

SECOND REGULAR SESSION
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SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILLS NOS. 1221 & 1305
92ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR KINDER.

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4494S.11P

TERRY L. SPIELER, Secretary.

AN ACT

To repeal sections 8.665 and 143.171, RSMo, and to enact in lieu thereof three new sections relating to the issuance of bonds, with a contingent effective date.

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

Section A. Sections 8.665 and 143.171, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 8.665, 135.1100, and 143.171, to read as follows:

8.665. 1. Bonds issued under and pursuant to the provisions of sections 8.660 to 8.670 shall be of such denomination or denominations, shall bear such rate or rates of interest not to exceed fifteen percent per annum, and shall mature at such time or times within forty years from the date thereof, as the board determines. The bonds may be either serial bonds or term bonds.

2. Serial bonds may be issued with or without the reservation of the right to call them for payment and redemption in advance of their maturity, upon the giving of such notice, and with or without a covenant requiring the payment of a premium in the event of such payment and redemption prior to maturity, as the board determines.

3. Term bonds shall contain a reservation of the right to call them for payment and redemption prior to maturity at such time or times and upon the giving of such notice, and upon the payment of such premium, if any, as the board determines.

4. The bonds, when issued, shall be sold at public sale for the best price obtainable after giving such reasonable notice of such sale as may be determined by the board, but in

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

no event shall such bonds be sold for less than ninety-eight percent of the par value thereof, and accrued interest. Any such bonds may be sold to the United States of America or to any agency or instrumentality thereof, at a price not less than par and accrued interest, without public sale and without the giving of notice as herein provided.

5. The bonds, when issued and sold, shall be negotiable instruments within the meaning of the law merchant and the negotiable instruments law, and the interest thereon shall be exempt from income taxes under the laws of the state of Missouri.

6. The board shall not issue revenue bonds pursuant to the provisions of sections 8.660 to 8.670 for one or more projects, as defined in section 8.660, in excess of a total par value of [one] **five hundred [seventy] forty-two million five hundred thousand** dollars.

7. Any bonds which may be issued pursuant to the provisions of sections 8.660 to 8.670 shall be issued only for projects which have been approved by a majority of the house members and a majority of the senate members of the committee on legislative research of the general assembly, and the approval by the committee on legislative research required by the provisions of section 8.661 shall be given only in accordance with this provision. For the purposes of approval of a project, the total amount of bonds issued for purposes of energy retrofitting in state-owned facilities shall be treated as a single project.

8. The provisions of sections 8.660 to 8.670 shall terminate upon the satisfaction of all outstanding bonds, notes and obligations issued pursuant to such sections. The commissioner of the office of administration shall notify the revisor of statutes when all outstanding bonds, notes, and obligations have been satisfied.

9. Bonds issued under and pursuant to the provisions of sections 8.660 to 8.670 after January 1, 2004, excluding any bonds issued to refund bonds issued before such date, may be used for life science renovation and construction projects. The board shall consult with the coordinating board for higher education to determine which projects shall be deemed life sciences projects for the purposes of this subsection. Any net income and revenues consisting of transfers from the general revenue fund for the payment of the costs of the bonds, including any bonds issued to refund such bonds, including but not limited to costs, principal, interest, redemption premium, and arbitrage rebate, if any, for life science projects may be reimbursed from transfers made from the life science research trust fund established in section 196.1100, RSMo, through fiscal year 2011. Nothing in the provisions of section 196.1109, RSMo, shall prevent the transfer of up to fifteen million dollars from the life sciences research trust fund for the purpose of constructing facilities for higher education and life sciences research.

10. Funds expended for projects authorized in this act shall provide appropriate employment and business opportunities including, but not limited to, bond administration, construction development, joint ventures, or other

arrangements that afford meaningful opportunities for African American minority and women's business participation, participation shall be in compliance with all state laws, rules, and regulations. The office of administration, in consultation with the board of public buildings, shall oversee and verify compliance with the provisions of this section.

135.1100. 1. As used in this section, the following words or phrases shall mean:

(1) "Eligible employee", a person who is hired on or after August 28, 2004, by the eligible employer claiming the credit allowed pursuant to subsection 2 of this section, and who has been retained as a full-time employee of the eligible employer for a period of not less than twelve consecutive months immediately preceding the date upon which the credit is claimed, who is a graduate of a Missouri college, university, or vocational or technical school, and who received scholarship benefits pursuant to the Missouri college guarantee program established pursuant to the provisions of sections 173.810 to 173.830, RSMo;

(2) "Eligible employer", any person, firm, corporation, partnership, or association that is actively engaged in business within this state, except that an eligible employer shall not be an eligible employee in the same tax year;

(3) "Full-time employee", a person who is an employee of the eligible employer and who works not less than thirty-five hours during an average work week for the employer. The term "full-time employee" does not include independent contractors, part-time employees, temporary or substitute employees, partners or owners.

2. In order to encourage employment of recipients of Missouri college guarantee scholarships, an eligible employer shall be allowed a credit of ten thousand dollars per eligible employee against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo. An eligible employer may not claim the credit authorized by this section more than one time for any particular individual who qualifies as an eligible employee.

3. The tax credit allowed by this section shall be claimed by the taxpayer at the time such taxpayer files a return. Any amount of tax credit which exceeds the tax due shall be carried over to any of the next five subsequent taxable years, but shall not be refunded and shall not be transferable.

4. The department of revenue shall administer the tax credit authorized by this section. The director of revenue is authorized to promulgate rules and regulations necessary to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created under the authority delegated in this section shall become effective only if it

complies with and is subject to all of the provisions of chapter 536, RSMo, and, if applicable, section 536.028, RSMo. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void.

5. The tax credits issued pursuant to this section shall not exceed a total for all tax credits issued of five million dollars per fiscal year.

6. The provisions of subsections 1 to 3 of this section shall become effective on January 1, 2005, and shall apply to all taxable years beginning after December 31, 2004.

143.171. 1. For all tax years beginning before January 1, 1994, for an individual taxpayer and for all tax years beginning before September 1, 1993, for a corporate taxpayer, the taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. For all tax years beginning on or after January 1, 1994, an individual taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

3. For all tax years beginning on or after September 1, 1993 **and ending before January 1, 2005, and all tax years beginning January 1 after all bonds issued pursuant to subsection 9 of section 8.665 have been retired**, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign

country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels and lubricating oils).

4. If a federal income tax liability for a tax year prior to the applicability of sections 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid or accrued, he may deduct the federal tax in the later year to the extent it would have been deductible if paid or accrued in the prior year.

5. The commissioner of administration shall estimate the difference in the amount of revenue raised by the provisions of subsection 3 of this section in the last full calendar year in which the provisions of subsection 3 of this section allowed a deduction, compared to the amount of revenue raised annually as a result of the removal of such deduction, and shall cause such difference in the amount of revenue to be allocated annually to provide debt service and debt retirement for bonds issued pursuant to subsection 9 of section 8.665, RSMo; any remaining amount after such allocation shall be transferred to the Missouri college guarantee fund established pursuant to the provisions of sections 173.810 to 173.830, RSMo.

Section B. Section A of this act shall only become effective if the name of the institution of higher education at Springfield, Greene County, known as "Southwest Missouri State University" is altered by the General Assembly to "Missouri State University" in section 174.020, RSMo.

Bill

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