A Message from the Chairman of the Missouri Development Finance Board

Greetings!

Missouri is the heartland of America. With a central location, low taxes, high quality of life, and an economy conducive to supporting business, Missouri is the perfect place to call home.

As Missouri’s Lieutenant Governor, I serve as a member of several different boards and commissions including: Chairman of the Missouri Development and Finance Board; Vice-Chairman of the Tourism Commission; and the Missouri Housing Development Commission. I enjoy contributing to the economic development efforts of our state by working with these three organizations that all play integral roles in the lives of Missourians. Our goal is insure that more people visit Missouri, own their own homes, and take pride in our communities.

The new DREAM initiative (Downtown Revitalization and Economic Assistance for Missouri) is one avenue whereby the MDFB and MHDC are helping small cities revitalize their downtowns by providing resources and opportunities that are rarely realistic for non-metropolitan areas. Downtown areas have a lot to offer in a community. Not only do we find community staples like the town banks and post office, but they often feature the newspaper office and finest restaurants. It is the place in town where one can get a sense of a community’s charm and personality.

The Department of Economic Development has many different types of state incentives in place. I trust this guide will be useful to you as you work with us to improve Missouri, making this the best place to live, work, and raise a family.

Mr. Peter D. Kinder, Lieutenant Governor, Chairman

A Message from the Director of the Missouri Department of Economic Development

As Missouri’s lead agency for economic, community, workforce and tourism development, the Department of Economic Development has worked and will continue to maintain Missouri’s business climate as an even more attractive place for businesses to locate and expand by stimulating and supporting economic security, opportunity, growth and a high quality of life in Missouri communities.

By administering a wide array of programs designed to enhance Missouri’s economy in the 21st Century, the Department is working to improve Missouri’s entrepreneurial business climate, create more family-supporting jobs, strengthen public/private partnerships to make our communities more attractive, and increase Missouri’s overall competitive advantage in the global marketplace.

We are pleased to partner with the Missouri Development Finance Board to bring you Missouri’s Development Tools: A Practical Guide to Building a Better Missouri. The Guide is designed to assist all of us to better utilize the economic development resources that we have been provided. It is designed to become a working document for you to update, mark-up, write notes in, and use to your full advantage. I trust that it will become a valued resource for you as we continue to work together to grow our great State.

Gregory A. Steinhoff, Department Director
The Department of Economic Development and the Missouri Development Finance Board were assisted in the preparation of this Guide by attorneys from Gilmore & Bell, P.C. and The Stolar Partnership LLP and individuals at the Public Policy Research Center of the University of Missouri – St. Louis.

Gilmore & Bell provides a full range of services to assist local governments with economic development matters, including tax increment financing, special taxing districts, tax abatement and developer impact fees. Our attorneys have considerable experience in preparing and negotiating agreements, preparing ordinances and code provisions, establishing special funding districts, structuring complex financings and assisting local governments in all other matters related to the completion of development projects. Gilmore & Bell is one of the leading public finance law firms in the United States, and represents states, counties, cities, school districts, and other governmental and quasi-governmental entities as bond counsel in municipal finance transactions.

Gilmore & Bell has offices in Kansas City, Missouri, St. Louis, Missouri, Wichita, Kansas, and Lincoln, Nebraska.

Founded in 1956, The Stolar Partnership LLP provides legal services to established companies, entrepreneurs, financial institutions, national developers, architectural firms, municipal governments, charitable institutions and individuals. The Firm’s clients vary in size and type, ranging from Fortune 500 and other publicly-held corporations to privately-owned businesses and individuals.

Stolar’s attorneys provide representation to counties, municipalities, and other governmental bodies involving a variety of matters ranging from land use and development, to finance and employment issues, to general litigation. Frequently, the Firm is called upon by other law firms to represent their clients in specific matters such as the development of economic incentive programs, land use plans, bond financing and drafting sophisticated housing assistance programs using both federal and State funds. The Firm assists clients in fashioning economic incentive packages and layered financing using local, State, and federal programs such as tax Increment financing, enterprise zones, all forms of tax credits, public/private partnerships and “soft” loans.
The Public Policy Research Center of the University of Missouri — St. Louis (“PPRC”) is a campus-wide unit, reporting to the Vice Provost of Research. PPRC works closely with faculty from all University of Missouri — St Louis colleges, and with other University centers and institutes. PPRC focuses its resources on issues related to community development; economic vitality; governance, land-use and transportation policy planning; and health, education and social policy. Internally, PPRC is organized around core activities (administration, communications and photographic displays), and three functional activities, each headed by a director including Research, Community & Neighborhood Development, and Metropolitan Information and Data Analysis Services. PPRC’s resources are focused on metropolitan St. Louis region and also on State, national or international projects that fall within the mission. To achieve its mission, PPRC:

- Undertakes objective basic and applied research
- Serves as a regional information and data analysis center
- Organizes forums and seminars for debates and discussions
- Publishes policy briefs, issue papers, research, reports, and newsletters
- Comments on issues of public policy
- Identifies regional challenges and opportunities
- Provides training and certificate programs for community and government leaders and professional organizations
- Evaluates public and community programs

PPRC undertakes these tasks and achieves its mission by developing partnerships with local, county, regional and State governments and agencies; non-governmental organizations; and citizens’ groups. PPRC also seeks support for its activities from governmental and private granting agencies.

* * *

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CHAPTER I

INTRODUCTION TO THE GUIDE
HOW TO USE THIS GUIDE

The Department of Economic Development (DED) and the Missouri Development Finance Board (MDFB), in cooperation with attorneys from Gilmore & Bell, P.C. and The Stolar Partnership LLP and individuals at the Public Policy Research Center of the University of Missouri – St. Louis, developed this economic development finance guide for the purpose of providing technical assistance to Missouri communities and the regional-based development partners representing Missouri’s communities. This Guide is intended to serve as a “how to” manual in accessing and implementing existing economic development initiatives and services.

The Guide is separated as follows: (1) an Introduction, which offers a quick-reference table for all major programs and maps showing samplings of their use; (2) a summary of Missouri’s State and local tax structure; (3) a description of Missouri’s economic development programs; (4) case studies showing regional use of economic development programs in Missouri; (5) a reference list of economic development practitioners and other resources throughout the State; and (6) the corresponding statutes for all major programs.

All economic development programs have been grouped according to the headings listed below. Following each heading is a brief explanation of the grouping. Some programs may easily fit under one or more headings but have been placed according to the program’s most frequent use or understanding.

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These programs offer grants to Missouri communities to improve local facilities, to address health and safety concerns, and to develop a greater capacity for growth.

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This Guide is not intended to be an all-inclusive resource manual for every program authorized by Missouri laws. Many economic development initiatives and programs already have well-developed written guidelines available. These include certain housing programs sponsored by the Missouri Housing Development Commission, MDFB financing programs and tax incentive programs sponsored by DED. Although this Guide references these programs, the Guide is not intended to replace these previously published materials.

Every effort has been made to compile and provide the most accurate information within this Guide. However, this Guide is intended solely as resource material and is not intended to provide legal advice as to the applicability or advisability of a program described herein to a particular transaction. Users of this Guide are strongly encouraged to contact an experienced economic development practitioner before undertaking any program. A list of practitioners and other useful resources throughout the State are provided in Chapter V of this Guide.

* * *

September 2006
# Quick Reference for Major Programs

## Quick Reference Guide for Major Programs

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</tbody>
</table>
STATEWIDE USE OF MAJOR PROGRAMS
(NOT ALL INCLUSIVE)
Examples of Cities and Counties that have used Selected Incentive Programs
Examples of Selected Communities That Have Used Community Improvement District (CID) Projects

Cities or Counties with One or More CID Projects

- Kansas City
- Independence
- Blue Springs
- Lee's Summit
- Cass County
- Springfield
- Branson
- Taney County
- Chillicothe
- Weldon Springs
- St. Charles
- Jennings
- St. Louis
- Jefferson County
Examples of Selected Communities That Have Used Land Clearance Redevelopment Authority (LCRA) Projects

Cities or Counties with One or More LCRA Projects

- Kansas City
- Jackson County
- Mexico
- Jefferson City
- St. Louis County
- St. Louis
- Joplin
- Springfield
- Ozark
- Sikeston
Examples of Selected Communities That Have Used Neighborhood Improvement District (NID) Projects
Examples of Selected Communities That Have Used Planned Industrial Expansion Authority (PIEA) Projects

Cities with One or More PIEA Projects

Kansas City
St. Louis
CHAPTER II

MISSOURI STATE AND LOCAL TAX STRUCTURE
MISSOURI STATE AND LOCAL TAX STRUCTURE

Understanding the State and local tax structure is key to understanding many of the incentives designed to stimulate economic development. The following is a general description of the procedure by which most property and sales taxes are levied and collected in Missouri. Certain taxing entities levy taxes that are administered and collected pursuant to special charter provisions or statutory provisions applicable to that entity and are not described herein.

