

SECOND REGULAR SESSION

SENATE BILL NO. 1151

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR BARTLE.

Read 1st time February 28, 2006, and ordered printed.

TERRY L. SPIELER, Secretary.

5268S.011

AN ACT

To repeal section 620.1878, RSMo, and to enact in lieu thereof one new section relating to business regulation.

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

Section A. Section 620.1878, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 620.1878, to read as follows:

620.1878. For the purposes of sections 620.1875 to 620.1890, the following
2 terms shall mean:

3 (1) "Average wage", the new payroll divided by the number of new jobs;

4 (2) "Commencement of operations", the starting date for the qualified
5 company's first new employee, which must be no later than twelve months from
6 the date of the proposal;

7 (3) "County average wage", the average wages in each county as
8 determined by the department for the most recently completed full calendar
9 year. However, if the computed county average wage is above the statewide
10 average wage, the statewide average wage shall be deemed the county average
11 wage for such county. The department shall publish the county average wage for
12 each county at least annually;

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

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

15 (6) "Employee", a person employed by a qualified company;

16 (7) "Full-time equivalent employees", employees of the qualified company
17 converted to reflect an equivalent of the number of full-time, year-round
18 employees. The method for converting part-time and seasonal employees into an
19 equivalent number of full-time, year-round employees shall be published in a rule
20 promulgated by the department as authorized in section 620.1884;

21 (8) "Full-time, year-round employee", an employee of the company that
22 works an average of at least thirty-five hours per week for a twelve-month period,
23 and one for which the qualified company offers health insurance and pays at least
24 fifty percent of such insurance premiums;

25 (9) "High-impact project", a qualified company that, within two years from
26 commencement of operations, creates one hundred or more new jobs;

27 (10) "Local incentives", the present value of the dollar amount of direct
28 benefit received by a qualified company for a project facility from one or more
29 local political subdivisions, but shall not include loans or other funds provided to
30 the qualified company that must be repaid by the qualified company to the
31 political subdivision;

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

37 (12) "New direct local revenue", the present value of the dollar amount of
38 direct net new tax revenues of the local political subdivisions likely to be
39 produced by the project over a ten-year period as calculated by the department
40 and net new utility revenues, provided the local incentives include a discount or
41 other direct incentives from utilities owned or operated by the political
42 subdivision;

43 (13) "New investment", the purchase or leasing of new tangible assets to
44 be placed in operation at the project facility, which will be directly related to the
45 new jobs;

46 (14) "New job", the number of full-time, year-round employees located at
47 the project facility that exceeds the project facility base employment less any
48 decrease in the number of full-time equivalent employees at related facilities
49 below the related facility base employment;

50 (15) "New payroll", the amount of wages paid by a qualified company to
51 employees in new jobs;

52 (16) "Notice of intent", a form developed by the department, completed by
53 the qualified company and submitted to the department which states the
54 qualified company's intent to hire new jobs and request benefits under this
55 program;

56 (17) "Percent of local incentives", the amount of local incentives divided

57 by the amount of new direct local revenue;

58 (18) "Program", the Missouri quality jobs program provided in sections
59 620.1875 to 620.1890;

60 (19) "Project facility", the building used by a qualified company at which
61 the new jobs and new investment will be located. A project facility may include
62 separate buildings that are located within one mile of each other such that their
63 purpose and operations are interrelated;

64 (20) "Project facility base employment", for the twelve-month period prior
65 to the date of the proposal, the average number of full-time equivalent employees
66 located at the project facility. In the event the project facility has not been in
67 operation for a full twelve-month period, project facility base employment is the
68 average number of full-time equivalent employees for the number of months the
69 project facility has been in operation prior to the date of the proposal;

70 (21) "Project period", the time period that the benefits are provided to a
71 qualified company;

72 (22) "Proposal", a document submitted by the department to the qualified
73 company that states the benefits that may be provided by this program. The
74 effective date of such proposal cannot be prior to the commencement of
75 operations. The proposal shall not offer benefits regarding any jobs created prior
76 to its effective date unless the proposal is for a job retention project;

77 (23) "Qualified company", a firm, partnership, joint venture, association,
78 private or public corporation whether organized for profit or not, or headquarters
79 of such entity registered to do business in Missouri that is the owner or operator
80 of a project facility. For the purposes of sections 620.1875 to 620.1890, the term
81 "qualified company" shall not include:

82 (a) Gambling establishments **as defined under section 99.918, RSMo,**
83 **and gambling establishments** (NAICS industry group 7132);

84 (b) Retail trade establishments (NAICS sectors 44 and 45);

85 (c) Food and drinking places (NAICS subsector 722);

86 (d) Utilities regulated by the Missouri public service commission;

87 (e) Any company that is delinquent in the payment of any nonprotested
88 taxes or any other amounts due the state or federal government or any other
89 political subdivision of this state; or

90 (f) Any company that has filed for or has publicly announced its intention
91 to file for bankruptcy protection;

92 (24) "Related company" means:

93 (a) A corporation, partnership, trust, or association controlled by the
94 qualified company;

95 (b) An individual, corporation, partnership, trust, or association in control
96 of the qualified company; or

97 (c) Corporations, partnerships, trusts or associations controlled by an
98 individual, corporation, partnership, trust or association in control of the
99 qualified company. As used in this subdivision, "control of a corporation" shall
100 mean ownership, directly or indirectly, of stock possessing at least fifty percent
101 of the total combined voting power of all classes of stock entitled to vote, "control
102 of a partnership or association" shall mean ownership of at least fifty percent of
103 the capital or profits interest in such partnership or association, "control of a
104 trust" shall mean ownership, directly or indirectly, of at least fifty percent of the
105 beneficial interest in the principal or income of such trust, and ownership shall
106 be determined as provided in Section 318 of the Internal Revenue Code of 1986,
107 as amended;

108 (25) "Related facility", a facility operated by the qualified company or a
109 related company located in this state that is directly related to the operations of
110 the project facility;

111 (26) "Related facility base employment", for the twelve-month period prior
112 to the date of the proposal, the average number of full-time equivalent employees
113 located at all related facilities of the qualified company or a related company
114 located in this state;

115 (27) "Rural area", a county in Missouri with a population less than
116 seventy-five thousand or that does not contain an individual city with a
117 population greater than fifty thousand according to the most recent federal
118 decennial census;

119 (28) "Small and expanding business project", a qualified company that
120 within two years of the date of the proposal creates a minimum of twenty new
121 jobs if the project facility is located in a rural area or a minimum of forty new
122 jobs if the project facility is not located in a rural area and creates fewer than one
123 hundred new jobs regardless of the location of the project facility;

124 (29) "Tax credits", tax credits issued by the department to offset the state
125 income taxes imposed by chapter 143, RSMo, or which may be sold or refunded
126 as provided for in this program;

127 (30) "Technology business project", a qualified company that within two
128 years of the date of the proposal creates a minimum of ten new jobs with at least

129 seventy-five percent of the new jobs directly involved in the operations of a
130 technology company as determined by a regulation promulgated by the
131 department under the provisions of section 620.1884 and classified by NAICS
132 codes;

133 (31) "Withholding tax", the state tax imposed by sections 143.191 to
134 143.265, RSMo.

✓

Unofficial

Bill

Copy