

SENATE SUBSTITUTE

FOR

SENATE COMMITTEE SUBSTITUTE

FOR

HOUSE SUBSTITUTE

FOR

HOUSE BILL NO. 1409

AN ACT

1

2 To repeal sections 32.105, 32.110, 71.620,
3 100.710, 135.208, 135.209, 135.215, 135.481,
4 135.530, 620.1039, 620.1400, 620.1410,
5 620.1420, 620.1430, 620.1440, 620.1450,
6 620.1460, 620.1560, RSMo, and section 100.850
7 as enacted by conference committee substitute
8 for senate substitute for senate committee
9 substitute for house committee substitute for
10 house bill no. 289, ninety-second general
11 assembly, first regular session, and section
12 100.850 as enacted by senate committee
13 substitute for senate bill no. 620, ninety-
14 second general assembly, first regular
15 session, and to enact in lieu thereof
16 forty-three new sections relating to economic
17 development projects.

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
19 AS FOLLOWS:

20 Section A. Sections 32.105, 32.110, 71.620, 100.710,
21 135.208, 135.209, 135.215, 135.481, 135.530, 620.1039, 620.1400,
22 620.1410, 620.1420, 620.1430, 620.1440, 620.1450, 620.1460,
23 620.1560, RSMo, and section 100.850 as enacted by conference
24 committee substitute for senate substitute for senate committee

1 substitute for house committee substitute for house bill no. 289,
2 ninety-second general assembly, first regular session, and
3 section 100.850 as enacted by senate committee substitute for
4 senate bill no. 620, ninety-second general assembly, first
5 regular session, are repealed and forty-three new sections
6 enacted in lieu thereof, to be known as sections 32.105, 32.110,
7 67.1303, 71.620, 100.710, 100.850, 135.155, 135.208, 135.209,
8 135.214, 135.215, 135.216, 135.217, 135.218, 135.219, 135.221,
9 135.261, 135.262, 135.263, 135.286, 135.481, 135.530, 135.536,
10 135.546, 135.900, 135.903, 135.910, 135.911, 135.1050, 135.1055,
11 135.1057, 135.1060, 135.1065, 135.1070, 135.1075, 178.980,
12 178.981, 178.982, 178.983, 178.984, 178.985, 620.1039, and 1, to
13 read as follows:

14 32.105. As used in sections 32.100 to 32.125, the following
15 terms mean:

16 (1) "Affordable housing assistance activities", money, real
17 or personal property, or professional services expended or
18 devoted to the construction, or rehabilitation of affordable
19 housing units;

20 (2) "Affordable housing unit", a residential unit generally
21 occupied by persons and families with incomes at or below the
22 levels described in this subdivision and bearing a cost to the
23 occupant no greater than thirty percent of the maximum eligible
24 household income for the affordable housing unit. In the case of
25 owner-occupied units, the cost to the occupant shall be

1 considered the amount of the gross monthly mortgage payment,
 2 including casualty insurance, mortgage insurance, and taxes. In
 3 the case of rental units, the cost to the occupant shall be
 4 considered the amount of the gross rent. The cost to the
 5 occupant shall include the cost of any utilities, other than
 6 telephone. If any utilities are paid directly by the occupant,
 7 the maximum cost that may be paid by the occupant is to be
 8 reduced by a utility allowance prescribed by the commission.
 9 Persons or families are eligible occupants of affordable housing
 10 units if the household combined, adjusted gross income as defined
 11 by the commission is equal to or less than the following
 12 percentages of the median family income for the geographic area
 13 in which the residential unit is located, or the median family
 14 income for the state of Missouri, whichever is larger;
 15 ("geographic area" means the metropolitan area or county
 16 designated as an area by the federal Department of Housing and
 17 Urban Development under Section 8 of the United States Housing
 18 Act of 1937, as amended, for purposes of determining fair market
 19 rental rates):

	Percent of State or Geographic Area Family	
	Size of Household	Median Income
	One Person	35%
	Two Persons	40%
	Three Persons	45%

1	Four Persons	50%
2	Five Persons	54%
3	Six Persons	58%
4	Seven Persons	62%
5	Eight Persons	66%

6 (3) "Business firm", person, firm, a partner in a firm,
7 corporation or a shareholder in an S corporation doing business
8 in the state of Missouri and subject to the state income tax
9 imposed by the provisions of chapter 143, RSMo, or a corporation
10 subject to the annual corporation franchise tax imposed by the
11 provisions of chapter 147, RSMo, or an insurance company paying
12 an annual tax on its gross premium receipts in this state, or
13 other financial institution paying taxes to the state of Missouri
14 or any political subdivision of this state pursuant to the
15 provisions of chapter 148, RSMo, or an express company which pays
16 an annual tax on its gross receipts in this state;

17 (4) "Commission", the Missouri housing development
18 commission;

19 (5) "Community services", any type of counseling and
20 advice, emergency assistance or medical care furnished to
21 individuals or groups in the state of Missouri or transportation
22 services at below-cost rates as provided in sections 208.250 to
23 208.275, RSMo;

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

1 (7) "Defense industry contractor", a person, corporation or
2 other entity which will be or has been negatively impacted as a
3 result of its status as a prime contractor of the Department of
4 Defense or as a second or third tier contractor. A "second tier
5 contractor" means a person, corporation or other entity which
6 contracts to perform manufacturing, maintenance or repair
7 services for a prime contractor of the Department of Defense, and
8 a "third tier contractor" means a person, corporation or other
9 entity which contracts with a person, corporation or other entity
10 which contracts with a prime contractor of the Department of
11 Defense;

12 (8) "Doing business", among other methods of doing business
13 in the state of Missouri, a partner in a firm or a shareholder in
14 an S corporation shall be deemed to be doing business in the
15 state of Missouri if such firm or S corporation, as the case may
16 be, is doing business in the state of Missouri;

17 (9) "Economic development", the acquisition, renovation,
18 improvement, or the furnishing or equipping of existing buildings
19 and real estate in distressed or blighted areas of the state when
20 such acquisition, renovation, improvement, or the furnishing or
21 equipping of the business development projects will result in the
22 creation or retention of jobs within the state; or, until June
23 30, 1996, a defense conversion pilot project located in a
24 standard metropolitan statistical area which contains a city with
25 a population of at least three hundred fifty thousand

1 inhabitants, which will assist Missouri-based defense industry
2 contractors in their conversion from predominately
3 defense-related contracting to nondefense-oriented manufacturing.
4 Only neighborhood organizations, as defined in subdivision (15)
5 of this section, may apply to conduct economic development
6 projects. Prior to the approval of an economic development
7 project, the neighborhood organization shall enter into a
8 contractual agreement with the department of economic
9 development. Credits approved for economic development projects
10 may not exceed four million dollars from within any one fiscal
11 year's allocation, except that for fiscal years 2005, 2006, and
12 2007 credits approved for economic development projects shall not
13 exceed six million dollars. Neighborhood assistance program tax
14 credits for economic development projects and affordable housing
15 assistance as defined in section 32.111, may be transferred, sold
16 or assigned by a notarized endorsement thereof naming the
17 transferee;

18 (10) "Education", any type of scholastic instruction or
19 scholarship assistance to an individual who resides in the state
20 of Missouri that enables the individual to prepare himself or
21 herself for better opportunities or community awareness
22 activities rendered by a statewide organization established for
23 the purpose of archeological education and preservation;

24 (11) "Eligible farmers' market", a group of farmers, each
25 of whom farms agricultural land located within this state which

1 he or she rents or owns, and who have formed a group for the
2 purpose of allowing each member farmer to sell his or her
3 products derived from his or her farming activities to the public
4 at a common structure or building when at least fifty percent of
5 the costs of such structure or building are paid for by such
6 group of farmers;

7 (12) "Eligible new generation cooperative", as defined in
8 section 348.340, RSMo;

9 (13) "Homeless assistance pilot project", the program
10 established pursuant to section 32.117;

11 (14) "Job training", any type of instruction to an
12 individual who resides in the state of Missouri that enables the
13 individual to acquire vocational skills so that the individual
14 can become employable or be able to seek a higher grade of
15 employment;

16 (15) "Neighborhood organization", any organization
17 performing community services or economic development activities
18 in the state of Missouri and:

19 (a) Holding a ruling from the Internal Revenue Service of
20 the United States Department of the Treasury that the
21 organization is exempt from income taxation pursuant to the
22 provisions of the Internal Revenue Code; or

23 (b) Incorporated in the state of Missouri as a
24 not-for-profit corporation pursuant to the provisions of chapter
25 355, RSMo; or

1 (c) Designated as a community development corporation by
2 the United States government pursuant to the provisions of Title
3 VII of the Economic Opportunity Act of 1964; or

4 (d) Contributing funds to help finance a building or
5 structure or purchase equipment located within this state and
6 used to sell agricultural food products or to add value to food
7 products produced in this state by members of an eligible new
8 generation cooperative; or contributing funds to help finance a
9 building or structure or purchase equipment owned by a not-
10 for-profit organization located within this state and used to
11 sell agricultural food products or to add value to food products
12 produced by family farms as defined in subdivision (4) of section
13 350.010, RSMo, or family farm corporations as defined in
14 subdivision (5) of section 350.010, RSMo;

15 (16) "Physical revitalization", furnishing financial
16 assistance, labor, material, or technical advice to aid in the
17 physical improvement or rehabilitation of any part or all of a
18 neighborhood area;

19 (17) "S corporation", a corporation described in Section
20 1361(a)(1) of the United States Internal Revenue Code and not
21 subject to the taxes imposed by section 143.071, RSMo, by reason
22 of section 143.471, RSMo;

23 (18) "Workfare renovation project", any project initiated
24 pursuant to sections 215.340 to 215.355, RSMo.

25 32.110. Any business firm which engages in the activities

1 of providing physical revitalization, economic development, job
2 training or education for individuals, community services,
3 eligible farmers' markets or crime prevention in the state of
4 Missouri shall receive a tax credit as provided in section 32.115
5 if the director of the department of economic development
6 annually approves the proposal of the business firm; except that,
7 no proposal shall be approved which does not have the endorsement
8 of the agency of local government within the area in which the
9 business firm is engaging in such activities which has adopted an
10 overall community or neighborhood development plan that the
11 proposal is consistent with such plan. The proposal shall set
12 forth the program to be conducted, the neighborhood area to be
13 served, why the program is needed, the estimated amount to be
14 contributed to the program and the plans for implementing the
15 program. If, in the opinion of the director of the department of
16 economic development, a business firm's contribution can more
17 consistently with the purposes of sections 32.100 to 32.125 be
18 made through contributions to a neighborhood organization as
19 defined in subdivision [(15)] (13) of section 32.105, tax credits
20 may be allowed as provided in section 32.115. The director of
21 the department of economic development is hereby authorized to
22 promulgate rules and regulations for establishing criteria for
23 evaluating such proposals by business firms for approval or
24 disapproval and for establishing priorities for approval or
25 disapproval of such proposals by business firms with the

1 assistance and approval of the director of the department of
2 revenue. The total amount of tax credit granted for programs
3 approved pursuant to sections 32.100 to 32.125 shall not exceed
4 fourteen million dollars in fiscal year 1999 and twenty-six
5 million dollars in fiscal year 2000, and any subsequent fiscal
6 year, except as otherwise provided for proposals approved
7 pursuant to section 32.111, 32.112 or 32.117. All tax credits
8 authorized pursuant to the provisions of sections 32.100 to
9 32.125 may be used as a state match to secure additional federal
10 funding. The total amount of tax credits allowed for programs of
11 neighborhood organizations defined pursuant to paragraph (d) of
12 subdivision [(15)] (13) of section 32.105 is two and one-half
13 million dollars per fiscal year for fiscal years 2002 to 2006.