PROPERTY TAX LEVIES AND COLLECTIONS

All taxable real and personal property within the State is assessed by the county assessor in the county where the property is located. The assessed value is applied to the tax rates established by the taxing districts to determine the amount of tax levied against the property. Missouri law requires real property to be assessed at the following percentages of true value:

- Residential real property: 19%
- Agricultural and horticultural real property: 12%
- Utility, industrial, commercial, railroad and all other real property: 32%

The assessment ratio for personal property is generally 33 1/3% of true value. However, subclasses of tangible personal property are assessed at the following assessment percentages: grain and other agricultural crops in an unmanufactured condition, 1/2%; livestock, 12%; farm machinery, 12%; historic motor vehicles, 5%; poultry, 12%; and certain tools and equipment used for pollution control, used in retooling for the purpose of introducing new product lines or used for making improvements to existing products by certain types of companies specified by State law, 25%.

On January 1 in each odd-numbered year, the county assessor must adjust the assessed valuation for all real property located within the county in accordance with a two-year assessment and equalization maintenance plan approved by the State Tax Commission.

Once assessments are made, the county assessor is responsible for preparing the tax roll each year and for submitting the tax roll to the county’s Board of Equalization. The Board of Equalization may adjust and equalize the values of individual properties appearing on the tax rolls.

As the tax rolls are being prepared by the county assessor, the taxing entities must set their ad valorem property tax rates and certify them to the county clerk. Missouri law requires every taxing entity to prepare an annual budget, which shall include an estimate of the amount of revenues to be received, the entity’s proposed expenditures, and an estimate of the amount of money required to be raised from property taxes and the tax levy rates required to produce such amounts. Such estimates are based on the assessed valuation figures provided by the county assessor. If the assessed valuation of property has increased over the prior year’s valuation by action other than a general reassessment, exclusive of new construction and improvements, the levy rates must be reduced to the extent necessary to produce substantially the same amount of tax revenue as estimated in the budget. The taxing entity’s rate of levy may also be revised to allow for inflationary assessment growth, which is limited to actual assessment growth, exclusive of new construction and improvements, but not to exceed the consumer price index or 5%, whichever is lower. Ad valorem property tax rates must be certified to the county clerk no later than September 1 for entry in the tax books.

Once the county clerk receives the property tax rates, the county clerk will obtain the tax roll from the county assessor, which set forth the assessments of real and personal property. The county clerk enters the tax rates certified by the local taxing bodies into the tax books and assesses such rates against all taxable property. By October 31, the county clerk must forward the tax books to the county collector, who is charged with levying and collecting the taxes. The county collector extends the taxes on the tax rolls and issues the tax statements in
early December. Taxes are due by December 31 and become delinquent if not paid by that time. The county receives a collection fee equal to a percentage of the gross tax collections.

All tracts of land and lots on which delinquent taxes are due are charged with a penalty equal to a percentage of each year’s delinquency. All lands and lots on which taxes are delinquent and unpaid are subject to sale at public auction.

For additional information, please contact your local county officials or the State Tax Commission of Missouri:

State Tax Commission of Missouri
301 West High Street
P.O. Box 146
Jefferson City, Missouri 65102
Phone: 573-751-2414
E-mail: stc@stc.mo.gov

SALES TAX LEVIES AND COLLECTIONS

Sales tax is imposed on retail sales of tangible personal property and certain services. All sales of tangible personal property and taxable services are generally presumed taxable unless specifically exempted by law. Persons making retail sales collect the sales tax from the purchaser and, with some exceptions, remit the tax to the Missouri Department of Revenue. The State sales tax rate is currently 4.225%. Cities, counties and other districts may also impose local sales taxes if authorized by statute and approved by the requisite majority of voters. Accordingly, the amount of tax sellers collect from the purchaser depends on the combined State and local rate at the location of the seller. In most cases, the State and local sales taxes are remitted together to the Department of Revenue and then distributed to the various taxing entities. The Department of Revenue (or, in limited instances, another collecting entity) receives a collection fee equal to a percentage of the gross tax collections made.

The Missouri Department of Revenue offers a Sales Tax Rate Information System to help individuals find the sales tax rates that apply to their location. This System is available at the Department’s website: www.dor.mo.gov.

For additional information, please contact the Missouri Department of Revenue:

Missouri Department of Revenue
Division of Taxation and Collection
301 West High Street
Jefferson City, Missouri 65101
Phone: 573-751-4450
E-mail: salesuse@dor.mo.gov

ECONOMIC DEVELOPMENT AND TAXES

Missouri’s economic development programs use a variety of tax tools to incentivize development. The following is a brief explanation of the major tools that are used and examples of programs where they can be found. Further discussion of each of these tools can be found in the applicable program.
**Tax Assessment.** Tax assessment is the imposition and collection of a new tax. Examples of programs that use tax assessment to encourage development include transportation development districts, community improvement districts and neighborhood improvements districts. These districts can impose new taxes (in the form of a sales and use tax, a property tax or a special assessment) to finance improvements.

**Tax Exemption.** Tax exemption is immunity from the general burden of tax. Article X, Section 6 of the Missouri Constitution states that all property, real and personal, of the State and its political subdivisions, nonprofit cemeteries and inventories held for resale *shall* be exempt from taxation and that the General Assembly *may* exempt property used for religious, educational, agricultural and horticultural societies and charitable purposes. Although more commonly referred to as tax abatement, tax exemption is actually used in Chapter 100 financings. Under Chapter 100, property is transferred to a local government and, if properly structured, may not be subject to taxation.

**Tax Abatement.** Tax abatement relieves the taxpayer of all or a portion of its tax burden *after* the tax has been levied and assessed. Article X, Section 7 of the Missouri Constitution specifically authorizes the General Assembly to offer partial tax abatement on property and improvements devoted to the purpose of reconstructing, redeveloping and rehabilitating obsolete, decadent or blighted areas for a period not to exceed 25 years. Example programs include Land Clearance for Redevelopment Authorities and Chapter 353.

**Tax Diversion.** Tax diversion is the process where all or a portion of tax revenue currently imposed are diverted to pay for project improvements. For example, in tax increment financing, when a redevelopment plan is adopted, the tax base in the area is frozen at the current level. As the property is improved or additional retail sales are generated, a “tax increment” is produced above the base level. The tax increments can then be used to pay directly for redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

**Tax Credits.** Missouri statutes provide a number of economic development programs that make use of tax credits as incentives. A tax credit offsets the State tax liability of the recipient, thereby creating a financial incentive to complete a project. Tax credits are used in certain situations to create the subsidy needed where a project would otherwise not be done, or to solicit donations or investors for a project where the investment may create a fiscal or other benefit to the State, or both. There are different types of tax credits designed for use by both for-profit and nonprofit entities. The taxes that are most often offset by tax credits include corporate income tax, individual income tax, financial institution tax, corporate franchise tax, insurance premium tax, and fiduciary tax. This Guide lists the tax credits related to economic development by category. The statutes dictate the type and features of each tax credit program.

Missouri tax credit programs carry different features. Some of those features are represented below:

- **Refundable:** Credits in excess of tax liability may be refunded to the taxpayer in cash.
- **Sellable/Transferable:** Credits may be sold or given to another taxpayer. Credits may retain their original characteristics of the year they were earned, regardless of the year are purchased.
- **Expiring Credits:** Credits that may only be used for the year in which they were earned. Credits redeemed in an amount less than the issuance where the balance may expire in that same year.
- **Carry Back:** Credit that may be applied up to 3 prior years from the year earned by amending previous tax returns.
- **Carry Forward:** Credit that may be applied for a number of years in the future from the year it was earned (typically 5-10 years).
Annual Cap: Statute sets annual amount of tax credits that may be awarded in any one year under the program.

