal precedence with ordinary taxes and shall not be divested by  
17 a judicial sale. Property subject to the lien may be sold for  
18 sums due and delinquent at a tax sale, with the same forfeitures,  
19 penalties, and consequences as for the nonpayment of ordinary  
20 taxes. The purchasers at tax sale obtain the property subject to  
21 the remaining payments.

22 178.982. If an agreement provides that all or part of  
23 program costs are to be met by receipt of retained jobs credit  
24 from withholding, such retained jobs credit from withholding  
25 shall be determined and paid as follows:

1           (1) Retained jobs credit from withholding shall be based  
2 upon the wages paid to the employees in the retained jobs;

3           (2) A portion of the total payments made by the employer  
4 under section 143.221, RSMo, shall be designated as the retained  
5 jobs credit from withholding. Such portion shall be an amount  
6 equal to two and one-half percent of the gross wages paid by the  
7 employer for each of the first one hundred jobs included in the  
8 project and one and one-half percent of the gross wages paid by  
9 the employer for each of the remaining jobs included in the  
10 project. If business or employment conditions cause the amount  
11 of the retained jobs credit from withholding to be less than the  
12 amount projected in the agreement for any time period, then other  
13 withholding tax paid by the employer under section 143.221, RSMo,  
14 shall be credited to the Missouri junior college retained job  
15 training fund by the amount of such difference. The employer  
16 shall remit the amount of the retained jobs credit to the  
17 department of revenue in the manner prescribed in section  
18 178.984. When all program costs, including the principal,  
19 premium, and interest on the certificates have been paid, the  
20 employer credits shall cease;

21           (3) The community college district participating in a  
22 project shall establish a special fund for and in the name of the  
23 project. All funds appropriated by the general assembly from the  
24 Missouri community college job training retention program fund  
25 and disbursed by the division of workforce development for the

1 project and other amounts received by the district in respect of  
2 the project and required by the agreement to be used to pay  
3 program costs for the project shall be deposited in the special  
4 fund. Amounts held in the special fund may be used and disbursed  
5 by the district only to pay program costs for the project. The  
6 special fund may be divided into such accounts and subaccounts as  
7 shall be provided in the agreement, and amounts held therein may  
8 be invested in investments which are legal for the investment of  
9 the district's other funds;

10 (4) Any disbursement in respect of a project received from  
11 the division of workforce development under sections 178.980 to  
12 178.984 and the special fund into which it is paid may be  
13 irrevocably pledged by a junior college district for the payment  
14 of the principal, premium, and interest on the certificate issued  
15 by a junior college district to finance or refinance, in whole or  
16 in part, the project;

17 (5) The employer shall certify to the department of revenue  
18 that the credit from withholding is in accordance with an  
19 agreement and shall provide other information the department may  
20 require;

21 (6) An employee participating in a project will receive  
22 full credit for the amount designated as a retained jobs credit  
23 from withholding and withheld as provided in section 143.221,  
24 RSMo;

25 (7) If an agreement provides that all or part of program

1 costs are to be met by receipt of retained jobs credit from  
2 withholding, the provisions of this subsection shall also apply  
3 to any successor to the original employer until such time as the  
4 principal and interest on the certificates have been paid.

5 178.983. 1. To provide funds for the present payment of  
6 the costs of retained jobs training programs, a community college  
7 district may borrow money and issue and sell certificates payable  
8 from a sufficient portion of the future receipts of payments  
9 authorized by the agreement including disbursements from the  
10 Missouri community college job retention training program to the  
11 special fund established by the district for each project. The  
12 total amount of outstanding certificates sold by all junior  
13 college districts shall not exceed fifteen million dollars,  
14 unless an increased amount is authorized in writing by a majority  
15 of members of the Missouri job training joint legislative  
16 oversight committee. The certificates shall be marketed through  
17 financial institutions authorized to do business in Missouri.  
18 The receipts shall be pledged to the payment of principal of and  
19 interest on the certificates. Certificates may be sold at public  
20 sale or at private sale at par, premium, or discount of not less  
21 than ninety-five percent of the par value thereof, at the  
22 discretion of the board of trustees, and may bear interest at  
23 such rate or rates as the board of trustees shall determine,  
24 notwithstanding the provisions of section 108.170, RSMo, to the  
25 contrary. However, chapter 176, RSMo, does not apply to the

1 issuance of these certificates. Certificates may be issued with  
2 respect to a single project or multiple projects and may contain  
3 terms or conditions as the board of trustees may provide by  
4 resolution authorizing the issuance of the certificates.