14 67.1303. 1. The governing body of any home rule city with
15 more than forty-five thousand five hundred but less than forty-
16 five thousand nine hundred inhabitants and the governing body of
17 any city within any county of the first classification with more
18 than one hundred four thousand six hundred but less than one
19 hundred four thousand seven hundred inhabitants and the governing
20 body of any city within any county of the third classification
21 without a township form of government and with more than forty
22 thousand eight hundred but less than forty thousand nine hundred
23 inhabitants may impose, by order or ordinance, a sales tax on all
24 retail sales made in the city which are subject to sales tax
25 under chapter 144, RSMo. The tax authorized in this section

1 shall not be more than one-half of one percent. The order or
2 ordinance imposing the tax shall not become effective unless the
3 governing body of the city submits to the voters of the city at a
4 state general or primary election a proposal to authorize the
5 governing body to impose a tax under this section. The tax
6 authorized in this section shall be in addition to all other
7 sales taxes imposed by law, and shall be stated separately from
8 all other charges and taxes.

9 2. The ballot of submission for the tax authorized in this
10 section shall be in substantially the following form:

11 Shall (insert the name of the city) impose a sales
12 tax at a rate of (insert rate of percent) percent for
13 economic development purposes?

14 YES

NO

15 If a majority of the votes cast on the question by the qualified
16 voters voting thereon are in favor of the question, then the tax
17 shall become effective on the first day of the second calendar
18 quarter following the calendar quarter in which the election was
19 held. If a majority of the votes cast on the question by the
20 qualified voters voting thereon are opposed to the question, then
21 the tax shall not become effective unless and until the question
22 is resubmitted under this section to the qualified voters and
23 such question is approved by a majority of the qualified voters
24 voting on the question, provided that no proposal shall be

1 resubmitted to the voters sooner than twelve months from the date
2 of the submission of the last proposal.

3 3. No revenue generated by the tax authorized in this
4 section shall be used for any retail development project. At
5 least twenty percent of the revenue generated by the tax
6 authorized in this section shall be used solely for projects
7 directly related to long-term economic development preparation,
8 including, but not limited to, the following:

9 (1) Acquisition of land;

10 (2) Installation of infrastructure for industrial or
11 business parks;

12 (3) Improvement of water and wastewater treatment capacity;

13 (4) Extension of streets;

14 (5) Providing matching dollars for state or federal grants;

15 (6) Marketing;

16 (7) Providing grants and low-interest loans to companies
17 for job training, equipment acquisition, site development, and
18 infrastructure.

19 Not more than twenty-five percent of the revenue generated may be
20 used annually for administrative purposes, including staff and
21 facility costs.

22 4. All revenue generated by the tax shall be deposited in a
23 special trust fund and shall be used solely for the designated
24 purposes. If the tax is repealed, all funds remaining in the

1 special trust fund shall continue to be used solely for the
2 designated purposes. Any funds in the special trust fund which
3 are not needed for current expenditures may be invested by the
4 governing body in accordance with applicable laws relating to the
5 investment of other city funds.

6 5. Any city imposing the tax authorized in this section
7 shall establish an economic development tax board. The board
8 shall consist of eleven members, to be appointed as follows:

9 (1) Two members shall be appointed by the school boards
10 whose districts are included within any economic development plan
11 or area funded by the sales tax authorized in this section. Such
12 members shall be appointed in any manner agreed upon by the
13 affected districts;

14 (2) One member shall be appointed, in any manner agreed
15 upon by the affected districts, to represent all other districts
16 levying ad valorem taxes within the area selected for an economic
17 development project or area funded by the sales tax authorized in
18 this section, excluding representatives of the governing body of
19 the city;

20 (3) One member shall be appointed by the largest public
21 school district in the city;

22 (4) In each city, five members shall be appointed by the
23 chief elected officer of the city with the consent of the
24 majority of the governing body of the city;

25 (5) In each city, two members shall be appointed by the

1 governing body of the county in which the city is located.

2 At the option of the members appointed by a city or county the
3 members who are appointed by the school boards and other taxing
4 districts may serve on the board for a term to coincide with the
5 length of time an economic development project, plan, or
6 designation of an economic development area is considered for
7 approval by the board, or for the definite terms as provided in
8 this subsection. If the members representing school districts
9 and other taxing districts are appointed for a term coinciding
10 with the length of time an economic development project, plan, or
11 area is approved, such term shall terminate upon final approval
12 of the project, plan, or designation of the area by the governing
13 body of the city. If any school district or other taxing
14 jurisdiction fails to appoint members of the board within thirty
15 days of receipt of written notice of a proposed economic
16 development plan, economic development project, or designation of
17 an economic development area, the remaining members may proceed
18 to exercise the power of the board. Of the members first
19 appointed by the city, three shall be designated to serve for
20 terms of two years, three shall be designated to serve for a term
21 of three years, and the remaining members shall be designated to
22 serve for a term of four years from the date of such initial
23 appointments. Thereafter, the members appointed by the city

1 shall serve for a term of four years, except that all vacancies
2 shall be filled for unexpired terms in the same manner as were
3 the original appointments.

4 6. The board, subject to approval of the governing body of
5 the city, shall develop economic development plans, economic
6 development projects, or designations of an economic development
7 area, and shall hold public hearings and provide notice of any
8 such hearings. The board shall vote on all proposed economic
9 development plans, economic development projects, or designations
10 of an economic development area, and amendments thereto, within
11 thirty days following completion of the hearing on any such plan,
12 project, or designation, and shall make recommendations to the
13 governing body within ninety days of the hearing concerning the
14 adoption of or amendment to economic development plans, economic
15 development projects, or designations of an economic development
16 area.

17 7. The board shall report at least annually to the
18 governing body of the city on the use of the funds provided under
19 this section and on the progress of any plan, project, or
20 designation adopted under this section.

21 8. The governing body of any city that has adopted the
22 sales tax authorized in this section may submit the question of
23 repeal of the tax to the voters on any date available for
24 elections for the city. The ballot of submission shall be in
25 substantially the following form:

1 Shall (insert the name of the city) repeal the sales
2 tax imposed at a rate of (insert rate of percent) percent
3 for economic development purposes?

4 YES

NO

5 If a majority of the votes cast on the proposal are in favor of
6 repeal, that repeal shall become effective on December
7 thirty-first of the calendar year in which such repeal was
8 approved. If a majority of the votes cast on the question by the
9 qualified voters voting thereon are opposed to the repeal, then
10 the sales tax authorized in this section shall remain effective
11 until the question is resubmitted under this section to the
12 qualified voters of the city, and the repeal is approved by a
13 majority of the qualified voters voting on the question.

14 9. Whenever the governing body of any city that has adopted
15 the sales tax authorized in this section receives a petition,
16 signed by ten percent of the registered voters of the city voting
17 in the last gubernatorial election, calling for an election to
18 repeal the sales tax imposed under this section, the governing
19 body shall submit to the voters a proposal to repeal the tax. If
20 a majority of the votes cast on the question by the qualified
21 voters voting thereon are in favor of the repeal, that repeal
22 shall become effective on December thirty-first of the calendar
23 year in which such repeal was approved. If a majority of the
24 votes cast on the question by the qualified voters voting thereon

1 are opposed to the repeal, then the tax shall remain effective
2 until the question is resubmitted under this section to the
3 qualified voters and the repeal is approved by a majority of the
4 qualified voters voting on the question.

5 71.620. 1. Hereafter no person following for a livelihood
6 the profession or calling of minister of the gospel, duly
7 accredited Christian Science practitioner, teacher, professor in
8 a college, priest, lawyer, certified public accountant, dentist,
9 chiropractor, optometrist, chiropodist, physician or surgeon in
10 this state shall be taxed or made liable to pay any municipal or
11 other corporation tax or license fee of any description whatever
12 for the privilege of following or carrying on such profession or
13 calling, and, after December 31, 2003, no investment funds
14 service corporation, as defined in section 143.451, RSMo, may be
15 required to pay, or shall be taxed or made liable to pay any
16 municipal or other corporation tax or license fee of any
17 description whatever for the privilege of following or carrying
18 on its business or occupation, in excess of or in an aggregate
19 amount exceeding twenty-five thousand dollars annually, any law,
20 ordinance or charter to the contrary notwithstanding.

21 2. No person following for a livelihood the profession of
22 insurance agent or broker, veterinarian, architect, professional
23 engineer, land surveyor, auctioneer, or real estate broker or
24 salesman in this state shall be taxed or made liable to pay any
25 municipal or other corporation tax or license fee for the

1 privilege of following or carrying on his or her profession by a
2 municipality unless that person maintains a business office
3 within that municipality.

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

9 100.710. As used in sections 100.700 to 100.850, the
10 following terms mean:

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

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

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

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

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

25 (6) "Director", the director of the department of economic

1 development;

2 (7) "Economic development project":

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

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

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

22 (8) "Eligible employee", a person employed on a full-time
23 basis in a new job at the economic development project averaging
24 at least thirty-five hours per week who was not employed by the
25 eligible industry or a related taxpayer in this state at any time

1 during the twelve-month period immediately prior to being
2 employed at the economic development project. For an essential
3 industry, a person employed on a full-time basis in an existing
4 job at the economic development project averaging at least
5 thirty-five hours per week may be considered an eligible employee
6 for the purposes of the program authorized by sections 100.700 to
7 100.850;

8 (9) "Eligible industry", a business located within the
9 state of Missouri which is engaged in interstate or intrastate
10 commerce for the purpose of manufacturing, processing or
11 assembling products, conducting research and development, or
12 providing services in interstate commerce, office industries, or
13 agricultural processing, but excluding retail, health or
14 professional services. "Eligible industry" does not include a
15 business which closes or substantially reduces its operation at
16 one location in the state and relocates substantially the same
17 operation to another location in the state. This does not
18 prohibit a business from expanding its operations at another
19 location in the state provided that existing operations of a
20 similar nature located within the state are not closed or
21 substantially reduced. This also does not prohibit a business
22 from moving its operations from one location in the state to
23 another location in the state for the purpose of expanding such
24 operation provided that the board determines that such expansion
25 cannot reasonably be accommodated within the municipality in

1 which such business is located, or in the case of a business
2 located in an incorporated area of the county, within the county
3 in which such business is located, after conferring with the
4 chief elected official of such municipality or county and taking
5 into consideration any evidence offered by such municipality or
6 county regarding the ability to accommodate such expansion within
7 such municipality or county. An eligible industry must:

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

11 (b) Create a minimum of one hundred new jobs for eligible
12 employees at the economic development project or a minimum of
13 five hundred jobs if the economic development project is an
14 office industry or a minimum of two hundred new jobs if the
15 economic development project is an office industry located within
16 a distressed community as defined in section 135.530, RSMo, in
17 the case of an approved company for a project for a world
18 headquarters of a business whose primary function is tax return
19 preparation in any home rule city with more than four hundred
20 thousand inhabitants and located in more than one county, create
21 a minimum of one hundred new jobs for eligible employees at the
22 economic development project. An industry that meets the
23 definition of "essential industry" may be considered an eligible
24 industry for the purposes of the program authorized by sections
25 100.700 to 100.850;

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

4 (a) Be a targeted industry;

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

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

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

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

22 (11) "New job", a job in a new or expanding eligible
23 industry not including jobs of recalled workers, replacement jobs
24 or jobs that formerly existed in the eligible industry in the
25 state. For an essential industry, an existing job may be

1 considered a new job for the purposes of the program authorized
2 by sections 100.700 to 100.850;

3 (12) "Office industry", a regional, national or
4 international headquarters, a telecommunications operation, a
5 computer operation, an insurance company, or a credit card
6 billing and processing center;

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

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

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

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

24 (d) All costs of architectural and engineering services,
25 including test borings, surveys, estimates, plans and

1 specifications, preliminary investigations and supervision of
2 construction, as well as the costs for the performance of all the
3 duties required by or consequent upon the acquisition,
4 construction, installation or equipping of an economic
5 development project;

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

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

11 (14) "Program services", administrative expenses of the
12 board, including contracted professional services, and the cost
13 of issuance of certificates;

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

19 [100.850. 1. The approved company
20 shall remit to the board a job development
21 assessment fee, not to exceed five percent of
22 the gross wages of each eligible employee
23 whose job was created as a result of the
24 economic development project, or not to
25 exceed ten percent if the economic
26 development project is located within a
27 distressed community as defined in section
28 135.530, RSMo, for the purpose of retiring
29 bonds which fund the economic development
30 project.