Cumulative Cap: Statute sets maximum amount of tax credits that may be awarded over a specified period of years under the program.

* * *
CHAPTER III

ECONOMIC DEVELOPMENT PROGRAMS
A. REDEVELOPMENT PROJECTS
What is the purpose of tax increment financing?

Tax increment financing (commonly referred to as “TIF”) is a statutory procedure available to cities, villages, incorporated towns or counties to encourage the redevelopment of “blighted” or “conservation” areas.

What types of projects are eligible for tax increment financing?

The TIF Act provides for the use of tax increment financing to pay all reasonable or necessary costs incurred or incidental to a redevelopment project. Such costs include the following:

1. Costs of studies, surveys and plans;
2. Professional service costs, such as financial advisory fees, bond counsel fees and planning expenses, subject to certain limitations as provided in the TIF Act;
3. Land acquisition and demolition costs;
4. Costs of rehabilitating and repairing existing buildings;
5. Initial costs for an economic development area;
6. Costs of constructing public works or improvements, such as street lighting, street repairs or parking;
7. Financing costs, including bond issuance costs, capitalized interest and reasonable reserves;
8. Capital costs incurred by any taxing jurisdiction as a direct result of the project;
9. Relocation costs; and
10. Payments in lieu of taxes.

How do you implement tax increment financing?

Any county that desires to implement a TIF project within the boundaries of a city within the county must first obtain the permission of the city’s governing body.

Before a municipality may implement tax increment financing, (1) the municipality must create a TIF commission made up of representatives of all taxing districts within the redevelopment area, (2) a redevelopment plan, including a description of the redevelopment area and the redevelopment projects therein, and a cost-benefit analysis must be prepared, (3) the TIF commission must hold a public hearing and make a recommendation to the municipality pertaining to the redevelopment plan, the redevelopment projects and the designation of the redevelopment area, and (4) the municipality must adopt an ordinance approving the redevelopment plan, the redevelopment projects and the designation of the redevelopment area. Once the ordinance is adopted, tax increment financing may be implemented for one or more redevelopment projects within a redevelopment area.

The TIF Act requires the municipality to make two key determinations before approving a TIF project. The first is the “blight” or “conservation” test: the redevelopment area must be classified as a “blighted” or a “conservation” area.

A “blighted area” is defined as an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.
A “conservation area” is any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which 50% or more of the structures in the area have an age of 35 years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area is required to meet at least 3 of the above factors.

The second required determination is the “but-for” test: but for the adoption of the redevelopment plan, the redevelopment area would not reasonably be anticipated to be developed. The TIF Act requires the developer to provide an affidavit of this determination.

**How do you finance a project?**

Tax increment financing involves the issuance of bonds or other obligations that are secured by a pledge of payments in lieu of taxes attributable to the increase in assessed valuation of taxable real property within the designated area resulting from redevelopment improvements, as well as a portion of the incremental economic activity taxes (sales and utility tax, etc.) generated within the redevelopment area.

When a TIF plan is adopted, the assessed value of real property in the redevelopment area is frozen for tax purposes at the current base level before construction of improvements. The owner of the property continues to pay property taxes at this base level. As the property is improved, the assessed value of real property in the redevelopment area increases above the base level. By applying the tax rate of all taxing districts having taxing power within the redevelopment area to the increase in assessed valuation of the improved property over the base level, a “tax increment” is produced. The tax increments, referred to as “payments in lieu of taxes” or “PILOTS,” are paid by the owner of the property in the same manner as regular property taxes. The payments in lieu of taxes are transferred by the collecting agency to the treasurer of the municipality and deposited in a segregated account referred to in the TIF Act as a “special allocation fund.” In addition, the county and city transfer 50% of all incremental sales and utility tax revenues, referred to as “economic activity taxes” or “EATS,” to the treasurer of the municipality for deposit into the special allocation fund. All or a portion of the money in the fund can then be used to pay directly for redevelopment project costs or to retire bonds or other obligations issued to pay such costs.

**What is “State TIF” and how does it add to a project?**

In certain limited cases, the State may make a portion of its revenues available to pay for redevelopment project costs. Among the conditions precedent for the appropriation of State revenues are: (1) approval by the Department of Economic Development and the Office of Administration of an application for State rebate; (2) submission of an affidavit signed by the developer stating the project would not be developed “but for” the rebate; (3) submission of a fiscal impact study upon the State, demonstrating the “net new” benefit the State will receive from the project; and (4) addition of the project by name to the Department of Economic Development’s budget legislation. In addition, the redevelopment plan must ensure that 100% of the payments in lieu of taxes and 50% of the economic activity taxes will be used for eligible redevelopment project costs, and will not be distributed to taxing districts as surplus funds.

If a project is eligible for application of State revenues, up to 50% of any new State revenues generated within a redevelopment area may, under certain circumstances, be rebated to the municipality for reimbursement of eligible redevelopment project costs. “New State revenues” means either (1) State sales taxes except those that are constitutionally dedicated, school district trust fund taxes, and sales and use taxes on motor vehicles, trailers, boats and outboard motors OR (2) State income tax withholding.
If State revenues are used, the program is limited in any year to the amount appropriated by the General Assembly, not to exceed $32,000,000 per year. State TIF may be awarded for a period of up to 15 years (a longer period may be requested, but not to exceed 23 years). Any expenditures made before approval of State TIF cannot be reimbursed with State funds.

**What limitations apply to tax increment financing?**

The bonds or other obligations secured by local TIF revenues must mature within 23 years.

Blighted areas (as defined above) in enterprise zones, blighted areas in federal empowerment zones, or blighted areas in central business district or urban core areas may qualify for the rebate of new State revenues (as described above). The central business district or urban core area must contain one or more buildings at least 50 years old, suffer from generally declining population or property taxes, or be a certain historic hotel described in the TIF Act or a certain federally-approved levee district.

**Special Program Considerations**

If the TIF Act power of condemnation will be used, the redevelopment plan must include a parcel-by-parcel determination of blight.

**Who can I contact for additional information?**

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
What is the purpose of the Missouri Downtown and Rural Economic Stimulus Act?

The Missouri Downtown and Rural Economic Stimulus Act (“MODESA”) is a new form of tax increment financing approved by the General Assembly in 2003. MODESA combines the use of local property tax increment and economic activity taxes with a portion of the State sales tax and State income tax withholding to assist development projects. MODESA permits cities and counties to use a portion of new tax revenues that otherwise would be paid on a completed project to repay all or a portion of the development costs, thereby reducing the net annual debt service on the completed project. In this manner, new tax revenues are not abated, but rather redirected to fund a portion of the costs of the development project. The availability of these new tax revenues to assist in paying project costs is intended to encourage developers to redevelop deteriorated or deteriorating downtowns.

What types of projects may be financed using MODESA?

MODESA may only be utilized for a “major initiative” in a municipality (a city, village, or incorporated town or any county of the State established on or before January 1, 2001). A “major initiative” is a project that promotes: (1) tourism, cultural activities, arts, entertainment, education, research, multipurpose facilities, libraries, ports, mass transit, museums and conventions, the estimated cost of which equals or exceeds the amount set forth below, or (2) business locations or expansions which create new jobs as set forth below within three years.

<table>
<thead>
<tr>
<th>Population of Municipality</th>
<th>Estimated Project Costs</th>
<th>New Jobs Created</th>
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</thead>
<tbody>
<tr>
<td>300,000 or more</td>
<td>$10,000,000</td>
<td>at least 100</td>
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<tr>
<td>100,000 to 299,999</td>
<td>$5,000,000</td>
<td>at least 50</td>
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<tr>
<td>50,001 to 99,999</td>
<td>$1,000,000</td>
<td>at least 10</td>
</tr>
<tr>
<td>50,000 or less</td>
<td>$500,000</td>
<td>at least 5</td>
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MODESA authorizes a municipality to provide long-term financing for development projects in designated development areas through the issuance of bonds or other obligations. Such bonds or obligations may be payable from the incremental increase in real estate taxes and 50% of the increase in certain other tax revenues generated by economic activities within the development area (including most sales taxes and earnings taxes). MODESA bonds or other obligations may be issued directly by a municipality or by a downtown economic stimulus authority on behalf of a municipality.

