

HOUSE

AMENDMENT NO.

Offered by

of

1 AMEND House Bill No. 1455, Page 2, Section 620.478, Line 24, by
2 inserting after all of said line the following:

3 "620.495. 1. This section shall be known as the "Small
4 Business Incubators Act".

5 2. As used in this section and section 620.496, unless the
6 context clearly indicates otherwise, the following words and
7 phrases shall mean:

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

9 (2) "Incubator", a program in which small units of space
10 may be leased by a tenant and in which management maintains or
11 provides access to business development services for use by
12 tenants or a program without infrastructure in which participants
13 avail themselves of business development services to assist in
14 the growth of their start-up small businesses;

15 (3) "Local sponsor" or "sponsor", an organization which
16 enters into a written agreement with the department to establish,
17 operate and administer a small business incubator program or to
18 provide funding to an organization which operates such a program;

19 (4) "Participant", a sole proprietorship, business
20 partnership or corporation operating a business for profit
21 through which the owner avails himself or herself of business
22 development services in an incubator program;

23 (5) "Tenant", a sole proprietorship, business partnership
24 or corporation operating a business for profit and leasing or
25 otherwise occupying space in an incubator.

26 3. There is hereby established under the direction of the
27 department a loan, loan guarantee and grant program for the
28 establishment, operation and administration of small business
29 incubators, to be known as the "Small Business Incubator

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1 Program". A local sponsor may submit an application to the
2 department to obtain a loan, loan guarantee or grant to establish
3 an incubator. Each application shall:

4 (1) Demonstrate that a program exists that can be
5 transformed into an incubator at a specified cost;

6 (2) Demonstrate the ability to directly provide or arrange
7 for the provision of business development services for tenants
8 and participants of the incubator. These services shall include,
9 but need not be limited to, financial consulting assistance,
10 management and marketing assistance, business education, and
11 physical services;

12 (3) Demonstrate a potential for sustained use of the
13 incubator program by eligible tenants and participants, through a
14 market study or other means;

15 (4) Demonstrate the ability to manage and operate the
16 incubator program;

17 (5) Include such other information as the department may
18 require through its guidelines.

19 4. The department shall review and accept applications
20 based on the following criteria:

21 (1) Ability of the local sponsor to carry out the
22 provisions of this section;

23 (2) Economic impact of the incubator on the community;

24 (3) Conformance with areawide and local economic
25 development plans, if such exist;

26 (4) Location of the incubator, in order to encourage
27 geographic distribution of incubators across the state.

28 5. Loans, loan guarantees and grants shall be administered
29 in the following manner:

30 (1) Loans awarded or guaranteed and grants awarded shall be
31 used only for the acquisition and leasing of land and existing
32 buildings, the rehabilitation of buildings or other facilities,
33 construction of new facilities, the purchase of equipment and
34 furnishings which are necessary for the creation and operation of
35 the incubator, and business development services including, but
36 not limited to, business management advising and business
37 education;

1 (2) Loans, loan guarantees and grants may not exceed fifty
2 percent of total eligible project costs;

3 (3) Payment of interest and principal on loans may be
4 deferred at the discretion of the department.

5 6. A local sponsor, or the organization receiving
6 assistance through the local sponsor, shall have the following
7 responsibilities and duties in establishing and operating an
8 incubator with assistance from the small business incubator
9 program:

10 (1) Secure title on a facility for the program or a lease
11 of a facility for the program;

12 (2) Manage the physical development of the incubator
13 program, including the provision of common conference or meeting
14 space;

15 (3) Furnish and equip the program to provide business
16 services to the tenants and participants;

17 (4) Market the program and secure eligible tenants and
18 participants;

19 (5) Provide financial consulting, marketing and management
20 assistance services or arrange for the provision of these
21 services for tenants and participants of the incubator, including
22 assistance in accessing private financial markets;

23 (6) Set rental and service fees;

24 (7) Encourage the sharing of ideas between tenants and
25 participants and otherwise aid the tenants and participants in an
26 innovative manner while they are within the incubator;

27 (8) Establish policies and criteria for the acceptance of
28 tenants and participants into the incubator and for the
29 termination of occupancy of tenants so as to maximize the
30 opportunity to succeed for the greatest number of tenants,
31 consistent with those specified in this section.

