

SECOND REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]

SENATE BILL NO. 645

93RD GENERAL ASSEMBLY

2006

3713S.01T

AN ACT

To repeal section 100.710, RSMo, and to enact in lieu thereof one new section relating to the Missouri business use incentive for large-scale development act.

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

Section A. Section 100.710, RSMo, is repealed and one new section
2 enacted in lieu thereof, to be known as section 100.710, to read as follows:

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

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

7 (2) "Board", the Missouri development finance board as created by section
8 100.265;

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

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

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

15 (6) "Director", the director of the department of economic development;

16 (7) "Economic development project":

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

19 (b) The fee ownership of real property by the eligible industry or its

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

20 affiliate; and

21 (c) For both paragraphs (a) and (b) of this subdivision, "economic
22 development project" shall also include the development of the real property
23 including construction, installation, or equipping of a project, including fixtures
24 and equipment, and facilities necessary or desirable for improvement of the real
25 property, including surveys; site tests and inspections; subsurface site work;
26 excavation; removal of structures, roadways, cemeteries and other surface
27 obstructions; filling, grading and provision of drainage, storm water retention,
28 installation of utilities such as water, sewer, sewage treatment, gas, electricity,
29 communications and similar facilities; off-site construction of utility extensions
30 to the boundaries of the real property; and the acquisition, installation, or
31 equipping of facilities on the real property, for use and occupancy by the eligible
32 industry or its affiliates;

33 (8) "Eligible employee", a person employed on a full-time basis in a new
34 job at the economic development project averaging at least thirty-five hours per
35 week who was not employed by the eligible industry or a related taxpayer in this
36 state at any time during the twelve-month period immediately prior to being
37 employed at the economic development project. For an essential industry, a
38 person employed on a full-time basis in an existing job at the economic
39 development project averaging at least thirty-five hours per week may be
40 considered an eligible employee for the purposes of the program authorized by
41 sections 100.700 to 100.850;

42 (9) "Eligible industry", a business located within the state of Missouri
43 which is engaged in interstate or intrastate commerce for the purpose of
44 manufacturing, processing or assembling products, conducting research and
45 development, or providing services in interstate commerce, office industries, or
46 agricultural processing, but excluding retail, health or professional
47 services. "Eligible industry" does not include a business which closes or
48 substantially reduces its operation at one location in the state and relocates
49 substantially the same operation to another location in the state. This does not
50 prohibit a business from expanding its operations at another location in the state
51 provided that existing operations of a similar nature located within the state are
52 not closed or substantially reduced. This also does not prohibit a business from
53 moving its operations from one location in the state to another location in the
54 state for the purpose of expanding such operation provided that the board
55 determines that such expansion cannot reasonably be accommodated within the

56 municipality in which such business is located, or in the case of a business
57 located in an incorporated area of the county, within the county in which such
58 business is located, after conferring with the chief elected official of such
59 municipality or county and taking into consideration any evidence offered by such
60 municipality or county regarding the ability to accommodate such expansion
61 within such municipality or county. An eligible industry must:

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

64 (b) Create a minimum of one hundred new jobs for eligible employees at
65 the economic development project or a minimum of five hundred jobs if the
66 economic development project is an office industry or a minimum of two hundred
67 new jobs if the economic development project is an office industry located within
68 a distressed community as defined in section 135.530, RSMo, or in the case of an
69 approved company for a project for a world headquarters of a business whose
70 primary function is tax return preparation in any home rule city with more than
71 four hundred thousand inhabitants and located in more than one county, create
72 a minimum of one hundred new jobs for eligible employees at the economic
73 development project. An industry that meets the definition of "essential industry"
74 may be considered an eligible industry for the purposes of the program authorized
75 by sections 100.700 to 100.850.

76 Notwithstanding the preceding provisions of this subdivision, a development
77 agency, as such term is defined in subdivision (3) of section 100.255, or a
78 corporation, limited liability company, or partnership formed on behalf of a
79 development agency, at the option of the board, may be authorized to act as an
80 eligible industry with such obligations and rights otherwise applicable to an
81 eligible industry, including the rights of an approved company under section
82 100.850, so long as the eligible industry otherwise meets the requirements
83 imposed by this subsection;

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

86 (a) Be a targeted industry;

87 (b) Be located in a home rule city with more than twenty-six thousand but
88 less than twenty-seven thousand inhabitants located in any county with a charter
89 form of government and with more than one million inhabitants **or in a city of**
90 **the fourth classification with more than four thousand three hundred**
91 **but fewer than four thousand four hundred inhabitants and located in**

92 **any county with a charter form of government and with more than one**
93 **million inhabitants;**

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

98 (d) [For the duration of the certificates,] Retain, at the proposed economic
99 development project site, the level of employment that existed at the site in the
100 taxable year immediately preceding the year in which application for the
101 program, authorized by sections 100.700 to 100.850, is made. **Retention of**
102 **such level of employment shall commence three years from the date of**
103 **issuance of the certificates and continue for the duration of the**
104 **certificates;** and

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

108 (11) "New job", a job in a new or expanding eligible industry not including
109 jobs of recalled workers, replacement jobs or jobs that formerly existed in the
110 eligible industry in the state. For an essential industry, an existing job may be
111 considered a new job for the purposes of the program authorized by sections
112 100.700 to 100.850;

113 (12) "Office industry", a regional, national or international headquarters,
114 a telecommunications operation, a computer operation, an insurance company, or
115 a credit card billing and processing center;

116 (13) "Program costs", all necessary and incidental costs of providing
117 program services including payment of the principal of premium, if any, and
118 interest on certificates, including capitalized interest, issued to finance a project,
119 and funding and maintenance of a debt service reserve fund to secure such
120 certificates. Program costs shall include:

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

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

126 (c) The cost of contract bonds and of insurance of all kinds that may be
127 required or necessary during the course of acquisition, construction, installation

128 or equipping of an economic development project which is not paid by the
129 contractor or contractors or otherwise provided for;

130 (d) All costs of architectural and engineering services, including test
131 borings, surveys, estimates, plans and specifications, preliminary investigations
132 and supervision of construction, as well as the costs for the performance of all the
133 duties required by or consequent upon the acquisition, construction, installation
134 or equipping of an economic development project;

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

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

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

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

✓

Copy