What steps are required to implement financing under MODESA?

Before a municipality may implement financing under MODESA, (1) the municipality must create a downtown economic stimulus authority, (2) a development plan, including a description of the development area and the development projects therein, must be prepared, (3) the authority or municipality must hold a public hearing and the authority must make a recommendation to the municipality pertaining to the development plan, the development projects and the designation of the development area, and (4) the municipality must adopt an ordinance (resolution in the case of counties) approving the development plan, the development projects and the designation of the development area as discussed below. Once the ordinance or resolution is adopted, development financing under MODESA may be implemented for one or more development projects within a development area. Because of various notice and hearing requirements, it will
take at least 90 days (and more commonly 120 days or longer) to establish an authority and adopt a
development plan.

What are the criteria for development areas eligible for financing under MODESA?

1. The development area is at or near the historic downtown;
2. The development area is a blighted area or a conservation area;
3. The median income of the municipality is below $62,000;
4. 50% of the development area’s buildings are in excess of 35 years old;
5. The historic land use was mixed use;
6. The development area does not exceed 10% of the entire area of a municipality;
7. The development area is not located in a 100 year flood plain unless the property is protected
   by a structure certified by the U.S. Army Corps of Engineers; and
8. The development area includes only the property that is directly and substantially benefited
   by the proposed development plan.

The development area must contain property that may be classified as either a “blighted area” or a
“conservation area” as such terms are defined in the MODESA Act. The entire development area need not
meet the criteria of one of these two categories, but must include only “those parcels of real property directly
and substantially benefited by the proposed development plan.” Thus, a larger development area that includes
property that is increasing in value can enhance the feasibility of a development project, provided the larger
area, on the whole, is a blighted or conservation area and is “directly and substantially benefited” by the
development plan.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
MISSOURI DOWNTOWN PRESERVATION ACT
(MoDESA Light)

[§§ 99.1080-99.1092 RSMO]

What is the purpose of the Downtown Preservation Program?

The purpose of the Downtown Revitalization Preservation Program (the “Downtown Preservation Program”), which is sometimes referred to as MODESA Lite, is to facilitate the redevelopment of downtown areas and the creation of jobs by providing essential public infrastructure.

Who may utilize the Downtown Preservation Program and what projects are eligible?

Any city or county in the state having fewer than 200,000 inhabitants and a median household income of $62,000 or less according to the last decennial census may utilize this program. To be eligible, the community must have a development project with its Central Business District (described below) which promotes tourism, cultural activities, arts, entertainment, education, research, arenas, multipurpose facilities, libraries, ports, mass transit, museums, economic development or conventions (referred to in the statute as a “Major Initiative”). The capital investment within the redevelopment project must be:

<table>
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<tr>
<th>Population of Municipality</th>
<th>Estimated Project Costs</th>
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</thead>
<tbody>
<tr>
<td>100,000 to 199,999</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>50,000 to 99,999</td>
<td>$1,000,000</td>
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<tr>
<td>1 to 9,999</td>
<td>$250,000</td>
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Eligible project costs that may be paid from revenues of the program include costs expended on public property, buildings or rights-of-way for public purposes to provide infrastructure for the project. Facades are an included eligible cost. Only initial expenses may be paid. Design costs and financing costs related to public infrastructure are among the eligible costs listed in the statute.

How is a project undertaken under the Downtown Preservation Program?

The procedural requirements of the Downtown Preservation Program have some similarities to MODESA. The municipality designates a “Central Business District” at or near its historic core that is traditionally known as the “downtown.” At least half of the existing buildings in the Central Business District must be at least 35 years old or vacant lots that had structures on them that were built at least 35 years prior to the adoption of the redevelopment plan. The historical Central Business District land use emphasis must be mixed uses, including business, commercial, financial, transportation, government and multifamily residential uses.

The municipality then designates a redevelopment area within the central business district and prepares and adopts a redevelopment plan for the redevelopment of the area after a public hearing is held. In addition to other required elements of the redevelopment plan, a displacement study (the Department of Economic Development may exempt smaller projects from this requirement) and an economic feasibility analysis must be included.

As part of adoption of the plan, the municipality must receive a determination of an independent third party that the redevelopment area on the whole is a “blighted” or “conservation” area (both terms are defined in the Downtown Preservation Program statute).
After adoption of the redevelopment plan, application is made to the Department of Economic Development for funding under the Downtown Preservation Program.

**What other considerations may be involved in undertaking a project under the Downtown Preservation Program?**

There are certain similarities between the Downtown Preservation Program and MODESA. Both allow the capture of certain State funds to pay project costs in the traditional downtown areas of communities. However, there are also a number of differences. Generally speaking, the requirements of the Downtown Preservation Program statute are designed to be an easier application process than MODESA. However, unlike MODESA, only 50% of incremental general revenue portion of State sales tax can be utilized for project costs, and there is no option to capture a portion of State income tax.

In terms of local tax revenues, the only revenues that are captured are one half of the incremental general sales taxes (e.g. not special sales taxes such as capital improvement sales taxes, law enforcement sales taxes, etc.) of the city and county, and the county may choose to opt out. No property taxes are captured under the Downtown Preservation Program. Revenues may be captured for up to 25 years.

A project that receives funding under the Downtown Preservation Program cannot thereafter receive tax increment financing assistance and continue to receive assistance under the program.

**Who can I contact for additional information?**

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
URBAN REDEVELOPMENT CORPORATIONS

[Ch. 353 RSMo]

What is the purpose of the Urban Redevelopment Corporations Law?

The Urban Redevelopment Corporations Law provides real property tax abatement to encourage the redevelopment of “blighted areas” throughout the State.

What types of projects are eligible for tax abatement under the Urban Redevelopment Corporations Law?

Tax abatement under the Urban Redevelopment Corporations Law is only available to real property that has been found to be a “blighted” by an eligible city or county. A “blighted area” is any area in a city or in an unincorporated portion of St. Louis or Jackson County which by reason of age, obsolescence, inadequate or outmoded design or physical deterioration has become an economic and social liability, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes.

How is real property tax abatement achieved under the Urban Redevelopment Corporations Law?

Tax abatement is available for a redevelopment project following (1) the creation of a redevelopment plan describing the project and proposed abatement, (2) a tax impact statement being sent to each taxing district within the boundaries of a proposed redevelopment area, (3) a public hearing, (4) approval of the redevelopment plan by the governing body of the city or county and (5) creation of an Urban Redevelopment Corporation under the general corporation laws of Missouri (i.e., articles of incorporation being filed with the Secretary of State).

To be eligible for the abatement, the Corporation must take title to the property to be redeveloped. Until December 31, 2006, an eligible city or county may grant the power of eminent domain to the Corporation to acquire any interest in any real property that is necessary to the redevelopment plan; thereafter, only the city or county may exercise the condemnation power. Since tax abatement is triggered on the day that the Corporation takes title to property, it is common for a Corporation to own property for a moment in time, and immediately transfer title back to the “developer” entity. In this situation, the developer will assume all of the rights, duties and obligations of the Corporation in the property by contract, and will receive the tax abatement as the authorized successor to the Corporation.

How much real property tax abatement is available under the Urban Redevelopment Corporations Law?

Tax abatement is available for up to 25 years. In the first period of abatement, not to exceed 10 years, (1) 100% of the incremental increase in real property taxes on the land may be abated, and (2) 100% of the real property taxes on all improvements may be abated. During this period, the property owner continues to pay real property taxes on the land in an amount equal to those assessed in the year before the Corporation took title. During the next abatement period, not to exceed 15 years, at least 50% and up to 100% of the incremental real property taxes on all land and all improvements may be abated. The individual periods of abatement and the total amount of the tax abatement are set by the governing body. The Corporation may take title to lots, tracts or parcels of property within the redevelopment area in phases, to maximize the tax abatement during a phased project.