31 2. Any approved company remitting an
32 assessment as provided in subsection 1 of

1 this section shall make its payroll books and
2 records available to the board at such
3 reasonable times as the board shall request
4 and shall file with the board documentation
5 respecting the assessment as the board may
6 require.

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

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

20 5. In no event shall the aggregate
21 amount of tax credits authorized by
22 subsection 4 of this section exceed eleven
23 million dollars annually.

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

29 100.850. 1. The approved company shall remit to the board
30 a job development assessment fee, not to exceed five percent of
31 the gross wages of each eligible employee whose job was created
32 as a result of the economic development project, or not to exceed
33 ten percent if the economic development project is located within
34 a distressed community as defined in section 135.530, RSMo, for
35 the purpose of retiring bonds which fund the economic development
36 project. 2. Any approved company remitting an assessment as
37 provided in subsection 1 of this section shall make its payroll
38 books and records available to the board at such reasonable times
39 as the board shall request and shall file with the board

1 documentation respecting the assessment as the board may require.

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

4 4. Any approved company which has paid an assessment for
5 debt reduction shall be allowed a tax credit equal to the amount
6 of the assessment. The tax credit may be claimed against taxes
7 otherwise imposed by chapters 143 and 148, RSMo, except
8 withholding taxes imposed under the provisions of sections
9 143.191 to 143.265, RSMo, which were incurred during the tax
10 period in which the assessment was made.

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

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

18 135.155. For facilities commencing operations on or after
19 January 1, 2005, no tax credits shall be approved, awarded, or
20 issued to any person or entity claiming any tax credit under
21 sections 135.100 to 135.150.

22 135.208. 1. In addition to the number of enterprise zones
23 authorized under the provisions of sections 135.206 and 135.210,
24 the department of economic development shall designate one such

1 zone in any county of the third class which is south of the
2 Missouri River and which adjoins one county of the second class
3 and also the state of Oklahoma. Such designation shall only be
4 made if the area of the county which is to be included in the
5 enterprise zone meets all the requirements of section 135.205.

6 2. In addition to the number of enterprise zones authorized
7 under the provisions of sections 135.206 and 135.210, the
8 department of economic development shall designate one such zone
9 in any county of the third class which borders the Missouri River
10 and which adjoins a county of the second class with a population
11 of at least one hundred thousand inhabitants and which contains a
12 branch of the state university. Such designation shall only be
13 made if the area of the county which is to be included in the
14 enterprise zone meets all the requirements of section 135.205.

15 3. In addition to the number of enterprise zones authorized
16 under the provisions of sections 135.206, 135.210 and 135.256,
17 the department of economic development shall designate one such
18 zone in every county of the third class without a township form
19 of government with a population of more than seven thousand eight
20 hundred but less than ten thousand inhabitants located south of
21 the Missouri River, which adjoins one third class county with a
22 township form of government, and which adjoins no first or second
23 class county. Such enterprise zone designation shall only be
24 made if the area in the county which is to be included in the
25 enterprise zone meets all the requirements of section 135.205.

1 4. In addition to the number of enterprise zones authorized
2 pursuant to the provisions of sections 135.206, 135.210 and
3 135.256, the department of economic development shall designate
4 one such zone in a city of the third class with a population of
5 more than eight thousand but less than ten thousand located in a
6 county of the third classification with a township form of
7 government with a population of more than twenty thousand but
8 less than twenty-two thousand. Such enterprise zone designation
9 shall only be made if the area in the city which is to be
10 included in the enterprise zone meets all the requirements of
11 section 135.205.

12 5. In addition to the number of enterprise zones authorized
13 pursuant to the provisions of sections 135.206, 135.210 and
14 135.256, the department of economic development shall designate
15 one such zone for any city with a home rule form of government
16 and a population of at least one hundred ten thousand inhabitants
17 but not more than one hundred thirty thousand inhabitants. Such
18 enterprise zone designation shall only be made if the area in the
19 city which is to be included in the enterprise zone meets all the
20 requirements of section 135.205.

21 6. In addition to the number of enterprise zones authorized
22 pursuant to the provisions of sections 135.206, 135.210 and
23 135.256, the department of economic development shall designate
24 one such zone for any county of the first classification without
25 a charter form of government with a population of less than

1 thirty thousand inhabitants. Such enterprise zone designation
2 shall only be made if the area in the city which is to be
3 included in the enterprise zone meets all the requirements of
4 section 135.205.

5 7. In addition to the number of enterprise zones authorized
6 pursuant to the provisions of sections 135.206, 135.210, 135.256
7 and 135.257, the department of economic development shall
8 designate one such zone in a city of the fourth classification
9 with a population of at least three thousand but less than four
10 thousand inhabitants located in a county of the second
11 classification with a population of at least twenty thousand but
12 not more than twenty-five thousand inhabitants. Such enterprise
13 zone designation shall only be made if such area which is to be
14 included in the enterprise zone meets all the requirements of
15 section 135.205.

16 8. In addition to the number of enterprise zones authorized
17 pursuant to the provisions of sections 135.206, 135.210, 135.256
18 and 135.257, the department of economic development shall
19 designate one such zone for any area that includes property in
20 two adjoining counties where one county is a county of the third
21 classification without a township form of government with a
22 population of less than sixteen thousand three hundred and more
23 than sixteen thousand inhabitants and the other county is a
24 county of the first classification having a population of at
25 least one hundred seventy-one thousand but less than one hundred

1 seventy-two thousand inhabitants. Such enterprise zone
2 designation shall only be made if such area which is to be
3 included in the enterprise zone meets all the requirements of
4 section 135.205.

5 9. In addition to the number of enterprise zones authorized
6 pursuant to the provisions of sections 135.206, 135.210 and
7 135.256, the department of economic development shall designate
8 one such zone in a city of the fourth class with a population of
9 more than four thousand located in a county of the third
10 classification with a township form of government and with a
11 population of less than thirteen thousand. Such enterprise zone
12 designation shall only be made if the area in the city which is
13 to be included in the enterprise zone meets all the requirements
14 of section 135.205.

15 10. In addition to the number of enterprise zones
16 authorized pursuant to the provisions of sections 135.206,
17 135.210 and 135.256, the department of economic development shall
18 designate one such zone in a city of the fourth class with a
19 population of more than two thousand nine hundred located in a
20 county of the third classification without a township form of
21 government with a population of less than twelve thousand and
22 more than eleven thousand seven hundred inhabitants. Such
23 enterprise zone designation shall only be made if the area in the
24 city which is to be included in the enterprise zone meets all the
25 requirements of section 135.205.

1 11. In addition to the number of enterprise zones
2 authorized pursuant to the provisions of sections 135.206,
3 135.210 and 135.256, the department of economic development shall
4 designate one such zone in a county of the third classification
5 without a township form of government with a population of less
6 than twenty-four thousand five hundred and more than twenty-four
7 thousand inhabitants. Such enterprise zone designation shall
8 only be made if the area in the county which is to be included in
9 the enterprise zone meets all the requirements of section
10 135.205.

11 12. In addition to the number of enterprise zones
12 authorized in this chapter, the department of economic
13 development shall designate one such zone for any city of the
14 fourth classification with more than three thousand eight hundred
15 but less than four thousand inhabitants and located in more than
16 one county. Such enterprise zone designation shall only be made
17 if the area in the city which is to be included in the enterprise
18 zone meets all the requirements of section 135.205.

19 135.209. 1. Any city in which an enterprise zone is
20 designated pursuant to subsection 5 or subsection 12 of section
21 135.208 may, upon approval of the local governing authority of
22 the city and the director of the department of economic
23 development, designate one satellite enterprise zone within its
24 corporate limits. A prerequisite for the designation of the
25 satellite zone shall be the approval by the director of the

1 department of economic development of a plan submitted by the
2 local governing authority of the city describing how the
3 satellite zone corresponds to the city's overall enterprise zone
4 strategy.

5 2. The satellite enterprise zone authorized by this section
6 shall be designated only if it meets the criteria established by
7 subdivisions (1) to (4) of subsection 2 of section 135.207.
8 Retail businesses, as identified by the 1997 North American
9 Industry Classification System (NAICS) sector numbers 44 to 45,
10 located within the satellite enterprise zone shall be eligible
11 for all benefits provided pursuant to the provisions of sections
12 135.200 to 135.258.

13 135.214. 1. In addition to any other enterprise zones
14 authorized in this chapter, the department of economic
15 development shall designate one enterprise zone that shall be
16 located partially in any city of the fourth classification with
17 more than twelve thousand one hundred but less than twelve
18 thousand four hundred inhabitants and partially in any city of
19 the fourth classification with more than nine thousand six
20 hundred but less than nine thousand seven hundred inhabitants and
21 shall include all area in between any city of the fourth
22 classification with more than twelve thousand one hundred but
23 less than twelve thousand four hundred inhabitants and any city
24 of the fourth classification with more than nine thousand six
25 hundred but less than nine thousand seven hundred inhabitants

1 with specific boundaries to be determined by the department of
2 economic development in conjunction with the governing authority
3 of the county. Such enterprise zone designation shall only be
4 made if the area that is to be included in the enterprise zone
5 meets all the requirements of section 135.205.

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

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

24 135.215. 1. Improvements made to "real property" as such
25 term is defined in section 137.010, RSMo, which are made in an

1 enterprise zone subsequent to the date such zone or expansion
2 thereto was designated, may upon approval of an authorizing
3 resolution by the governing authority having jurisdiction of the
4 area in which the improvements are made, be exempt, in whole or
5 in part, from assessment and payment of ad valorem taxes of one
6 or more affected political subdivisions, provided that, except as
7 to the exemption allowed under subsection 3 of this section, at
8 least fifty new jobs that provide an average of at least
9 thirty-five hours of employment per week per job are created and
10 maintained at the new or expanded facility. Such authorizing
11 resolution shall specify the percent of the exemption to be
12 granted, the duration of the exemption to be granted, and the
13 political subdivisions to which such exemption is to apply and
14 any other terms, conditions or stipulations otherwise required.
15 A copy of the resolution shall be provided the director within
16 thirty calendar days following adoption of the resolution by the
17 governing authority.

18 2. No exemption shall be granted until the governing
19 authority holds a public hearing for the purpose of obtaining the
20 opinions and suggestions of residents of political subdivisions
21 to be affected by the exemption from property taxes. The
22 governing authority shall send, by certified mail, a notice of
23 such hearing to each political subdivision in the area to be
24 affected and shall publish notice of such hearing in a newspaper
25 of general circulation in the area to be affected by the

1 exemption at least twenty days prior to the hearing but not more
2 than thirty days prior to the hearing. Such notice shall state
3 the time, location, date and purpose of the hearing.

4 3. Notwithstanding subsection 1 of this section, at least
5 one-half of the ad valorem taxes otherwise imposed on subsequent
6 improvements to real property located in an enterprise zone shall
7 become and remain exempt from assessment and payment of ad
8 valorem taxes of any political subdivision of this state or
9 municipality thereof for a period of not less than ten years
10 following the date such improvements were assessed, provided the
11 improved properties are used for assembling, fabricating,
12 processing, manufacturing, mining, warehousing or distributing
13 properties.