32 7. The department:

33 (1) May adopt such rules, statements of policy, procedures,
34 forms and guidelines as may be necessary for the implementation
35 of this section;

36 (2) May make loans, loan guarantees and grants to local
37 sponsors for incubators;

1 (3) Shall ensure that local sponsors receiving loans, loan
2 guarantees or grants meet the conditions of this section;

3 (4) Shall receive and evaluate annual reports from local
4 sponsors. Such annual reports shall include, but need not be
5 limited to, a financial statement for the incubator, evidence
6 that all tenants and participants in the program are eligible
7 under the terms of this section, and a list of companies in the
8 incubator.

9 8. The department of economic development is also hereby
10 authorized to review any previous loans made under this program
11 and, where appropriate in the department's judgment, convert such
12 loans to grant status.

13 9. On or before January first of each year, the department
14 shall provide a report to the governor, the chief clerk of the
15 house of representatives and the secretary of the senate which
16 shall include, but need not be limited to:

17 (1) The number of applications for incubators submitted to
18 the department;

19 (2) The number of applications for incubators approved by
20 the department;

21 (3) The number of incubators created through the small
22 business incubator program;

23 (4) The number of tenants and participants engaged in each
24 incubator;

25 (5) The number of jobs provided by each incubator and
26 tenants and participant of each incubator;

27 (6) The occupancy rate of each incubator;

28 (7) The number of firms still operating in the state after
29 leaving incubators and the number of jobs they have provided.

30 10. There is hereby established in the state treasury a
31 special fund to be known as the "Missouri Small Business
32 Incubators Fund", which shall consist of all moneys which may be
33 appropriated to it by the general assembly, and also any gifts,
34 contributions, grants or bequests received from federal, private
35 or other sources. Moneys for loans, loan guarantees and grants
36 under the small business incubator program may be obtained from
37 appropriations made by the general assembly from the Missouri

1 small business incubators fund. Any moneys remaining in the
2 Missouri small business incubators fund at the end of any fiscal
3 year shall not lapse to the general revenue fund, as provided in
4 section 33.080, but shall remain in the Missouri small business
5 incubators fund.

6 11. For any taxable year beginning after December 31, 1989,
7 a taxpayer, including any charitable organization which is exempt
8 from federal income tax and whose Missouri unrelated business
9 taxable income, if any, would be subject to the state income tax
10 imposed under chapter 143, shall be entitled to a tax credit
11 against any tax otherwise due under the provisions of chapter
12 143, or chapter 147, or chapter 148, excluding withholding tax
13 imposed by sections 143.191 to 143.265, in the amount of fifty
14 percent of any amount contributed by the taxpayer to the Missouri
15 small business incubators fund during the taxpayer's tax year or
16 any contribution by the taxpayer to a local sponsor after the
17 local sponsor's application has been accepted and approved by the
18 department. The tax credit allowed by this subsection shall be
19 claimed by the taxpayer at the time he files his return and shall
20 be applied against the income tax liability imposed by chapter
21 143, or chapter 147, or chapter 148, after all other credits
22 provided by law have been applied. That portion of earned tax
23 credits which exceeds the taxpayer's tax liability may be carried
24 forward for up to five years. The aggregate of all tax credits
25 authorized under this section shall not exceed five hundred
26 thousand dollars in any taxable year.