Payments in lieu of taxes (“PILOTS”) may be imposed on the Corporation by contract with the eligible city or county, as applicable, to achieve an effective tax abatement that is less than the abatement established by statute. For example, PILOTs could be used to achieve an affective tax abatement of 20% for a 25-year
period. PILOTS are paid on an annual basis to replace all or part of the real estate taxes that are abated. PILOTS are allocated to each taxing district according to their proportionate share of ad valorem property taxes.

**What limitations apply to the tax abatement?**

Unless approved by three-fourths of the governing body of the eligible city or county, tax abatement benefits under this program are not available on property within a Planned Industrial Expansion Area (Sections 100.300 to 100.620 of the Revised Statutes of Missouri, as amended).

**Who can I contact for additional information?**

Missouri Department of Economic Development  
Business and Community Services Finance  
301 West High Street, Room 770  
P.O. Box 118  
Jefferson City, Missouri 65102  
Phone: 573-522-8004  
Fax: 573-522-9462  
E-mail: dedfin@ded.mo.gov
HISTORIC PRESERVATION CREDIT

[§§ 253.545 - 253.561 RSMo]

What is the purpose of the Historic Preservation Credit Program?

The Historic Preservation Credit program provides an incentive for the redevelopment of commercial and residential historic structures in Missouri.

How does the program work?

The Historic Preservation Credit program provides State tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures (provided such costs and expenses exceed 50% of the total acquisition cost of the property). Before receiving the tax credits, an application must be submitted to the Department of Economic Development, which will then submit the information to the Missouri Historic Preservation Office to determine the eligibility of the property and proposed rehabilitation. The proposed project will be reviewed based on the standards of the United States Department of the Interior.

An eligible property must be (1) listed individually on the National Register of Historic Places; (2) certified by the Missouri Department of Natural Resources as contributing to the historical significance of a certified historic district listed on the National Register of Historic Places; or (3) in a local historic district that has been certified by the United States Department of the Interior.

Who is eligible to apply for Historic Preservation tax credits?

Any taxpayer is eligible to participate in this program. Non-profit and government entities are not eligible.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried back to satisfy previous State tax liability due during each of the three previous taxable years and may be carried forward and allowed as a credit against any future taxes imposed on the owner within the next ten years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov

Missouri Department of Natural Resources
Missouri State Historic Preservation Office
P.O. Box 176
Jefferson City, Missouri 65102
Phone: 573-751-7858
Fax: 573-522-6262
E-mail: moshpo@dnr.mo.gov
DOWNTOWN REVITALIZATION ECONOMIC ASSISTANCE FOR MISSOURI INITIATIVE
(D·R·E·A·M INITIATIVE)

What is the purpose of the D·R·E·A·M Initiative?

The D·R·E·A·M Initiative is a comprehensive, streamlined approach to downtown revitalization that provides a one-stop shop of technical and financial assistance for select communities to more efficiently and effectively engage in the downtown revitalization process. The initiative was created through a partnership of three development agencies: the Missouri Department of Economic Development, the Missouri Development Finance Board and the Missouri Housing Development Commission.

The goal of the D·R·E·A·M Initiative is to help select Missouri communities: re-establish the properties in use in the downtown core, increase property tax values and sales tax opportunities, re-establish a sense of place and cultural heritage in the heart of the community, and attract private investment and new jobs.

What communities are eligible to apply for the D·R·E·A·M Initiative?

Any Missouri city can apply.

How does the D·R·E·A·M Initiative work?

Six to ten communities will be designated as D·R·E·A·M communities for a three-year period. Cities determined to have the greatest potential to not only make the investment required to secure their future, but also to sustain the effort, will be selected to participate based on the following criteria:

- Missouri communities that have developed, or will develop, a viable plan and execute the same for the renovation, rehabilitation and revitalization of the downtown;
- Communities presenting a comprehensive approach to downtown revitalization, rather than single-project events;
- Communities with the capacity to responsibly undertake a multi-dimensional initiative; and
- Communities with the ability to attract and maintain private investment.

Once designated as a D·R·E·A·M community, this unique new tool reduces the complexity involved in financing a community’s downtown revitalization plan through a coordinated approach. First, it centralizes several major State incentives. Second, it offers direct access to financial technical assistance at the preliminary proposal stage. Third, it is supported by a team of professionals specifically dedicated to helping the community rebuild its central business district. Fourth, it substantially shortens the redevelopment timeline.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 W. High Street
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-4173
Fax: 573-526-8999
Email: dream@ded.mo.gov
BROWNFIELD REMEDIATION

[§§ 447.700 - 447.718 RSMO]

What is the purpose of the Brownfield Remediation Program?

The Brownfield Remediation Program provides financial incentives for the redevelopment of commercial or industrial sites that are contaminated with hazardous substances and have been abandoned or underutilized for at least 3 years.

How does the program work?

The Brownfield Remediation Program provides state tax credits for up to 100% of the cost of remediating eligible properties. Before receiving the tax credits, (i) an application must be submitted to the Department of Economic Development; (ii) an application must be submitted to the Missouri Department of Natural Resources (“DNR”) for acceptance into DNR’s “Voluntary Cleanup Program”; (iii) if the property is not owned by a public entity, the city or county must endorse the project; and (iv) the project must be projected by the Department of Economic Development to result in the creation of at least 10 new jobs or the retention of 25 jobs by a private commercial operation.

Once both applications are approved, the Department of Economic Development will issue 75% of the credits upon adequate proof of payment of the costs of remediation and the remaining 25% upon issuance of a “clean letter” by DNR.

Remediation that is performed prior to receipt of a written authorization for remediation tax credits from the Department of Economic Development will not be eligible for tax credits and may jeopardize the project’s overall eligibility for the program. Applications may be submitted at any time and are reviewed on a case-by-case basis.

Who is eligible to apply for Brownfield Remediation tax credits?

Any taxpayer is eligible to participate in this program however, the applicant cannot be a party who intentionally or negligently caused the release or potential release of hazardous substances at the project site.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried forward and allowed as a credit against any future taxes imposed on the owner within the next 20 years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
OTHER PROGRAMS

MISSOURI RURAL ECONOMIC STIMULUS ACT (MoRESA)

Authorization

Sections 99.1000 to 99.1060 of the Revised Statutes of Missouri, as amended.

Additional Resources

http://go.missouridevelopment.org/programs and www.mda.mo.gov

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov

Missouri Agricultural and Small Business Development Authority
1616 Missouri Boulevard
P.O. Box 630
Jefferson City, Missouri 65102
Phone: 573-751-2129
Fax: 573-526-2415
E-mail: masbda@mda.mo.gov

BROWNFIELD JOBS AND INVESTMENT CREDIT

Authorization

Sections 447.700 to 447.718 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
BROWNFIELD DEMOLITION

Authorization

Sections 447.700 to 447.718 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
B. INFRASTRUCTURE DEVELOPMENT
COMMUNITY IMPROVEMENT DISTRICTS (CID)

[§§ 67.1401-67.1475 RSMO]

What is the purpose of a community improvement district?

A community improvement district (“CID”) may be created for the purpose of financing a wide range of public facilities, improvements or services within a municipality. A CID is either a separate political subdivision with the power to impose a sales tax, a special assessment or a real property tax, or a nonprofit corporation with the power to impose special assessments.

What types of projects may be financed by a CID?

A CID may fund public facilities or improvements within its boundaries, including the following:

1. Pedestrian or shopping malls and plazas.
2. Parks, lawns, trees and any other landscape.
3. Convention centers, arenas, aquariums, aviaries and meeting facilities.
4. Sidewalks, streets, alleys, bridges, ramps tunnels, overpasses and underpasses, traffic signs and signals, utilities, drainage, water, storm and sewer systems and other site improvements.
5. Parking lots, garages or other facilities.
7. Streetscape, lighting, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls and barriers.
8. Telephone and information booths, bus stop and other shelters, rest rooms and kiosks.
9. Paintings, murals, display cases, sculptures and fountains.
11. Any other useful, necessary or desired improvement.