14 4. No exemption shall be granted for a period more than
15 twenty-five years following the date on which the original
16 enterprise zone was designated by the department.

17 5. The provisions of subsection 1 of this section shall not
18 apply to improvements made to real property which have been
19 started prior to August 28, 1991.

20 6. The mandatory abatement referred to in this section
21 shall not relieve the assessor or other responsible official from
22 ascertaining the amount of the equalized assessed value of all
23 taxable property annually as required by section 99.855, RSMo,
24 and shall not have the effect of reducing the payments in lieu of
25 taxes referred to in subdivision (2) of section 99.845, RSMo,

1 unless such reduction is set forth in the plan approved by the
2 governing body of the municipality pursuant to subdivision (1) of
3 section 99.820, RSMo.

4 7. Any business existing in an enterprise zone on the
5 effective date of this section shall recertify for the abatement
6 and exemption. Effective August 28, 2004, any abatement or
7 exemption provided for in this section on an individual parcel of
8 real property shall cease after a period of thirty days of
9 business closure, work stoppage, major reduction in force, or a
10 significant change in the type of business conducted at that
11 location. For the purposes of this subsection, "work stoppage"
12 shall not include strike or lockout or time necessary to retool a
13 plant, and "major reduction in force" is defined as a seventy-
14 five percent or greater reduction. Any owner or new owner may
15 reapply, but cannot receive the abatement or exemption for any
16 period of time beyond the original life of the enterprise zone.

17 135.216. In addition to any other enterprise zones
18 authorized in this chapter, the department of economic
19 development shall designate one enterprise zone within any county
20 of the third classification without a township form of government
21 and with more than thirty-one thousand but less than thirty-one
22 thousand one hundred inhabitants. Such enterprise zone
23 designation shall only be made if the area that is to be included
24 in the enterprise zone meets all the requirements of section
25 135.205.

1 135.217. In addition to any other enterprise zones
2 authorized under this chapter, the department of economic
3 development shall designate one enterprise zone that shall have
4 boundaries that are the same as any county of the third
5 classification without a township form of government and with
6 more than thirteen thousand seventy-five but less than thirteen
7 thousand one hundred seventy-five inhabitants. Such enterprise
8 zone designation shall only be made if the area that is to be
9 included in the enterprise zone meets all the requirements of
10 section 135.205.

11 135.218. In addition to any other enterprise zones
12 authorized pursuant to this chapter, the department of economic
13 development shall designate one enterprise zone that shall have
14 boundaries that are the same as any city of the fourth
15 classification with more than five thousand four hundred but less
16 than five thousand five hundred inhabitants and located in more
17 than one county. Such enterprise zone designation shall only be
18 made if the area that is to be included in the enterprise zone
19 meets all the requirements of section 135.205.

20 135.219. In addition to any other enterprise zones
21 authorized pursuant to 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 located in a

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

6 135.221. In addition to the number of enterprise zones
7 authorized by the provisions of this chapter the department of
8 economic development shall designate one such zone in every city
9 of the fourth classification with more than thirteen thousand six
10 hundred but less than thirteen thousand eight hundred inhabitants
11 which shall have boundaries abutting an international airport and
12 an interstate highway with specific boundaries to be determined
13 by the department of economic development in conjunction with the
14 governing authority of the city. Such designation shall only be
15 made if the area in the city which is to be included in the
16 enterprise zone meets all the requirements of section 135.205.

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

1 135.262. In addition to the number of enterprise zones
2 authorized under the provisions of sections 135.206 to 135.260,
3 the department of economic development shall designate any area
4 that meets all the requirements of section 135.205 as an
5 enterprise zone.

6 135.263. 1. In addition to any other enterprise zones
7 authorized in this chapter, the department of economic
8 development shall designate one enterprise zone in the portions
9 of any city of the fourth classification with more than three
10 thousand eight hundred but less than four thousand inhabitants
11 and located in more than one county and any home rule city with
12 more than one hundred thirteen thousand two hundred but less than
13 one hundred thirteen thousand three hundred inhabitants which
14 include a political subdivision that receives a portion of its
15 funding from section 163.031, RSMo, and is located in part in ay
16 home rule city with more than four hundred thousand inhabitants
17 and located in more than one county. Such enterprise zone shall
18 only be made if the area to be included in the enterprise zone
19 meets all the requirements of section 135.205.

20 2. In addition to any other enterprise zones authorized in
21 this chapter, the department of economic development shall
22 designate one such zone in a city of the fourth classification
23 with more than thirty thousand three hundred but less than thirty
24 thousand seven hundred inhabitants. Such enterprise zone shall
25 only be made if the area to be included in the enterprise zone

1 meets all the requirements of section 135.205.

2 135.286. 1. Notwithstanding any provision of law to the
3 contrary, no revenue-producing enterprise shall receive the state
4 tax exemption, state tax credits, or state tax refund as provided
5 in sections 135.200 to 135.283 for facilities commencing
6 operations on or after January 1, 2005. This provision is not
7 intended to affect in any way the local real property tax
8 abatement authorized by section 135.215.

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

17 135.481. 1. (1) Any taxpayer who incurs eligible costs
18 for a new residence located in a distressed community or within a
19 census block group as described in subdivision (10) of section
20 135.478, or for a multiple unit condominium described in
21 subdivision (2) of this subsection, shall receive a tax credit
22 equal to fifteen percent of such costs against his or her tax
23 liability. The tax credit shall not exceed forty thousand
24 dollars per new residence in any ten-year period.

25 (2) For the purposes of this section, a "multiple unit

1 condominium" is one that is intended to be owner occupied, which
2 is constructed on property subject to an industrial development
3 contract as defined in section 100.310, RSMo, and which lies
4 within an area with a city zoning classification of urban
5 redevelopment district established after January 1, 2000, and
6 before December 31, 2001, and which is constructed in connection
7 with the qualified rehabilitation of a structure more than ninety
8 years old eligible for the historic structures rehabilitation tax
9 credit described in sections 253.545 to 253.559, RSMo, and is
10 under way by January 1, 2000, and completed by January 1, 2002.

11 2. Any taxpayer who incurs eligible costs for a new
12 residence located within a census block as described in
13 subdivision (6) of section 135.478 shall receive a tax credit
14 equal to fifteen percent of such costs against his or her tax
15 liability. The tax credit shall not exceed twenty-five thousand
16 dollars per new residence in any ten-year period.

17 3. Any taxpayer who is not performing substantial
18 rehabilitation and who incurs eligible costs for rehabilitation
19 of an eligible residence or a qualifying residence shall receive
20 a tax credit equal to twenty-five percent of such costs against
21 his or her tax liability. The minimum eligible costs for
22 rehabilitation of an eligible residence shall be ten thousand
23 dollars. The minimum eligible costs for rehabilitation of a
24 qualifying residence shall be five thousand dollars. The tax
25 credit shall not exceed twenty-five thousand dollars in any

1 ten-year period.

2 4. Any taxpayer who incurs eligible costs for substantial
3 rehabilitation of a qualifying residence shall receive a tax
4 credit equal to thirty-five percent of such costs against his or
5 her tax liability. The minimum eligible costs for substantial
6 rehabilitation of a qualifying residence shall be ten thousand
7 dollars. The tax credit shall not exceed seventy thousand
8 dollars in any ten-year period.

9 5. A taxpayer shall be eligible to receive tax credits for
10 new construction or rehabilitation pursuant to only one
11 subsection of this section.

12 6. No tax credit shall be issued pursuant to this section
13 for any structure which is in violation of any municipal or
14 county property, maintenance or zoning code.

15 7. No tax credit shall be issued pursuant to sections
16 135.475 to 135.487 for the construction or rehabilitation of
17 rental property.

18 8. Any taxpayer who has obtained approvals of multiple
19 phase projects before December 31, 2004, and who incurs eligible
20 costs for a new residence in an area described in subsection 2 of
21 this section which is constructed on property subject to the
22 industrial development provisions of sections 100.300 to 100.600,
23 RSMo, and that lies within an area having a city zoning
24 classification of urban redevelopment district may reallocate the
25 tax credits within the phases in an amount not to exceed thirty-

1 five percent of such costs up to seventy thousand dollars per
2 residence in any ten-year period.

3 135.530. For the purposes of sections 100.010, 100.710 and
4 100.850, RSMo, sections 135.110, 135.200, 135.258, 135.313,
5 135.403, 135.405, 135.503, 135.530 and 135.545, section 215.030,
6 RSMo, sections 348.300 and 348.302, RSMo, and sections 620.1400
7 to 620.1460, RSMo, "distressed community" means either a Missouri
8 municipality within a metropolitan statistical area which has a
9 median household income of under seventy percent of the median
10 household income for the metropolitan statistical area, according
11 to the last decennial census, or a United States census block
12 group or contiguous group of block groups within a metropolitan
13 statistical area which has a population of at least [two
14 thousand] five hundred, and each block group having a median
15 household income of under seventy percent of the median household
16 income for the metropolitan area in Missouri, according to the
17 last decennial census. In addition the definition shall include
18 municipalities not in a metropolitan statistical area, with a
19 median household income of under seventy percent of the median
20 household income for the nonmetropolitan areas in Missouri
21 according to the last decennial census or a census block group or
22 contiguous group of block groups which has a population of at
23 least two thousand five hundred each block group having a median
24 household income of under seventy percent of the median household
25 income for the nonmetropolitan areas of Missouri, according to

1 the last decennial census. In metropolitan statistical areas,
2 the definition shall include areas that are designated as either
3 a federal empowerment zone; or a federal enhanced enterprise
4 community; or a state enterprise zone that was originally
5 designated before January 1, 1986, but shall not include
6 expansions of such state enterprise zones done after March 16,
7 1988.

8 135.536. For all tax years beginning on or after January 1,
9 2005, no tax credits shall be approved, awarded, or issued to any
10 person or entity claiming any tax credit under section 135.535.

11 135.546. For all tax years beginning on or after January 1,
12 2005, no tax credits shall be approved, awarded, or issued to any
13 person or entity claiming any tax credit under section 135.545.

14 135.900. As used in sections 135.900 to 135.910, the
15 following terms mean:

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

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

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

21 (4) "New business facility", the same meaning as such term
22 is defined in section 135.100; except that the term "lease" as
23 used therein shall not include the leasing of property defined in
24 paragraph (d) of subdivision (6) of this section;

25 (5) "Population", all residents living in an area who are

1 not enrolled in any course at a college or university in the
2 area;

3 (6) "Revenue-producing enterprise":

4 (a) Manufacturing activities classified as SICs 20 through
5 39;

6 (b) Agricultural activities classified as SIC 025;

7 (c) Rail transportation terminal activities classified as
8 SIC 4013;

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

11 (e) Motor freight transportation terminal activities
12 classified as SIC 4231;

13 (f) Public warehousing and storage activities classified as
14 SICs 422 and 423 except SIC 4221, miniwarehouse warehousing and
15 warehousing self-storage;

16 (g) Water transportation terminal activities classified as
17 SIC 4491;

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

20 (i) Wholesale trade activities classified as SICs 50 and
21 51;

22 (j) Insurance carriers activities classified as SICs 631,
23 632, and 633;

24 (k) Research and development activities classified as SIC
25 873, except 8733;

1 (l) Farm implement dealer activities classified as SIC
2 5999;

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

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

6 (o) Health service activities classified as SICs 801, 802,
7 803, 804, 806, 807, 8092, and 8093;

8 (p) Interexchange telecommunications as defined in
9 subdivision (20) of section 386.020, RSMo, or training activities
10 conducted by an interexchange telecommunications company as
11 defined in subdivision (19) of section 386.020, RSMo;

12 (q) Recycling activities classified as SIC 5093;

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

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

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

17 (u) The administrative management of any of the foregoing
18 activities; or

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

20 (8) "SIC", the standard industrial classification as such
21 classifications are defined in the 1987 edition of the standard
22 industrial classification manual as prepared by the executive
23 office of the president, office of management and budget;

24 (9) "Transfer payments", payments made under Medicaid,
25 Medicare, Social Security, child support or custody agreements,

1 and separation agreements.