5 2. Certificates issued to refund other certificates may be  
6 sold at public sale or at private sale as provided in this  
7 section with the proceeds from the sale to be used for the  
8 payment of the certificates being refunded. The refunding  
9 certificates may be exchanged in payment and discharge of the  
10 certificates being refunded, in installments at different times  
11 or an entire issue or series at one time. Refunding certificates  
12 may be sold or exchanged at any time on, before, or after the  
13 maturity of the outstanding certificates to be refunded. They  
14 may be issued for the purpose of refunding a like, greater, or  
15 lesser principal amount of certificates and may bear a higher,  
16 lower, or equivalent rate of interest than the certificates being  
17 renewed or refunded.

18 3. Before certificates are issued, the board of trustees  
19 shall publish once a notice of its intention to issue the  
20 certificates, stating the amount, the purpose, and the project or  
21 projects for which the certificates are to be issued. A person  
22 may, within fifteen days after the publication of the notice, by  
23 action in the circuit court of a county in the district, appeal  
24 the decision of the board of trustees to issue the certificates.  
25 The action of the board of trustees in determining to issue the

1 certificates is final and conclusive unless the circuit court  
2 finds that the board of trustees has exceeded its legal  
3 authority. An action shall not be brought which questions the  
4 legality of the certificates, the power of the board of trustees  
5 to issue the certificates, the effectiveness of any proceedings  
6 relating to the authorization of the project, or the  
7 authorization and issuance of the certificates from and after  
8 fifteen days from the publication of the notice of intention to  
9 issue.

10 4. The board of trustees shall make a finding based on  
11 information supplied by the employer that revenues provided in  
12 the agreement are sufficient to secure the faithful performance  
13 of obligations in the agreement.

14 5. Certificates issued under this section shall not be  
15 deemed to be an indebtedness of the state or the community  
16 college district or of any other political subdivision of the  
17 state, and the principal and interest on such certificates shall  
18 be payable only from the sources provided in subdivision (1) of  
19 section 178.981 which are pledged in the agreement.

20 6. The department of economic development shall coordinate  
21 the retained jobs training program, and may promulgate rules that  
22 districts will use in developing projects with industrial  
23 retained jobs training proposals which shall include rules  
24 providing for the coordination of such proposals with the service  
25 delivery areas established in the state to administer federal

1 funds pursuant to the federal Workforce Investment Act. No rule  
2 or portion of a rule promulgated pursuant to the authority of  
3 this section shall become effective unless it has been  
4 promulgated pursuant to chapter 536, RSMo.

5 7. No community college district may sell certificates as  
6 described in this section after July 1, 2014.

7 178.984. 1. There is hereby established within the state  
8 treasury a special fund, to be known as the "Missouri Community  
9 College Job Retention Training Program Fund", to be administered  
10 by the division of workforce development. The department of  
11 revenue shall credit to the community college job retention  
12 training program fund, as received, all retained jobs credit from  
13 withholding remitted by employers pursuant to section 178.982.  
14 The fund shall also consist of any gifts, contributions, grants,  
15 or bequests received from federal, private, or other sources.  
16 The general assembly, however, shall not provide for any transfer  
17 of general revenue funds into the community college job retention  
18 training program fund. Moneys in the Missouri community college  
19 job retention training program fund shall be disbursed to the  
20 division of workforce development pursuant to regular  
21 appropriations by the general assembly. The division shall  
22 disburse such appropriated funds in a timely manner into the  
23 special funds established by community college districts for  
24 projects, which funds shall be used to pay program costs,  
25 including the principal, premium, and interest on certificates

1 issued by the district to finance or refinance, in whole or in  
2 part, a project. Such disbursements by the division of workforce  
3 development shall be made to the special fund for each project in  
4 the same proportion as the retained jobs credit from withholding  
5 remitted by the employer participating in such project bears to  
6 the total retained jobs credit from withholding remitted by all  
7 employers participating in projects during the period for which  
8 the disbursement is made. Moneys for retained jobs training  
9 programs established under sections 178.980 to 178.984 shall be  
10 obtained from appropriations made by the general assembly from  
11 the Missouri community college job retention training program  
12 fund. All moneys remaining in the Missouri community college job  
13 retention training program fund at the end of any fiscal year  
14 shall not lapse to the general revenue fund, as provided in  
15 section 33.080, RSMo, but shall remain in the Missouri community  
16 college job retention training program fund.

17 2. The department of revenue shall develop such forms as  
18 are necessary to demonstrate accurately each employer's retained  
19 jobs credit from withholding paid into the Missouri community  
20 college job retention training program fund. The retained jobs  
21 credit from withholding shall be accounted as separate from the  
22 normal withholding tax paid to the department of revenue by the  
23 employer. Reimbursements made by all employers to the Missouri  
24 community college job retention training program fund shall be no  
25 less than all allocations made by the division of workforce

1 development to all community college districts for all job  
2 retention projects. The employer shall remit the amount of the  
3 retained job credit to the department of revenue in the same  
4 manner as provided in sections 143.191 to 143.265, RSMo.