A CID may also provide a variety of public services within its boundaries, including the following:

1. With the municipality’s consent, prohibiting or restricting vehicular and pedestrian traffic and vendors on streets.
2. Operating or contracting for the provision of music, news, child-care or parking facilities, and buses, mini-buses or other modes of transportation.
3. Leasing space for sidewalk café tables and chairs.
4. Providing or contracting for the provision of security personnel, equipment or facilities for the protection of property and persons.
5. Providing or contracting for cleaning, maintenance and other services to public and private property.
6. Promoting tourism, recreational or cultural activities or special events.
7. Promoting business activity, development and retention.
8. Providing refuse collection and disposal services.
9. Contracting for or conducting economic, planning, marketing or other studies.

A CID may also demolish, renovate or rehabilitate any building or structure, if the area has been found blighted and the governing body of the municipality has determined that such action is reasonably anticipated to remediate the blighting conditions and will serve a public purpose.

How is a CID created?

A CID is created by filing with the municipality where the proposed district will be located a petition signed by property owners that (1) collectively own at least 50% of the assessed value of the real property within the
proposed district and (2) are more than 50% per capita of all owners of real property within the proposed district. The petition must include a five-year plan that describes the purposes of the proposed district, the services it will provide, the improvements it will make and an estimate of the costs of the project.

Once the petition is filed, the governing body of the municipality shall hold a public hearing and may approve the creation of the proposed district by ordinance.

**How does a CID finance a project?**

A CID may be created as either a political subdivision or a nonprofit corporation. Once created, a CID that is created as a nonprofit corporation can finance the costs of a project through the imposition of special assessments for those improvements that specifically benefit the properties within the district. A CID that is created as a political subdivision can finance the costs of a project through the imposition of (1) special assessments for those improvements that specifically benefit the properties within the district; (2) property taxes; or (3) a sales tax up to a maximum of 1%. Either type of CID may finance the costs of a project through the imposition of fees, rents and charges for district property or services or grants, gifts and donations.

A CID may also issue bonds, notes and other obligations and may secure any of such obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the district. However, the bonds or other obligations of a CID that is created as a nonprofit corporation will not be tax-exempt.

**How is a CID different from a TDD?**

A transportation development district (a “TDD”) can only finance transportation-related improvements, while a CID can finance a wide-array of public improvements and services. A TDD can finance improvements that benefit the property within its boundaries; a CID generally cannot spend money on projects outside of its boundaries. TDD bonds can have a 40-year maturity, while CID bonds are limited to 20 years. A TDD property tax cannot exceed $0.10; there is no limit on the CID property tax.

**Who can I contact for additional information?**

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
TRANSPORTATION DEVELOPMENT DISTRICTS (TDD)

[§§ 238.200-238.275 RSMo]

What is the purpose of a transportation development district?

A transportation development district (“TDD”) is a separate political subdivision that may be created to fund, promote, plan, design, construct, improve, maintain and operate one or more transportation-related projects or to assist in such activity.

What types of projects may be financed by a TDD?

A TDD can finance any transportation-related improvement, including any bridge, street, road, highway, access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail, or other mass transit and any similar or related improvement or infrastructure. However, before construction or funding of any project, a TDD is required to submit the proposed project, together with the proposed plans and specifications, to the Missouri Highways and Transportation Commission and/or the local transportation authority for their prior approval. A “local transportation authority” is a county, city, town, village, county highway commission, special road district, interstate compact agency, or any local public authority or political subdivision having jurisdiction over any bridge, street, highway, dock, wharf, ferry, lake or river port, airport, railroad, light rail or other transit improvement or service.

How is a TDD created?

A TDD may be created by petition of (1) at least fifty registered voters within the proposed district, (2) if there are no registered voters within the district, the owners of all of the real property located within the proposed district or (3) the governing body of any local transportation authority in which a proposed project may be located. In addition, two or more local transportation authorities may adopt resolutions calling for the joint establishment of a district and then file a petition requesting its creation. In all cases, the petition is filed in the circuit court of the county in which the proposed project is to be located.

Once the petition is filed, the circuit court will certify the petition for voter approval by the qualified voters within the boundaries of the proposed district. A “qualified voter” means (1) any registered voter residing within the proposed district or (2) if no persons eligible to be registered voters reside within the proposed district, the owners of real property located within the proposed district.

How does a TDD finance a project?

Once created, a TDD can finance the costs of a project through the imposition of (1) special assessments for those improvements that specifically benefit the properties within the district; (2) a property tax in an amount not to exceed $0.10 per $100 of assessed valuation; (3) a sales tax up to a maximum of one percent; or (4) tolls and fees for use of the project. A TDD may also issue bonds, notes and other obligations and may secure its obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the district.

How is a TDD different from a CID?

A transportation development district (a “TDD”) can only finance transportation-related improvements, while a CID can finance a wide-array of public improvements and services. A TDD can finance improvements that benefit the property within its boundaries; a CID generally cannot spend money on projects outside of its
boundaries. TDD bonds can have a 40-year maturity, while CID bonds are limited to 20 years. A TDD property tax cannot exceed $0.10; there is no limit on the CID property tax.

Who can I contact for additional information?

Missouri Department of Transportation
Central Office
1511 Missouri Boulevard
P.O. Box 718
Jefferson City, Missouri 65102
Phone: 573-526-8106
Fax: 573-526-2819
E-mail: Mark.Mehmert@modot.mo.gov
TRANSPORTATION CORPORATIONS

[§§ 238.300-238.367 RSMo]

What is the purpose of a transportation corporation?

A transportation corporation may be created to fund, promote, plan, design, construct, maintain or operate any transportation-related project in connection with the Missouri highways and transportation system.

What projects can a transportation corporation finance?

A transportation corporation can finance any project that is a necessary or desirable extension of the Missouri highways and transportation system. A transportation corporation can only be used for projects that are owned by the State.

How is a transportation corporation created?

Any city, county or private party may create a transportation corporation by filing an application and preliminary plans and specifications for a proposed project with the Missouri Highways and Transportation Commission (the “Commission”). Following the submission of the application, the Commission will hold a public hearing and the governing body of each county, city, town or village in which all or part of the project is located must approve the project. Upon approval at the local level, the corporation’s articles of incorporation must be approved by the Commission and filed with the Secretary of State.

How does a transportation corporation finance a project?

The corporation may issue bonds, notes or other obligations to pay all or any part of the cost of a project. The obligations may be payable out of any of the property and revenues of the corporation. Such revenues may include payments derived from other entities pursuant to an intergovernmental cooperation agreement and fees, tolls and charges charged by the corporation for use of the project.

How is a transportation corporation different from a TDD?

Unlike a TDD, a transportation corporation has no ability to impose special assessments, property taxes or sales taxes.

Who can I contact for additional information?

Missouri Department of Transportation
Central Office
1511 Missouri Boulevard
P.O. Box 718
Jefferson City, Missouri 65102
Phone: 573-526-8106
Fax: 573-526-2819
E-mail: Mark.Mehmert@modot.mo.gov
What is the purpose of a neighborhood improvement district?

A neighborhood improvement district (“NID”) may be created for the purpose of financing public facilities or improvements that confer a benefit upon property within the district.

What projects can be financed by a NID?

A NID may fund public facilities or improvements including the following:

1. Acquisition of property.
2. Improvement of streets, gutters, curbs, sidewalks, crosswalks, driveway entrances and structures, drainage works incidental thereto and service connections from sewer, water, gas and other utility mains, conduits or pipes.
3. Improvement of storm and sanitary sewer systems.
4. Improvement of streetlights and street lighting systems.
5. Improvement of waterworks systems.
6. Improvement of parks, playgrounds and recreational systems.
7. Landscaping streets or other public facilities.
8. Improvement of flood control works.
9. Improvement of pedestrian and vehicle bridges, overpasses and tunnels.
10. Improvement of retaining walls and area walls on public ways.
11. Improvement of property for off-street parking.
12. Acquisition and improvement of other public facilities or improvements.
13. Improvements for public safety.

How is a NID created?

A NID is created by either an election held or petition circulated within the proposed district. If created pursuant to an election, the proposal must be approved by the percentage of voters within the proposed district voting thereon required for general obligation bonds (four-sevenths or two-thirds depending on the date of the election). Alternatively, a NID may be created by resolution or ordinance of the governing body of a municipality upon receipt of a petition signed by the owners of record of at least two-thirds by area of all real property located within the proposed district.