2 135.903. 1. To qualify as a rural empowerment zone, an
3 area shall meet all the following criteria:

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

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

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

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

21 (5) The area is situated more than ten miles from any
22 existing rural empowerment zone;

23 (6) The area is situated in a third or fourth class county;
24 and

25 (7) The area is not situated in an existing enterprise

1 zone.

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

15 135.910. All of the Missouri taxable income attributed to a
16 new business facility in a rural empowerment zone which is earned
17 by a taxpayer establishing and operating a new business facility
18 located within a rural empowerment zone shall be exempt from
19 taxation under chapter 143, RSMo, if such new business facility
20 is responsible for the creation of ten new full-time jobs in the
21 zone within one year from the date on which the tax abatement
22 begins. All of the Missouri taxable income attributed to a
23 revenue-producing enterprise in a rural empowerment zone which is
24 earned by a taxpayer operating a revenue-producing enterprise
25 located within a rural empowerment zone and employing nineteen or

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

16 135.911. The provisions of sections 135.900 to 135.910
17 shall expire on August 28, 2014.

18 135.1050. The following terms, whenever used in sections
19 135.1050 to 135.1075 mean:

20 (1) "Blighted area", an area which by reason of the
21 predominance of defective or inadequate street layout, unsanitary
22 or unsafe conditions, deterioration of site improvements,
23 improper subdivision or obsolete platting, or the existence of
24 conditions which endanger life or property by fire and other
25 causes, or any combination of such factors, retards the provision

1 of housing accommodations or constitutes an economic or social
2 liability or a menace to the public health, safety, morals, or
3 welfare in its present condition and use;

4 (2) "Board", an enhanced enterprise zone board established
5 under section 135.1057;

6 (3) "Commencement of commercial operations", shall be
7 deemed to occur during the first taxable year for which the new
8 business facility is first put into use by the taxpayer in the
9 enhanced business enterprise in which the taxpayer intends to use
10 the new business facility;

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

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

14 (6) "Employee", A person employed by the enhanced business
15 enterprise on:

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

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

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

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

25 (a) Identified by the department as critical to the state's

1 economic security and growth; or

2 (b) Will have an impact on industry cluster development, as
3 identified by the governing authority in its application for
4 designation of an enhanced enterprise zone and approved by the
5 department, but excluding gambling establishments (NAICS industry
6 group 7132), retail trade (NAICS sectors 44 and 45) and food and
7 drinking places (NAICS subsector 722). A service industry shall
8 be eligible only if a majority of its annual revenues will be
9 derived from services provided out of the state;

10 (8) "Existing business facility", any facility in this
11 state that was employed by the taxpayer claiming the credit in
12 the operation of an enhanced business enterprise immediately
13 prior to an expansion, acquisition, addition, or replacement;

14 (9) "Facility", any building used as an enhanced business
15 enterprise located within an enhanced enterprise zone including
16 the land on which the facility is located and all machinery,
17 equipment, and other real and depreciable tangible personal
18 property acquired for use at and located at or within such
19 facility and used in connection with the operation of such
20 facility;

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

23 (11) "NAICS", the 1997 edition of the North American
24 Industry Classification System as prepared by the Executive
25 Office of the President, Office of Management and Budget. Any

1 NAICS sector, subsector, industry group, or industry identified
2 in this section shall include its corresponding classification in
3 subsequent federal industry classification systems;

4 (12) "New business facility", a facility that satisfies the
5 following requirements:

6 (a) Such facility is employed by the taxpayer in the
7 operation of an enhanced business enterprise. Such facility
8 shall not be considered a new business facility in the hands of
9 the taxpayer if the taxpayer's only activity with respect to such
10 facility is to lease it to another person or persons. If the
11 taxpayer employs only a portion of such facility in the operation
12 of an enhanced business enterprise, and leases another portion of
13 such facility to another person or persons or does not otherwise
14 use such other portions in the operation of an enhanced business
15 enterprise, the portion employed by the taxpayer in the operation
16 of an enhanced business enterprise shall be considered a new
17 business facility, if the requirements of paragraphs (b), (c),
18 and (d) of this subdivision are satisfied;

19 (b) Such facility is acquired by or leased to the taxpayer
20 after December 31, 2004. A facility shall be deemed to have been
21 acquired by or leased to the taxpayer after December 31, 2004, if
22 the transfer of title to the taxpayer, the transfer of possession
23 under a binding contract to transfer title to the taxpayer, or
24 the commencement of the term of the lease to the taxpayer occurs
25 after December 31, 2004;

1 (c) If such facility was acquired by the taxpayer from
2 another taxpayer and such facility was employed immediately prior
3 to the acquisition by another taxpayer in the operation of an
4 enhanced business enterprise, the operation of the same or a
5 substantially similar enhanced business enterprise is not
6 continued by the taxpayer at such facility; and

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

9 (13) "New business facility employee", an employee of the
10 taxpayer in the operation of a new business facility, except that
11 truck drivers and rail and barge vehicle operators and other
12 operators of rolling stock for hire shall not constitute new
13 business facility employees;

14 (14) "New business facility investment", the value of real
15 and depreciable tangible personal property, acquired by the
16 taxpayer as part of the new business facility that is used by the
17 taxpayer in the operation of the new business facility, except
18 that trucks, truck-trailers, truck semitrailers, rail vehicles,
19 barge vehicles, aircraft and other rolling stock for hire, track,
20 switches, barges, bridges, tunnels, and rail yards and spurs
21 shall not constitute new business facility investments. The
22 total value of such property during such taxable year shall be:

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

24 (b) Eight times the net annual rental rate, if leased by
25 the taxpayer. The net annual rental rate shall be the annual

1 rental rate paid by the taxpayer less any annual rental rate
2 received by the taxpayer from subrentals. The new business
3 facility investment shall be determined by dividing by twelve the
4 sum of the total value of such property on the last business day
5 of each calendar month of the taxable year. If the new business
6 facility is in operation for less than an entire taxable year,
7 the new business facility investment shall be determined by
8 dividing the sum of the total value of such property on the last
9 business day of each full calendar month during the portion of
10 such taxable year during which the new business facility was in
11 operation by the number of full calendar months during such
12 period;

13 (15) "Related taxpayer":

14 (a) A corporation, partnership, trust, or association
15 controlled by the taxpayer;

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

18 (c) A corporation, partnership, trust, or association
19 controlled by an individual, corporation, partnership, trust or
20 association in control of the taxpayer. "Control of a
21 corporation" shall mean ownership, directly or indirectly, of
22 stock possessing at least fifty percent of the total combined
23 voting power of all classes of stock entitled to vote, "control
24 of a partnership or association" shall mean ownership of at least
25 fifty percent of the capital or profits interest in such

1 partnership or association, and "control of a trust" shall mean
2 ownership, directly or indirectly, of at least fifty percent of
3 the beneficial interest in the principal or income of such trust;
4 ownership shall be determined as provided in Section 318 of the
5 Internal Revenue Code of 1986, as amended;

6 (16) "Replacement business facility", a facility otherwise
7 described in subdivision (12) of this section, hereafter referred
8 to in this subdivision as "new facility", which replaces another
9 facility, hereafter referred to in this subdivision as "old
10 facility", located within the state, which the taxpayer or a
11 related taxpayer previously operated but discontinued operating
12 on or before the close of the first taxable year for which the
13 credit allowed by this section is claimed. A new facility shall
14 be deemed to replace an old facility if the following conditions
15 are met:

16 (a) The old facility was operated by the taxpayer or a
17 related taxpayer during the taxpayer's or related taxpayer's
18 taxable period immediately preceding the taxable year in which
19 commencement of commercial operations occurs at the new facility;
20 and

21 (b) The old facility was employed by the taxpayer or a
22 related taxpayer in the operation of an enhanced business
23 enterprise and the taxpayer continues the operation of the same
24 or substantially similar enhanced business enterprise at the new
25 facility.

1 Notwithstanding the preceding provisions of this subdivision, a
2 facility shall not be considered a replacement business facility
3 if the taxpayer's new business facility investment as computed in
4 subdivision (14) of this section in the new facility exceeds one
5 million dollars and if the total number of employees at the new
6 facility exceeds the total number of employees at the old
7 facility by at least two;

8 (17) "Same or substantially similar enhanced business
9 enterprise", an enhanced business enterprise in which the
10 products produced or sold, or activities conducted, are similar
11 in character and use to those of another enhanced business
12 enterprise or the products produced or sold or activities
13 conducted are produced, sold, or conducted in the same or similar
14 manner as in another enhanced business enterprise.

15 135.1055. 1. For purposes of sections 135.1050 to
16 135.1075, an area shall meet the following criteria in order to
17 qualify as an enhanced enterprise zone:

18 (1) The area shall be a blighted area, have pervasive
19 poverty, unemployment and general distress; and

20 (2) At least sixty percent of the residents living in the
21 area have incomes below ninety percent of the median income of
22 all residents:

23 (a) Within the state of Missouri, according to the last
24 decennial census or other appropriate source as approved by the
25 director; or

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

4 (3) The resident population of the area shall be at least
5 five hundred but not more than one hundred thousand at the time
6 of designation as an enhanced enterprise zone if the area lies
7 within a metropolitan statistical area, as established by the
8 United States Census Bureau, or if the area does not lie within a
9 metropolitan statistical area, the resident population of the
10 area at the time of designation shall be at least five hundred
11 but not more than forty thousand inhabitants. If the population
12 of the jurisdiction of the governing authority does not meet the
13 minimum population requirements set forth in this subdivision,
14 the population of the area shall be at least fifty percent of the
15 population of the jurisdiction. However, no enhanced enterprise
16 zone shall be created that consists of the total area within the
17 political boundaries of a county; and

18 (4) The level of unemployment of persons according to the
19 most recent data available from the United States Bureau of
20 Census and approved by the director within the area is equal to
21 or exceeds the average rate of unemployment for:

22 (a) The state of Missouri over the previous twelve months;
23 or

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

1 2. Notwithstanding the requirements of subsection 1 of this
2 section to the contrary, an enhanced enterprise zone may be
3 established in an area located within a county for which public
4 and individual assistance has been requested by the governor
5 under Section 401 of the Robert T. Stafford Disaster Relief and
6 Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an
7 emergency proclaimed by the governor under section 44.100, RSMo,
8 due to a natural disaster of major proportions, if the area to be
9 designated is blighted and sustained severe damage as a result of
10 such natural disaster, as determined by the state emergency
11 management agency. An application for designation as an enhanced
12 enterprise zone under this subsection shall be made before the
13 expiration of one year from the date the governor requested
14 federal relief for the area sought to be designated.

15 3. Notwithstanding the requirements of subsection 1 of this
16 section to the contrary, an enhanced enterprise zone may be
17 designated in a county of declining population if it meets the
18 requirements of subdivisions (1) and (3), and either subdivision
19 (2) or (4) of subsection 1 of this section. For the purposes of
20 this subsection a "county of declining population" is one that
21 has lost one percent or more of its population as demonstrated by
22 comparing the most recent decennial census population to the next
23 most recent decennial census population for the county.

24 4. In addition to meeting the requirements of subsection 1,
25 2, or 3 of this section, an area, to qualify as an enhanced

1 enterprise zone shall be demonstrated by the governing authority
2 to have either:

3 (1) The potential to create sustainable jobs in a targeted
4 industry; or

5 (2) A demonstrated impact on industry cluster development.

