

SECOND REGULAR SESSION

SENATE BILL NO. 1074

90TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIGGINS.

Read 1st time March 1, 2000, and 1,000 copies ordered printed.

TERRY L. SPIELER, Secretary.

4658L.011

AN ACT

Relating to economic assistance for the promotion of business development.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section 1. 1. As used in this section, the following terms mean:

(1) "Benefit date", the date of receipt of an economic incentive. If the economic incentive involves the purchase, lease or donation of physical equipment, then the benefit date is the date the recipient puts the equipment into service. If the economic incentive is for improvements to property, then the benefit date is the earlier of either:

- (a) The date the improvements are finished for the entire project; or**
- (b) The date the recipient occupies the property;**

(2) "Economic incentive", any form of state or local assistance designed to encourage the recipient thereof to promote a specific public purpose, including but not limited to grants; subsidies; forgivable loans; loans at rates below those commercially available to the recipient; any guarantee of any payment under any loan, lease, other obligation; any reduction or deferral of any tax or fee, including tax credits; contributions of personal property, real property or infrastructure; and preferential use of government facilities; except that, the phrase shall not apply to tax deductions available to all taxpayers;

(3) "Person", any individual, sole proprietorship, partnership, limited partnership, corporation, limited liability corporation, S corporation or other entity;

(4) "Public purpose", a specific economic or social goal other than increasing the tax base.

2. Effective January 1, 2002, no person shall be eligible to receive an economic incentive unless such person enters into an agreement with the state or local agency,

department or other entity administrating the economic incentive on a form obtained from the department of economic development. Such agreement shall include:

(1) A description of the economic incentive, including the amount and type of economic incentive;

(2) A statement of the public purposes for the economic incentive;

(3) Goals for the economic incentive;

(4) A description of the financial obligation of the recipient if the goals are not met;

(5) A statement of why the economic incentive is needed;

(6) A commitment to continue operations at the site where the economic incentive is used for at least five years after the benefit date, if the economic incentive is intended to promote the creation of jobs;

(7) The name and address of the parent corporation of the recipient, if any; and

(8) A list of all other financial assistance received by the recipient for the same project.

3. A recipient which violates any term of an economic incentive agreement shall be required to repay the benefit received to the provider of the benefit plus reasonable interest and penalties and shall be ineligible to receive any economic incentives for a period of five years from the date of violation or until the recipient satisfies its repayment obligation pursuant to this section.

4. All providers of economic incentives shall monitor progress by the recipient in achieving agreement goals. A recipient shall provide information regarding goals and results for two years after the benefit date or until the goals are met. If the goals are not met, the recipient shall continue to provide information on the economic incentive until the economic incentive is repaid.

5. All providers of economic incentives shall prepare an annual report regarding all economic incentives administered in the previous calendar year and submit such report to the department of economic development by April first. The director of economic development shall promulgate rules governing the contents of such reports. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.

6. The department of economic development shall publish a compilation and summary of the results of all such reports for the previous calendar year by July first of each year. The annual report shall be made available to the public and the department shall coordinate the production of annual reports so the useful comparisons across time periods and across providers can be made. The department's annual report

shall include:

(1) The total amount of economic incentives awarded in each congressional district of the state;

(2) The distributions of economic incentives by the size of all business recipients;

(3) Distribution of economic incentives by time category, such as quarterly or monthly;

(4) Distribution of economic incentives by type and public purpose;

(5) Percent of all recipients of economic incentives that reached their goals;

(6) Percent of all recipients of economic incentives that failed to reach their goals by two years from the benefit date;

(7) Total dollar amount of recipients of economic incentives that failed to reach their goals by two years from the benefit date;

(8) Percent of recipients of economic incentives that failed to meet their goals and that did not repay the amount of the economic incentives received in full; and

(9) List of recipients that failed to meet the terms of their economic incentive agreement in the past five years and have not satisfied their repayment obligations.

7. The provisions of this section shall apply to all economic incentives allowed by law which are given or received after December 31, 2001; except that, no provision of this section shall apply to replace a comparable provision contained in a statute creating an economic incentive which was effective before January 1, 2002.

T

Copy