How does a NID finance a project?

A NID finances improvements through the imposition of special assessments apportioned against the property within the district. Once the creation of the NID has been approved, plans and specifications for the project and a preliminary assessment roll will be prepared and the governing body of the municipality will hold a public hearing. Following the completion of the construction of the project, the final costs and assessments will be computed and notice mailed to taxpayers. Charges may be assessed equally per front foot or per square foot or pursuant to any other reasonable assessment plan; provided, the amount of the assessment correlates to the benefits accruing to the property by reason of the improvements.

Once the preliminary assessment roll is prepared and following submission of a petition signed by a specified number of property owners or, in certain cases, an election, the governing body of the municipality can issue general obligation bonds.
The bonds are a form of general obligation bonds. The bonds are payable as to both principal and interest from the assessments and, if not so paid, from current income and revenue and revenues and surplus funds of the city or county that formed the district. The city or county is not authorized to impose any new or increased ad valorem property tax to pay principal of or interest on the bonds without voter approval. If the city or county uses funds on hand to pay debt service, the issuer can reimburse itself from assessments at a later date.

**Are there any limitations on the financing ability of a NID?**

The maximum amount of general obligation indebtedness incurred by a municipality for all NIDs approved by the municipality is limited to 10% of assessed value of all taxable tangible property within the municipality, as shown by the last completed assessment. The maturity of the bonds is limited to 20 years.

**How is a NID different than a CID or a TDD?**

Unlike other entities that could be created to finance improvements, a NID is not a separate legal entity. A NID has no power to impose a property tax or sales tax and is subject to the municipality’s constitutional debt limitation.

**Who can I contact for additional information?**

Missouri Department of Economic Development  
Business and Community Services Finance  
301 West High Street, Room 770  
P.O. Box 118  
Jefferson City, Missouri 65102  
Phone: 573-522-8004  
Fax: 573-522-9462  
E-mail: dedfin@ded.mo.gov
DEVELOPMENT/COOPERATION AGREEMENTS

[§§ 70.210-70.320 RSMo]

What is the purpose of entering into a development agreement?

As an alternative to tax increment financing (“TIF”), a municipality may enter into an agreement (commonly referred to as a “sales tax rebate agreement,” a “development agreement” or a “cooperative agreement”) with a property owner, whereby the private owner agrees to fund the costs of certain public improvements.

Who may enter into a development agreement?

Any political subdivision, private person or firm. The political subdivision must authorize the contract by ordinance, order or resolution.

How is a typical transaction structured?

Many retail developments require the installation of public improvements (such as roads, traffic signals and utilities) to accommodate the development. Under the typical agreement, the developer agrees to advance the costs of the public improvements. The political subdivision agrees to reimburse the developer for such costs, with interest, over a specified period of time. The agreement usually provides that only a portion of the incremental (i.e., new) sales tax revenues generated from the development will be used to reimburse the cost of the public improvements. This results in immediate new revenue to the municipality, while also providing a source of repayment for the public improvements.

Because the developer usually assumes responsibility for initial construction of the public improvements, the agreement will provide for payment of prevailing wages, payment and performance bonds, and indemnification of the governing body.

How is a development agreement different than a TIF?

Undertaking a sales tax rebate agreement is a fairly simple process, since the governing body is obligating only its funds – not the funds of any other political subdivision. No public hearing or consultation with other political subdivisions is required. The municipality need only approve the agreement by resolution, order or ordinance.

Who can I contact for additional information?

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
Phone: 573-635-9134
Fax: 573-635-9009
Email: info@mocities.com
C. INCENTIVE PROGRAMS FOR JOB CREATION AND CAPITAL PROJECTS
BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT (BUILD)

[§§ 100.700-100.850 RSMO]

What is the purpose of the Business Use Incentives for Large-Scale Development ("BUILD") Act?

The BUILD Act provides State income tax credits to companies that finance economic development projects involving the expansion of existing businesses or establishment of new businesses in Missouri if a substantial number of new jobs are created.

What companies are eligible to apply for BUILD Tax Credits?

An applicant must qualify as an “eligible industry,” which is a Missouri business engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce, office industries, or agricultural processing. Eligible industries exclude those providing retail, health or professional services, or which close or substantially reduce their operation at one location in the State and relocate substantially the same operation to another location in the State.

What are the minimum investment and job-creation requirements?

An eligible industry must (1) invest a minimum of $15,000,000 in an economic development project (only $10,000,000 if the eligible industry is an office industry defined as a regional, national or international headquarters, a telecommunications operation, a computer operation, an insurance company, or a credit card billing and processing center); and (2) create a minimum of 100 new jobs (500 new jobs if the project is an office industry or 200 new jobs if the project is an office industry located within a distressed community). A “distressed community” is defined by statute but generally is an area with a median household income of under 70% of the median household income for similar areas, according to the last decennial census. Approximately 180 communities and a number of census block groups in larger cities qualify as distressed communities. The Department of Economic Development keeps a list of distressed communities.

What economic development projects may be financed?

Economic development projects include the acquisition and the development of real property, including construction, installation, or equipping of a project, including surveys; site tests and inspections; subsurface site work; excavation; removal of structures, roadways, cemeteries and other surface obstructions; filling, grading and provision of drainage, storm water retention, installation of utilities such as water, sewer, sewage treatment, gas, electricity, communications and similar facilities; off-site construction of utility extensions to the boundaries of the real property, for use and occupancy by an eligible industry or its affiliates.

How are projects selected?

Companies submit applications to the Department of Economic Development, which makes recommendations to the Missouri Development Finance Board for project approval. An applicant must show significant local incentives committed to the project, must certify that at least one other state was considered for the project, and must certify that no new jobs would be created without the BUILD tax credits.

How are BUILD Tax Credits generated?

The Missouri Development Finance Board issues bonds and lends the proceeds to applicants. Borrowers are required to pay “assessments” to the Board that are defined to equal debt service on the bonds plus certain
other fees paid. The total of such payments is referred to as an “assessment.” The assessments paid may not exceed 5% of the total gross wages in each year of all employees whose jobs were created as a result of the project (10% if the project is located within a distressed community). Borrowers are entitled to a tax credit equal to the total assessments paid in each year. Tax credits will be proportionately reduced to the extent borrowers fail to create the number of new jobs projected in the application for the project.

What are the limits on BUILD tax credits?

Tax credits available under the program may not exceed a period of 15 years. The maximum amount of tax credits available in any year for all participants under the BUILD program may not exceed $15,000,000.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov

Missouri Development Finance Board
Governor’s Office Building
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, Missouri 65102
Phone: 573-751-8479
Fax: 573-526-4418
E-mail: mdfb@ded.mo.gov
MISSOURI QUALITY JOBS ACT

[§§ 620.1875-620.1890 RSMO]

What is the purpose of the Missouri Quality Jobs Act?

The primary goal of the Missouri Quality Jobs Act is to encourage the creation of quality jobs.

What are the requirements for a “quality” job?

The average wage of new jobs must equal or exceed the county average wage, and the company must offer and pay at least 50% of the premium for health insurance.

What businesses are eligible?

For-profit and non-profit businesses except for gambling, retail trade, food and drinking places, companies regulated by the Public Service Commission, companies that are delinquent in non-protested taxes or other payments (State, federal or local), or any company that has filed for or has publicly announced its intention to file for bankruptcy.

Eligible businesses are divided into three categories:

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Minimum New Jobs Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small and expanding</td>
<td>Rural areas: 20 or more within two years of DED approval</td>
</tr>
<tr>
<td></td>
<td>Non-rural areas*: 40 or more within two years of DED approval</td>
</tr>
<tr>
<td>Technology</td>
<td>10 or more jobs with a technology company (as classified by NAICS codes) within two years of DED approval</td>
</tr>
<tr>
<td>High Impact</td>
<td>100 or more within two years of hiring of first new job; first new job must be hired within one year of the DED approval</td>
</tr>
</tbody>
</table>

* includes Boone, Buchanan, Clay, Greene, Jackson, St. Charles and St. Louis Counties and the City of St. Louis

What benefits do businesses receive?