6 135.1057. 1. A governing authority planning to seek
7 designation of an enhanced enterprise zone shall establish an
8 enhanced enterprise zone board. The number of members on the
9 board shall be seven. One member of the board shall be appointed
10 by the school district or districts located within the area
11 proposed for designation as an enhanced enterprise zone. One
12 member of the board shall be appointed by other affected taxing
13 districts. The remaining five members shall be chosen by the
14 chief elected official of the county or municipality.

15 2. The school district member and the affected taxing
16 district member shall each have initial terms of five years. Of
17 the five members appointed by the chief elected official, two
18 shall have initial terms of four years, two shall have initial
19 terms of three years, and one shall have an initial term of two
20 years. Thereafter, members shall serve terms of five years.
21 Each commissioner shall hold office until a successor has been
22 appointed. All vacancies shall be filled in the same manner as
23 the original appointment. For inefficiency or neglect of duty or
24 misconduct in office, a member of the board may be removed by the
25 applicable appointing authority.

1 3. A majority of the members shall constitute a quorum of
2 such board for the purpose of conducting business and exercising
3 the powers of the board and for all other purposes. Action may
4 be taken by the board upon a vote of a majority of the members
5 present.

6 4. The members of the board annually shall elect a chair
7 from among the members.

8 5. The role of the board shall be to conduct the activities
9 necessary to advise the governing authority on the designation of
10 an enhanced enterprise zone and any other advisory duties as
11 determined by the governing authority. The role of the board
12 after the designation of an enhanced enterprise zone shall be
13 review and assess the status zone activities which the enhanced
14 enterprise zone is required to report on annually under section
15 135.1060.

16 135.1060. 1. Any governing authority that desires to have
17 any portion of a city or unincorporated area of a county under
18 its control designated as an enhanced enterprise zone shall hold
19 a public hearing for the purpose of obtaining the opinion and
20 suggestions of those persons who will be affected by such
21 designation. The governing authority shall notify the director
22 of such hearing at least thirty days prior thereto and shall
23 publish notice of such hearing in a newspaper of general
24 circulation in the area to be affected by such designation at
25 least twenty days prior to the date of the hearing but not more

1 than thirty days prior to such hearing. Such notice shall state
2 the time, location, date, and purpose of the hearing. The
3 director, or the director's designee, shall attend such hearing.

4 2. After a public hearing is held as required in subsection
5 1 of this section, the governing authority may file a petition
6 with the department requesting the designation of a specific area
7 as an enhanced enterprise zone. Such petition shall include, in
8 addition to a description of the physical, social, and economic
9 characteristics of the area:

10 (1) A plan to provide adequate police protection within the
11 area;

12 (2) A specific and practical process for individual
13 businesses to obtain waivers from burdensome local regulations,
14 ordinances, and orders that serve to discourage economic
15 development within the area to be designated an enhanced
16 enterprise zone, except that such waivers shall not substantially
17 endanger the health or safety of the employees of any such
18 business or the residents of the area;

19 (3) A description of what other specific actions will be
20 taken to support and encourage private investment within the
21 area;

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

1 (5) A statement describing the projected positive and
2 negative effects of designation of the area as an enhanced
3 enterprise zone;

4 (6) A specific plan to provide assistance to any person or
5 business dislocated as a result of activities within the enhanced
6 enterprise zone. Such plan shall determine the need of
7 dislocated persons for relocation assistance; provide, prior to
8 displacement, information about the type, location, and price of
9 comparable housing or commercial property; provide information
10 concerning state and federal programs for relocation assistance
11 and provide other advisory services to displaced persons. Public
12 agencies may choose to provide assistance under the Uniform
13 Relocation and Real Property Acquisition Act, 42 U.S.C. section
14 4601, et seq., to meet the requirements of this subdivision; and

15 (7) A description or plan that demonstrates the
16 requirements of subsection 2 of section 135.1055.

17 3. An enhanced enterprise zone designation shall be
18 effective upon such approval by the department and shall expire
19 in twenty-five years.

20 4. Each designated enhanced enterprise zone board shall
21 report to the director on an annual basis regarding the status of
22 the zone and business activity within the zone.

23 135.1065. 1. Improvements made to "real property" as such
24 term is defined in section 137.010, RSMo, that are made in an
25 enhanced enterprise zone subsequent to the date such zone or

1 expansion to the zone was designated, may upon approval of an
2 authorizing resolution by the governing authority having
3 jurisdiction of the area in which the improvements are made be
4 exempt in whole or in part from assessment and payment of ad
5 valorem taxes of one or more affected political subdivisions.
6 This exemption shall become effective on the date on which such
7 improvements are assessed.

8 2. Such authorizing resolution shall specify the percent of
9 the exemption to be granted, the duration of the exemption to be
10 granted, and the political subdivisions to which such exemption
11 is to apply and any other terms, conditions, or stipulations
12 otherwise required. A copy of the resolution shall be provided
13 to the director within thirty calendar days following adoption of
14 the resolution by the governing authority.

15 3. No exemption shall be granted until the governing
16 authority holds a public hearing for the purpose of obtaining the
17 opinions and suggestions of residents of political subdivisions
18 to be affected by the exemption from property taxes. The
19 governing authority shall send by certified mail a notice of such
20 hearing to each political subdivision in the area to be affected
21 and shall publish notice of such hearing in a newspaper of
22 general circulation in the area to be affected by the exemption
23 at least twenty days prior to the hearing but not more than
24 thirty days prior to the hearing. Such notice shall state the
25 time, location, date, and purpose of the hearing.

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

9 5. No exemption shall be granted for a period more than
10 twenty-five years following the date on which the improvements
11 were first assessed.

12 6. The provisions of subsection 1 of this section shall not
13 apply to improvements made to real property begun prior to August
14 28, 2004.

15 7. The abatement referred to in this section shall not
16 relieve the assessor or other responsible official from
17 ascertaining the amount of the equalized assessed value of all
18 taxable property annually as required by section 99.855, 99.957,
19 or 99.1042, RSMo, and shall not have the effect of reducing the
20 payments in lieu of taxes referred to in subdivision (2) of
21 subsection 1 of section 99.845, RSMo, subdivision (2) of
22 subsection 3 of section 99.957, RSMo, or subdivision (2) of
23 subsection 3 of section 99.1042, RSMo, unless such reduction is
24 set forth in the plan approved by the governing body of the
25 municipality under subdivision (1) of section 99.820, section

1 99.942, or section 99.1027, RSMo.

2 135.1070. 1. A taxpayer who establishes a new business
3 facility may, upon approval by the department, be allowed a
4 credit each tax year for up to ten tax years in an amount
5 determined as set forth in this section, against the tax imposed
6 by chapter 143, RSMo, excluding withholding tax imposed by
7 sections 143.191 to 143.265, RSMo. No taxpayer shall receive
8 multiple ten-year periods for subsequent expansions at the same
9 facility.

10 2. Notwithstanding any provision of law to the contrary,
11 any taxpayer who establishes a new business facility in an
12 enhanced enterprise zone and is awarded state tax credits under
13 this section shall not also receive tax credits under sections
14 135.100 to 135.150, sections 135.200 to 135.268, or section
15 135.535.

16 3. No credit shall be issued under this section unless:

17 (1) The number of new business facility employees engaged
18 or maintained in employment at the new business facility for the
19 taxable year for which the credit is claimed equals or exceeds
20 two; and

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

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

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

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

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

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

11 (c) An additional credit of four hundred dollars for each
12 new business facility employee who is paid by the enhanced
13 business enterprise a wage that exceeds the average wage paid
14 within the county in which the facility is located, as determined
15 by the department; and

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

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

21 6. If a facility, that does not constitute a new business
22 facility, is expanded by the taxpayer, the expansion shall be
23 considered eligible for the credit allowed by this section if:

24 (1) The taxpayer's new business facility investment in the
25 expansion during the tax period in which the credits allowed in

1 this section are claimed exceeds one hundred thousand dollars and
2 if the number of new business facility employees engaged or
3 maintained in employment at the expansion facility for the
4 taxable year for which credit is claimed equals or exceeds two,
5 and the total number of employees at the facility after the
6 expansion is at least two greater than the total number of
7 employees before the expansion; and

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

11 7. The number of new business facility employees during any
12 taxable year shall be determined by dividing by twelve the sum of
13 the number of individuals employed on the last business day of
14 each month of such taxable year. If the new business facility is
15 in operation for less than the entire taxable year, the number of
16 new business facility employees shall be determined by dividing
17 the sum of the number of individuals employed on the last
18 business day of each full calendar month during the portion of
19 such taxable year during which the new business facility was in
20 operation by the number of full calendar months during such
21 period. For the purpose of computing the credit allowed by this
22 section in the case of a facility that qualifies as an expanded
23 business facility under subsection 6 of this section, and in the
24 case of a new business facility that satisfies the requirements
25 of paragraph (c) of subdivision (12) of section 135.1050, or

1 subdivision (14) of section 135.1050, the number of new business
2 facility employees at such facility shall be reduced by the
3 average number of individuals employed computed as provided in
4 this subsection at the facility during the taxable year
5 immediately preceding the taxable year in which such expansion,
6 acquisition, or replacement occurred and shall further be reduced
7 by the number of individuals employed by the taxpayer or related
8 taxpayer that was subsequently transferred to the new business
9 facility from another Missouri facility and for which credits
10 authorized in this section are not being earned, whether such
11 credits are earned because of an expansion, acquisition,
12 relocation, or the establishment of a new facility.

13 8. In the case where a new business facility employee who
14 is a resident of an enhanced enterprise zone for less than a
15 twelve-month period is employed for less than a twelve-month
16 period, the credit allowed by paragraph (b) of subdivision (2) of
17 subsection 4 of this section shall be determined by multiplying
18 four hundred dollars by a fraction, the numerator of which is the
19 number of calendar days during the taxpayer's tax year for which
20 such credits are claimed, in which the employee was a resident of
21 an enhanced enterprise zone, and the denominator of which is
22 three hundred sixty-five.

23 9. For the purpose of computing the credit allowed by this
24 section in the case of a facility that qualifies as a new
25 business facility under subsection 6 of this section, and in the

1 case of a new business facility that satisfies the requirements
2 of paragraph (c) of subdivision (12) or subdivision (16) of
3 section 135.1050, the amount of the taxpayer's new business
4 facility investment in such facility shall be reduced by the
5 average amount, computed as provided in subdivision (14) of
6 section 135.1050 for new business facility investment, of the
7 investment of the taxpayer, or related taxpayer immediately
8 preceding such expansion or replacement or at the time of
9 acquisition. In addition, the amount of the taxpayer's new
10 business facility investment shall be reduced by the amount of
11 investment employed by the taxpayer or related taxpayer that was
12 subsequently transferred to the new business facility from
13 another Missouri facility and for which credits authorized in
14 this section are not being earned, whether such credits are
15 earned because of an expansion, acquisition, relocation, or the
16 establishment of a new facility.

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

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

25 12. Certificates of tax credit authorized by this section

1 may be transferred, sold, or assigned by filing a notarized
2 endorsement thereof with the department that names the
3 transferee, the amount of tax credit transferred, and the value
4 received for the credit, as well as any other information
5 reasonably requested by the department. The sale price cannot be
6 less than seventy-five percent of the par value of such credits.

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

10 135.1075. The department may adopt such rules, statements
11 of policy, procedures, forms, and guidelines as may be necessary
12 to carry out the provisions of sections 135.1050 to 135.1070.
13 Any rule or portion of a rule, as that term is defined in section
14 536.010, RSMo, that is created under the authority delegated in
15 this section shall become effective only if it complies with and
16 is subject to all of the provisions of chapter 536, RSMo, and, if
17 applicable, section 536.028, RSMo. This section and chapter 536,
18 RSMo, are nonseverable and if any of the powers vested with the
19 general assembly under chapter 536, RSMo, to review, to delay the
20 effective date, or to disapprove and annul a rule are
21 subsequently held unconstitutional, then the grant of rulemaking
22 authority and any rule proposed or adopted after August 28, 2004,
23 shall be invalid and void.