27 12. Notwithstanding any provision of Missouri law to the
28 contrary, any taxpayer may sell, assign, exchange, convey or
29 otherwise transfer tax credits allowed in subsection 11 of this
30 section under the terms and conditions prescribed in subdivisions
31 (1) and (2) of this subsection. Such taxpayer, hereinafter the
32 assignor for the purpose of this subsection, may sell, assign,
33 exchange or otherwise transfer earned tax credits:

34 (1) For no less than seventy-five percent of the par value
35 of such credits; and

36 (2) In an amount not to exceed one hundred percent of
37 annual earned credits. The taxpayer acquiring earned credits,

1 hereinafter the assignee for the purpose of this subsection, may
2 use the acquired credits to offset up to one hundred percent of
3 the tax liabilities otherwise imposed by chapter 143, or chapter
4 147, or chapter 148 excluding withholding tax imposed by sections
5 143.191 to 143.265. Unused credits in the hands of the assignee
6 may be carried forward for up to five years. The assignor shall
7 enter into a written agreement with the assignee establishing the
8 terms and conditions of the agreement and shall perfect such
9 transfer by notifying the department of economic development in
10 writing within thirty calendar days following the effective day
11 of the transfer and shall provide any information as may be
12 required by the department of economic development to administer
13 and carry out the provisions of this section. The director of
14 the department of economic development shall prescribe the method
15 for submitting applications for claiming the tax credit allowed
16 under subsection 11 of this section and shall, if the application
17 is approved, certify to the director of revenue that the taxpayer
18 claiming the credit has satisfied all the requirements specified
19 in this section and is eligible to claim the credit.

20 620.496. 1. This section shall be known as the "Missouri
21 Certified Incubator Program".

22 2. Companies no longer qualifying for loans, loan
23 guarantees, or grants under section 620.495 may qualify for loans
24 as provided in this section. Such companies may submit an
25 application to the department to obtain such loan. Each
26 application shall demonstrate economic growth, which may include
27 but not be limited to new jobs, increased revenues, or the
28 acquisition of land and existing buildings, the rehabilitation of
29 buildings or other facilities, or construction of new facilities
30 for such company. The department shall review and accept
31 applications and shall determine, by rule, whether the company
32 has demonstrated economic growth to qualify for the loan. Loans
33 awarded under this section shall be administered as provided in
34 section 620.495.

35 3. Any unused moneys under section 30.753 shall be utilized
36 to fund the loans applied for in subsection 2 of this section,
37 including an initial start-up amount of ten million dollars from

1 such moneys. All funds shall be deposited into the targeted loan
2 fund established in subsection 6 of this section.

3 4. Companies participating in the Missouri certified
4 incubator program shall be eligible for a half-point discount on
5 current rates.

6 5. On or before January first of each year, the department
7 shall provide a report to the governor, the chief clerk of the
8 house of representatives, and the secretary of the senate which
9 shall include, but need not be limited to:

10 (1) The number of applications submitted to the department;

11 (2) The number of applications approved by the department;

12 (3) The number of jobs provided by each company.

13 6. There is hereby created in the state treasury the
14 "Targeted Loan Fund", which shall consist of money collected
15 under this section. The state treasurer shall be custodian of
16 the fund. In accordance with sections 30.170 and 30.180, the
17 state treasurer may approve disbursements. The fund shall be a
18 dedicated fund and, upon appropriation, money in the fund shall
19 be used solely for the administration of this section.

20 Notwithstanding the provisions of section 33.080 to the contrary,
21 any moneys remaining in the fund at the end of the biennium shall
22 not revert to the credit of the general revenue fund. The state
23 treasurer shall invest moneys in the fund in the same manner as
24 other funds are invested. Any interest and moneys earned on such
25 investments shall be credited to the fund.

26 7. Any rule or portion of a rule, as that term is defined
27 in section 536.010, that is created under the authority delegated
28 in this section shall become effective only if it complies with
29 and is subject to all of the provisions of chapter 536 and, if
30 applicable, section 536.028. This section and chapter 536 are
31 nonseverable and if any of the powers vested with the general
32 assembly under chapter 536 to review, to delay the effective
33 date, or to disapprove and annul a rule are subsequently held
34 unconstitutional, then the grant of rulemaking authority and any
35 rule proposed or adopted after August 28, 2012, shall be invalid
36 and void."; and

37 Further amend said title, enacting clause and intersectional

1 references accordingly.