5 620.1039. 1. As used in this section, the term "taxpayer"  
6 means an individual, a partnership, or a corporation as described  
7 in section 143.441 or 143.471, RSMo, or section 148.370, RSMo,  
8 and the term "qualified research expenses" has the same meaning  
9 as prescribed in 26 U.S.C. 41.

10 2. For tax years beginning on or after January 1, 2001, the  
11 director of the department of economic development may authorize  
12 a taxpayer to receive a tax credit against the tax otherwise due  
13 pursuant to chapter 143, RSMo, or chapter 148, RSMo, other than  
14 the taxes withheld pursuant to sections 143.191 to 143.265, RSMo,  
15 in an amount up to six and one-half percent of the excess of the  
16 taxpayer's qualified research expenses, as certified by the  
17 director of the department of economic development, within this  
18 state during the taxable year over the average of the taxpayer's  
19 qualified research expenses within this state over the  
20 immediately preceding three taxable years; except that, no tax  
21 credit shall be allowed on that portion of the taxpayer's  
22 qualified research expenses incurred within this state during the  
23 taxable year in which the credit is being claimed, to the extent  
24 such expenses exceed two hundred percent of the taxpayer's  
25 average qualified research expenses incurred during the

1 immediately preceding three taxable years.

2 3. The director of economic development shall prescribe the  
3 manner in which the tax credit may be applied for. The tax  
4 credit authorized by this section may be claimed by the taxpayer  
5 to offset the tax liability imposed by chapter 143, RSMo, or  
6 chapter 148, RSMo, that becomes due in the tax year during which  
7 such qualified research expenses were incurred. Where the amount  
8 of the credit exceeds the tax liability, the difference between  
9 the credit and the tax liability may only be carried forward for  
10 the next five succeeding taxable years or until the full credit  
11 has been claimed, whichever first occurs. The application for  
12 tax credits authorized by the director pursuant to subsection 2  
13 of this section shall be made no later than the end of the  
14 taxpayer's tax period immediately following the tax period for  
15 which the credits are being claimed.

16 4. Certificates of tax credit issued pursuant to this  
17 section may be transferred, sold or assigned by filing a  
18 notarized endorsement thereof with the department which names the  
19 transferee and the amount of tax credit transferred. The  
20 director of economic development may allow a taxpayer to  
21 transfer, sell or assign up to forty percent of the amount of the  
22 certificates of tax credit issued to and not claimed by such  
23 taxpayer pursuant to this section during any tax year commencing  
24 on or after January 1, 1996, and ending not later than December  
25 31, 1999. Such taxpayer shall file, by December 31, 2001, an

1 application with the department which names the transferee, the  
2 amount of tax credit desired to be transferred, and a  
3 certification that the funds received by the applicant as a  
4 result of the transfer, sale or assignment of the tax credit  
5 shall be expended within three years at the state university for  
6 the sole purpose of conducting research activities agreed upon by  
7 the department, the taxpayer and the state university. Failure  
8 to expend such funds in the manner prescribed pursuant to this  
9 section shall cause the applicant to be subject to the provisions  
10 of section 620.017.

11 5. No rule or portion of a rule promulgated under the  
12 authority of this section shall become effective unless it has  
13 been promulgated pursuant to the provisions of chapter 536, RSMo.  
14 All rulemaking authority delegated prior to June 27, 1997, is of  
15 no force and effect and repealed; however, nothing in this  
16 section shall be interpreted to repeal or affect the validity of  
17 any rule filed or adopted prior to June 27, 1997, if such rule  
18 complied with the provisions of chapter 536, RSMo. The  
19 provisions of this section and chapter 536, RSMo, are  
20 nonseverable and if any of the powers vested with the general  
21 assembly pursuant to chapter 536, RSMo, including the ability to  
22 review, to delay the effective date, or to disapprove and annul a  
23 rule or portion of a rule, are subsequently held  
24 unconstitutional, then the purported grant of rulemaking  
25 authority and any rule so proposed and contained in the order of

1 rulemaking shall be invalid and void.

2 6. The aggregate of all tax credits authorized pursuant to  
3 this section shall not exceed nine million seven hundred thousand  
4 dollars in any year.

5 7. For all tax years beginning on or after January 1, 2005,  
6 but before January 1, 2008, no tax credits shall be approved,  
7 awarded, or issued to any person or entity claiming any tax  
8 credit under this section.