24 178.980. As used in sections 178.980 to 178.985, the
25 following terms mean:

1 (1) "Agreement", the agreement between an employer and a
2 junior college district concerning a project. An agreement may
3 be for a period not to exceed ten years when the program services
4 associated with a project are not in excess of five hundred
5 thousand dollars. For a project where the associated program
6 costs are greater than five hundred thousand dollars, the
7 agreement may not exceed a period of eight years;

8 (2) "Board of trustees", the board of trustees of a junior
9 college district;

10 (3) "Capital investment", an investment in research and
11 development, working capital, and real and tangible personal
12 business property except inventory or property intended for sale
13 to customers. Trucks, truck trailers, truck semi-trailers, rail
14 and barge vehicles and other rolling stock for hire, track,
15 switches, barges, bridges, tunnels, rail yards, and spurs shall
16 not qualify as a capital investment. The amount of such
17 investment shall be the original cost of the property if owned,
18 or eight times the net annual rental rate if leased;

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

21 (5) "Date of commencement of the project", the date of the
22 agreement;

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

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

1 (8) "Industry", a business located within this state which
2 enters into an agreement with a community college district and
3 which is engaged in interstate or intrastate commerce for the
4 purpose of manufacturing, processing, or assembling products,
5 conducting research and development, or providing services in
6 interstate commerce, but excluding retail services;

7 (9) "Program costs", all necessary and incidental costs of
8 providing program services, including payment of the principal,
9 premium, and interest on certificates, including capitalized
10 interest, issued to finance a project, funding and maintenance of
11 a debt service reserve fund to secure such certificates and
12 wages, salaries and benefits of employees participating in on-
13 the-job training;

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

16 (a) Retained jobs training;

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

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

19 (d) Training facilities, equipment, materials, and
20 supplies;

21 (e) On-the-job training;

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

1 (g) Subcontracted services with state institutions of
2 higher education, private colleges or universities, or other
3 federal, state, or local agencies;

4 (h) Contracted or professional services; and

5 (i) Issuance of certificates;

6 (11) "Project", a training arrangement which is the subject
7 of an agreement entered into between the community college
8 district and an employer to provide program services that is not
9 also the subject of an agreement entered into between a community
10 college district and an employer to provide program services
11 under sections 178.892 to 178.896;

12 (12) "Retained job", a job in a stable industry, not
13 including jobs for recalled workers, which was in existence for
14 at least two consecutive calendar years preceding the year in
15 which the application for the retained jobs training program was
16 made;

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

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

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

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

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

8 (c) Made or agree to make a capital investment aggregating
9 at least one million dollars to acquire or improve long-term
10 assets (including leased facilities) such as property, plant, or
11 equipment (excluding program costs) at the employer's site in the
12 state at which jobs are based over a period of three consecutive
13 calendar years, as certified by the employer and:

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

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

18 c. Be determined to represent a substantial risk of
19 relocation from the state by the director of the department of
20 economic development;

21 (16) "Total training costs", costs of training, including
22 supplies, wages and benefits of instructors, subcontracted
23 services, on-the-job training, training facilities, equipment,
24 skill assessment, and all program services excluding issuance of
25 certificates.

1 178.981. A community college district, with the approval of
2 the department of economic development in consultation with the
3 office of administration, may enter into an agreement to
4 establish a project and provide program services to an employer.
5 As soon as possible after initial contact between a community
6 college district and a potential employer regarding the
7 possibility of entering into an agreement, the district shall
8 inform the division of workforce development of the department of
9 economic development and the office of administration about the
10 potential project. The division of workforce development shall
11 evaluate the proposed project within the overall job training
12 efforts of the state to ensure that the project will not
13 duplicate other job training programs. The department of
14 economic development shall have fourteen days from receipt of the
15 application to approve or disapprove projects. If no response is
16 received by the community college within fourteen days, the
17 projects are approved. Any project that is disapproved must be
18 in writing stating the reasons for the disapproval. If an
19 agreement is entered into, the district and the employer shall
20 notify the department of revenue within fifteen calendar days.
21 An agreement may provide, but is not limited to:

22 (1) Payment of program costs, including deferred costs,
23 which may be paid from one or a combination of the following
24 sources:

25 (a) Funds appropriated by the general assembly from the

1 Missouri community college job retention program fund and
2 disbursed by the division of workforce development in respect of
3 retained jobs credit from withholding to be received or derived
4 from retained employment resulting from the project;

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

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

9 (2) Payment of program costs shall not be deferred for a
10 period longer than ten years if program costs do not exceed five
11 hundred thousand dollars, or eight years if program costs exceed
12 five hundred thousand dollars from the date of commencement of
13 the project;

14 (3) Costs of on-the-job training for employees shall
15 include wages or salaries of participating employees. Payments
16 for on-the-job training shall not exceed the average of fifty
17 percent of the total percent of the total wages paid by the
18 employer to each participant during the period of training.
19 Payment for on-the-job training may continue for up to six months
20 from the date of the employer's capital investment;

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

24 (5) Any payment required to be made by an employer is a
25 lien upon the employer's business property until paid and has

1 equal precedence with ordinary taxes and shall not be divested by
2 a judicial sale. Property subject to the lien may be sold for
3 sums due and delinquent at a tax sale, with the same forfeitures,
4 penalties, and consequences as for the nonpayment of ordinary
5 taxes. The purchasers at tax sale obtain the property subject to
6 the remaining payments.

7 178.982. If an agreement provides that all or part of
8 program costs are to be met by receipt of retained jobs credit
9 from withholding, such retained jobs credit from withholding
10 shall be determined and paid as follows:

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

13 (2) A portion of the total payments made by the employer
14 under section 143.221, RSMo, shall be designated as the retained
15 jobs credit from withholding. Such portion shall be an amount
16 equal to two and one-half percent of the gross wages paid by the
17 employer for each of the first one hundred jobs included in the
18 project and one and one-half percent of the gross wages paid by
19 the employer for each of the remaining jobs included in the
20 project. If business or employment conditions cause the amount
21 of the retained jobs credit from withholding to be less than the
22 amount projected in the agreement for any time period, then other
23 withholding tax paid by the employer under section 143.221, RSMo,
24 shall be credited to the Missouri junior college retained job
25 training fund by the amount of such difference. The employer

1 shall remit the amount of the retained jobs credit to the
2 department of revenue in the manner prescribed in section
3 178.984. When all program costs, including the principal,
4 premium, and interest on the certificates have been paid, the
5 employer credits shall cease;

6 (3) The community college district participating in a
7 project shall establish a special fund for and in the name of the
8 project. All funds appropriated by the general assembly from the
9 Missouri community college job training retention program fund
10 and disbursed by the division of workforce development for the
11 project and other amounts received by the district in respect of
12 the project and required by the agreement to be used to pay
13 program costs for the project shall be deposited in the special
14 fund. Amounts held in the special fund may be used and disbursed
15 by the district only to pay program costs for the project. The
16 special fund may be divided into such accounts and subaccounts as
17 shall be provided in the agreement, and amounts held therein may
18 be invested in investments which are legal for the investment of
19 the district's other funds;

20 (4) Any disbursement in respect of a project received from
21 the division of workforce development under sections 178.980 to
22 178.985 and the special fund into which it is paid may be
23 irrevocably pledged by a junior college district for the payment
24 of the principal, premium, and interest on the certificate issued
25 by a junior college district to finance or refinance, in whole or

1 in part, the project;

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

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

10 (7) If an agreement provides that all or part of program
11 costs are to be met by receipt of retained jobs credit from
12 withholding, the provisions of this subsection shall also apply
13 to any successor to the original employer until such time as the
14 principal and interest on the certificates have been paid.

15 178.983. 1. To provide funds for the present payment of
16 the costs of retained jobs training programs, a community college
17 district may borrow money and issue and sell certificates payable
18 from a sufficient portion of the future receipts of payments
19 authorized by the agreement including disbursements from the
20 Missouri community college job retention training program to the
21 special fund established by the district for each project. The
22 total amount of outstanding certificates sold by all junior
23 college districts shall not exceed fifteen million dollars,
24 unless an increased amount is authorized in writing by a majority
25 of members of the Missouri job training joint legislative

1 oversight committee. The certificates shall be marketed through
2 financial institutions authorized to do business in Missouri.
3 The receipts shall be pledged to the payment of principal of and
4 interest on the certificates. Certificates may be sold at public
5 sale or at private sale at par, premium, or discount of not less
6 than ninety-five percent of the par value thereof, at the
7 discretion of the board of trustees, and may bear interest at
8 such rate or rates as the board of trustees shall determine,
9 notwithstanding the provisions of section 108.170, RSMo, to the
10 contrary. However, chapter 176, RSMo, does not apply to the
11 issuance of these certificates. Certificates may be issued with
12 respect to a single project or multiple projects and may contain
13 terms or conditions as the board of trustees may provide by
14 resolution authorizing the issuance of the certificates.

15 2. Certificates issued to refund other certificates may be
16 sold at public sale or at private sale as provided in this
17 section with the proceeds from the sale to be used for the
18 payment of the certificates being refunded. The refunding
19 certificates may be exchanged in payment and discharge of the
20 certificates being refunded, in installments at different times
21 or an entire issue or series at one time. Refunding certificates
22 may be sold or exchanged at any time on, before, or after the
23 maturity of the outstanding certificates to be refunded. They
24 may be issued for the purpose of refunding a like, greater, or
25 lesser principal amount of certificates and may bear a higher,

1 lower, or equivalent rate of interest than the certificates being
2 renewed or refunded.

3 3. Before certificates are issued, the board of trustees
4 shall publish once a notice of its intention to issue the
5 certificates, stating the amount, the purpose, and the project or
6 projects for which the certificates are to be issued. A person
7 may, within fifteen days after the publication of the notice, by
8 action in the circuit court of a county in the district, appeal
9 the decision of the board of trustees to issue the certificates.
10 The action of the board of trustees in determining to issue the
11 certificates is final and conclusive unless the circuit court
12 finds that the board of trustees has exceeded its legal
13 authority. An action shall not be brought which questions the
14 legality of the certificates, the power of the board of trustees
15 to issue the certificates, the effectiveness of any proceedings
16 relating to the authorization of the project, or the
17 authorization and issuance of the certificates from and after
18 fifteen days from the publication of the notice of intention to
19 issue.

20 4. The board of trustees shall make a finding based on
21 information supplied by the employer that revenues provided in
22 the agreement are sufficient to secure the faithful performance
23 of obligations in the agreement.

24 5. Certificates issued under this section shall not be
25 deemed to be an indebtedness of the state or the community

1 college district or of any other political subdivision of the
2 state, and the principal and interest on such certificates shall
3 be payable only from the sources provided in subdivision (1) of
4 section 178.981 which are pledged in the agreement.

5 6. The department of economic development shall coordinate
6 the retained jobs training program, and may promulgate rules that
7 districts will use in developing projects with industrial
8 retained jobs training proposals which shall include rules
9 providing for the coordination of such proposals with the service
10 delivery areas established in the state to administer federal
11 funds pursuant to the federal Workforce Investment Act. No rule
12 or portion of a rule promulgated pursuant to the authority of
13 this section shall become effective unless it has been
14 promulgated pursuant to chapter 536, RSMo.

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

17 178.984. 1. There is hereby established within the state
18 treasury a special fund, to be known as the "Missouri Community
19 College Job Retention Training Program Fund", to be administered
20 by the division of workforce development. The department of
21 revenue shall credit to the community college job retention
22 training program fund, as received, all retained jobs credit from
23 withholding remitted by employers pursuant to section 178.982.
24 The fund shall also consist of any gifts, contributions, grants,
25 or bequests received from federal, private, or other sources.

1 The general assembly, however, shall not provide for any transfer
2 of general revenue funds into the community college job retention
3 training program fund. Moneys in the Missouri community college
4 job retention training program fund shall be disbursed to the
5 division of workforce development pursuant to regular
6 appropriations by the general assembly. The division shall
7 disburse such appropriated funds in a timely manner into the
8 special funds established by community college districts for
9 projects, which funds shall be used to pay program costs,
10 including the principal, premium, and interest on certificates
11 issued by the district to finance or refinance, in whole or in
12 part, a project. Such disbursements by the division of workforce
13 development shall be made to the special fund for each project in
14 the same proportion as the retained jobs credit from withholding
15 remitted by the employer participating in such project bears to
16 the total retained jobs credit from withholding remitted by all
17 employers participating in projects during the period for which
18 the disbursement is made. Moneys for retained jobs training
19 programs established under sections 178.980 to 178.985 shall be
20 obtained from appropriations made by the general assembly from
21 the Missouri community college job retention training program
22 fund. All moneys remaining in the Missouri community college job
23 retention training program fund at the end of any fiscal year
24 shall not lapse to the general revenue fund, as provided in
25 section 33.080, RSMo, but shall remain in the Missouri community

1 college job retention training program fund.

2 2. The department of revenue shall develop such forms as
3 are necessary to demonstrate accurately each employer's retained
4 jobs credit from withholding paid into the Missouri community
5 college job retention training program fund. The retained jobs
6 credit from withholding shall be accounted as separate from the
7 normal withholding tax paid to the department of revenue by the
8 employer. Reimbursements made by all employers to the Missouri
9 community college job retention training program fund shall be no
10 less than all allocations made by the division of workforce
11 development to all community college districts for all job
12 retention projects. The employer shall remit the amount of the
13 retained job credit to the department of revenue in the same
14 manner as provided in sections 143.191 to 143.265, RSMo.

15 178.985. Pursuant to section 23.253, RSMo, of the Missouri
16 Sunset Act:

17 (1) The provisions of the new program authorized under
18 sections 178.980 to 178.985 shall automatically sunset six years
19 after the effective date of sections 178.980 to 178.985 unless
20 reauthorized by an act of the general assembly; and

21 (2) If such program is reauthorized, the program authorized
22 under sections 178.980 to 178.985 shall automatically sunset four
23 years after the effective date of the reauthorization of sections
24 178.980 to 178.985; and

25 (3) Sections 178.980 to 178.985 shall terminate on

1 September first of the calendar year immediately following the
2 calendar year in which the program authorized under sections
3 178.980 to 178.985 is sunset.

4 620.1039. 1. As used in this section, the term "taxpayer"
5 means an individual, a partnership, or a corporation as described
6 in section 143.441 or 143.471, RSMo, or section 148.370, RSMo,
7 and the term "qualified research expenses" has the same meaning
8 as prescribed in 26 U.S.C. 41.

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

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

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

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

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

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

4 7. For all tax years beginning on or after January 1, 2005,
5 and ending on or before December 31, 2007, no tax credits shall
6 be approved, awarded, or issued to any person or entity claiming
7 any tax credit under this section.

8 Section 1. All enterprise zones designated before January
9 1, 2006, shall be eligible to receive the tax benefits under
10 sections 135.1050 through 135.1075, RSMo.

11 [620.1400. Sections 620.1400 to
12 620.1460 shall be known and may be cited as
13 the "Missouri Individual Training Account
14 Program Act" and its provisions shall be
15 effective only within distressed communities
16 as defined by section 135.530, RSMo.]

17 [620.1410. There is hereby established
18 an "Individual Training Account Program"
19 within the department of economic
20 development. Job training and retraining
21 activities conducted pursuant to the
22 provisions of sections 620.1400 to 620.1460
23 shall be directed to employee advancement,
24 where jobs are linked to training before the
25 training commences, and shall emphasize
26 upgrade training where current or potential
27 employers, by means of educational programs,
28 provide existing employees with training for
29 higher skilled positions. Job training
30 activities provided pursuant to the
31 provisions of the individual training account
32 program shall attempt to prepare employed
33 workers, including those with obsolete or
34 inadequate job skills, for positions that
35 remain unfilled or that may be created by
36 current or potential employers.]

37 [620.1420. As used in sections 620.1400

1 to 620.1460, the following terms mean:

2 (1) "Costs of classroom training", the
3 normal costs incurred in the provision of
4 classroom training which may also include
5 specifically identified costs incurred for
6 instructors, classroom space and facilities,
7 administrative support services, and directly
8 related expenses, that together do not exceed
9 the amount normally allowed for support of
10 vocational and technical classes;

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

13 (3) "Employee", a full-time or
14 part-time employed worker whose salary is
15 equal to or less than two hundred percent of
16 the federal poverty level;

17 (4) "Employee upgrade training", the
18 progressive development of skills associated
19 with the defined set of work processes. Such
20 training shall be consistent with a career
21 pattern of advancement, as measured by skill
22 proficiency and the progressive earnings and
23 related benefits, that are recognized within
24 an occupation, trade or industry;

25 (5) "Individual training account", an
26 account funded by the tax credits provided
27 for in section 620.1440 for the provision of
28 employee upgrade training to employees
29 through their participation in classroom
30 training provided by educational
31 institutions;

32 (6) "Local educational institution", a
33 publicly funded or privately funded local
34 educational institution which is certified by
35 a recognized accrediting association as
36 capable of providing adequate classroom
37 training to accomplish the purpose of
38 sections 620.1400 to 620.1460.]

39 [620.1430. 1. A Missouri employer who
40 desires to participate in the individual
41 training account program shall provide the
42 department of economic development with
43 notification of intent to participate. The
44 notification shall include, but need not be
45 limited to, the names and occupations of
46 employees whom the employer has selected to
47 be trained, whether or not the employees are
48 currently working for the employer, the name
49 of the local educational institution that

1 will provide the training, and a brief
2 description of the training to be given by
3 the institution.

4 2. The employer shall have complete
5 discretion in the selection of the local
6 educational institution or institutions to
7 provide training and shall be responsible for
8 the payment of the costs of classroom
9 training.]

10
11 [620.1440. 1. Employers may be
12 reimbursed for the costs of training provided
13 pursuant to the provisions of the individual
14 training account program. Such reimbursement
15 shall be in the form of tax credits as
16 authorized in subsection 2 of this section.
17 The tax credits may be claimed for courses
18 provided in no more than two calendar years
19 for each employee. For each year, the
20 maximum amount of credit per employee which
21 can be certified by the department of
22 economic development shall be the lesser of
23 fifty percent of the costs of classroom
24 training or one thousand five hundred
25 dollars.

26 2. Tax credits may be claimed against
27 any liability incurred by the employer
28 pursuant to the provisions of chapter 143,
29 RSMo, and chapter 148, RSMo, exclusive of the
30 provisions relating to the withholding of tax
31 as provided for in sections 143.191 to
32 143.265, RSMo. Earned tax credits may be
33 carried forward for a period not to exceed
34 five years and may be sold or transferred.

35 3. No claim for tax credits submitted
36 to the department by an employer shall be
37 certified until the employer provides
38 documentation that an employee has
39 successfully completed the employee's course
40 training and has been employed by the
41 employer in a new, full-time position for a
42 period of at least three months. It must be
43 demonstrated satisfactorily to the department
44 that the new position in which the employee
45 located is an upgrade in employment, in terms
46 of salary and responsibilities, from the
47 previously held position. All such increases
48 in salary shall be in addition to normal
49 cost-of-living increases provided for in
50 authorized labor-management contracts. If

1 the employee was previously employed in a
2 part-time position, the base salary for the
3 position shall be calculated as if it were a
4 full-time position.]

5
6 [620.1450. The maximum amount of tax
7 credits allowable pursuant to the provisions
8 of the individual training account program
9 shall not annually exceed six million
10 dollars.]

11
12 [620.1460. The department of economic
13 development may promulgate necessary rules
14 and regulations to carry out the provisions
15 of sections 620.1400 to 620.1460. No rule or
16 portion of a rule promulgated pursuant to the
17 authority of sections 620.1400 to 620.1460
18 shall become effective unless it has been
19 promulgated pursuant to the provisions of
20 chapter 536, RSMo.]

21 [620.1560. 1. For purposes of this
22 section, the following terms mean:

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

25 (2) "Disadvantaged", an individual
26 shall be considered disadvantaged and
27 eligible to participate in the program if
28 such individual meets any one of the
29 following elements:

30 (a) The family income is at or below
31 one hundred fifty percent of the poverty
32 line;

33 (b) The individual is receiving public
34 support for the care of a foster child;

35 (c) The individual faces serious
36 barriers to employment including displaced
37 homemakers; dislocated workers; veterans; or
38 individuals who possess outdated skills;

39 (3) "Program", the mature worker child
40 care program.

41 2. There is hereby established within
42 the department of economic development a
43 program to be known as the "Mature Worker
44 Child Care Program". The program will
45 administer a statewide community service, in
46 cooperation with the neighborhood assistance
47 program, to enroll disadvantaged individuals,
48 who are fifty years of age or older, to work
49 in child-care assignments. Enrollees may

1 include qualified individuals who are
2 currently participating in existing community
3 service programs.

4 3. The department shall solicit
5 proposals from organizations seeking to
6 contract to supervise the participants.
7 Organizations that are awarded a contract
8 will be responsible for recruiting and
9 training participants, locating child-care
10 assignments, and paying participants.
11 Contract proposals shall include:

12 (1) A requirement that participants in
13 the program be paid the federal minimum wage;

14 (2) A process that allows participants
15 to work an average of twenty-four hours a
16 week for public and not-for-profit day care
17 providers and for school latch-key programs
18 that provide before- and after-school care;

19 (3) A description of the range of
20 services to be performed by program
21 participants, including, but not limited to,
22 child care, food preparation, transportation,
23 activity coordination, and clerical duties;

24 (4) A requirement that the
25 participating facilities provide proof of
26 required licensure under sections 210.201 to
27 210.259, RSMo, with the exception of the
28 public school system.

29 4. The program shall be implemented by
30 July 1, 2000, and shall be funded through
31 general revenue funds with no more than
32 twelve percent of the funds to be used for
33 administrative purposes.

34 5. In addition to tax credits currently
35 available under the neighborhood assistance
36 program, a participating facility shall be
37 allowed a credit against the tax imposed by
38 chapter 143, RSMo, excluding withholding tax
39 imposed by sections 143.191 to 143.265, RSMo,
40 and chapter 147, 148 or 153, RSMo, pursuant
41 to this section. The amount of tax credit
42 claimed shall not exceed the amount of the
43 taxpayer's state tax liability for the
44 taxable year that the credit is claimed.
45 Taxpayers eligible for such tax credit may
46 transfer, sell or assign them. Individual
47 salaries up to ten thousand dollars per
48 program participant each taxable year are
49 eligible for the tax credit which shall not
50 exceed twenty-five percent of the eligible

1 salary amount. Total tax credits taken
2 through the program shall not exceed two
3 million dollars.

4 6. The department of economic
5 development shall verify all tax credit
6 claims by participating facilities. The tax
7 credit allowed by this section shall apply to
8 all taxable years beginning after December
9 31, 1999.

10 7. Subject to appropriations and to the
11 provisions of chapter 34, RSMo, the oversight
12 division of the committee on legislative
13 research shall award up to thirty thousand
14 dollars every two years for an independent
15 evaluation of the program. Based on this
16 program evaluation, the department shall
17 provide a comprehensive report on the program
18 to the speaker of the house and the president
19 pro tem of the senate by March first of each
20 year, beginning in 2001.]