Small and expanding businesses retain the State withholding tax for the new jobs. Technology and high impact businesses not only get to retain the State withholding tax for the new jobs but also receive State income tax or financial institution tax credits, which are refundable and may be sold. Benefits are based on a percentage of the payroll for the new jobs. Program benefits are not provided until the minimum new job threshold is met and the company meets the average wage and health insurance requirements.

Small and Expanding Business: A qualified company may retain an amount equal to the withholding tax from the new jobs that would otherwise be withheld and remitted by the qualified company for a period of 3 years from the date the required number of new jobs were created if the average wage of the new payroll equals or exceeds the county average wage or for a period of 5 years from the date the required number of new jobs were created if the average wage of the new payroll equals or exceeds 120% of the county average wage in the county the project facility is located.
Technology Business. A qualified company may retain an amount equal to 5% of the new payroll for a period of 5 years from the date the required number of jobs were created from the withholding tax of the new jobs that would otherwise be withheld and remitted by the qualified company if the average wage of the new payroll equals or exceeds the county average wage. An additional ½% of new payroll may be added if the average wage of the new payroll in any year exceeds 120% of the county average wage in the county in which the facility is located, or an additional 1% percent of new payroll may be added if the average wage of the new payroll in any year exceeds 140% of the average wage in the county in which the facility is located. If the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company, the Department of Economic Development will issue a refundable/transferable tax credit for any difference, not to exceed $500,000 per year, per company.

High Impact Business. A qualified company may retain an amount from the withholding tax of the new jobs that would otherwise be withheld and remitted by the qualified company equal to 3% of new payroll for a period of 5 years from the date the required number of jobs were created if the average wage of the new payroll equals or exceeds the county average wage of the county in which the facility is located. The percentage of payroll allowed to be withheld increases to 3½% if the average wage of the new payroll in any year exceeds 120% of the county average wage or 4% if the average wage of the new payroll in any year exceeds 140% of the county average wage. An additional 1% of new payroll may be added to these percentages if local incentives equal between 10% and 24% of the new direct local tax revenue derived from the project over a 10-year period; an additional 2% of new payroll is added to these percentages if the local incentives equal between 25% and 49% of the new direct local tax revenue; or an additional 3% of payroll is added to these percentages if the local incentives equal 50% or more of the new direct local tax revenue. If the withholding tax is not sufficient to provide the entire amount of benefit due to the qualified company, the Department of Economic Development will issue a refundable/transferable tax credit for any difference, not to exceed $750,000 per year, per company.

How often may a business qualify for benefits under the Quality Jobs Act?

Each time a business meets the minimum new job threshold, it may start a new five-year period (three-year period for small and existing businesses) for the net new jobs created. There is no limit on the number of periods a company may use the program, as long as a new Notice of Intent is completed and minimum new job thresholds and other program qualifications are met.

Are there any other limits on benefits under the Quality Jobs Act?

Tax credits issued for all projects under the program may not exceed $12,000,000 per calendar year. A business cannot earn benefits for the same new jobs at the project facility under this program if the business is also earning tax credits or exemptions under the Missouri Enterprise Zone program or Enhanced Enterprise Zone program, Business Facility program, Rebuilding Communities program, or Brownfield Jobs and Investment program. The benefits available under any other programs that utilize withholding tax from the new jobs of the company must first be credited to the other program before the withholding retention level applicable under this program will begin to accrue. These other programs include, but are not limited to, the New Jobs Training Program, the Retained Jobs Training Program, the Real Property Tax Increment Allocation Redevelopment Act (TIF), or the Missouri Downtown Economic Stimulus Act (MODESA). If the business utilizes the New Jobs Training Program, the Qualifying Jobs benefits would not include the withholding taxes but only the state tax credits.
Who can I contact for additional information?

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INDUSTRIAL DEVELOPMENT BONDS
ISSUED FOR TAX ABATEMENT

[ART. VI, § 27(b); §§ 100.010-100.200 RSMo]

What is the purpose of the industrial development bonds ("IDBs") issued under Article VI, Section 27(b) of the Missouri Constitution and Sections 100.010 to 100.200 of the Revised Statutes of Missouri, as amended?

Cities, counties, towns and villages are authorized to issue IDBs (also referred to as “Chapter 100 Bonds”) to finance industrial development projects for private corporations, partnerships and individuals. Because the municipality will hold title to property being financed, under the Missouri Constitution such property could be exempt from property taxation if properly structured.

What types of IDBs may be issued?

IDBs can be issued as either revenue or general obligation bonds. Revenue bonds issued by a municipality do not require voter approval and are payable solely from revenues received from the project. Alternatively, a municipality may, with the requisite voter approval, issue general obligation bonds to finance any project. The amount of such bonds may not exceed 10% of the assessed valuation of the taxable tangible property in the municipality. The bonds must be approved by four-sevenths of the voters if the election is held on a municipal, primary or general election date, or two-thirds of the voters if the election is held on any other date. Like other general obligation bonds, the IDBs are secured by the full faith and credit and taxing power of the municipality. The issuance of general obligation bonds for industrial development projects is fairly uncommon today.

What industrial development projects may be financed?

The types of projects that can be financed with IDBs include the costs of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, industrial plants, and facilities for other commercial purposes, including land, buildings, fixtures and machinery.

What preliminary actions must be taken before IDBs can be issued?

The municipality must prepare a plan for the proposed project that must identify the primary terms of the proposed transaction. If the IDBs are revenue bonds, the plan must also identify any payments in lieu of taxes expected to be made, and must include a cost-benefit analysis that shows the impact of the proposed tax abatement on each taxing district. The municipality must provide notice of a proposed project involving revenue bonds to each affected city, county, school district and junior college district at least 20 days before approving the plan.

How is a typical IDB issue structured?

In a typical IDB transaction, the company will convey to the municipality fee simple title to the site on which the industrial development project will be located (or, if the IDBs are being issued for equipment only, then title to the equipment is transferred to the municipality). At the same time, the municipality will lease the project site, together with all improvements thereon (including the project), back to the company pursuant to a lease agreement. The lease agreement will require the company, acting on behalf of the municipality, to use the proceeds of the bonds to purchase and construct the project. The company will be unconditionally obligated to make lease payments in amounts that will be sufficient to pay principal and interest on the bonds.
as they become due. Thus, the municipality merely acts as a conduit for the financing. Pursuant to a trust indenture, the municipality will assign to the trustee, for the benefit of the bondowners, its right to receive rental payments from the company under the lease agreement.

**What is the basis for tax abatement?**

A properly structured IDB transaction should result in abatement of property taxes by virtue of the municipality’s ownership of the project. If the municipality determines that partial tax abatement is desirable, the company may make “payments in lieu of taxes” to the municipality. The amount of payments in lieu of taxes is negotiable. In any event, the payments in lieu of taxes would be payable by December 31 of each year, and are generally distributed to the municipality and other taxing jurisdictions in the same manner and in the same proportion as property taxes would otherwise be distributed under Missouri law.

**Are there other benefits of IDBs?**

If the bonds are issued to pay the costs of certain manufacturing facilities, the bonds may be able to be issued as tax-exempt bonds carrying lower interest rates than those obtained through conventional financing. The combination of tax-exempt financing and tax abatement would result in a significant financial benefit to a company.

**Who can I contact for additional information?**

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ENHANCED ENTERPRISE ZONES

[§§ 135.950-135.973 RSMo]

What is the purpose of Enhanced Enterprise Zones?

The purpose of Enhanced Enterprise Zones is to provide real property tax abatement and State income tax credits to new or expanding businesses in certain specified geographic areas designated by local governments and certified by the Missouri Department of Economic Development.

How are Enhanced Enterprise Zones designated?

Zone designation is based on certain demographic criteria specified by statute, the potential to create sustainable jobs in a targeted industry and a demonstrated impact on local industry cluster development.

What real property tax abatement is available in Enhanced Enterprise Zones?

At least one-half of the ad valorem taxes otherwise imposed on improvements to real property located in an enhanced enterprise zone is exempt from assessment and payment of all ad valorem taxes for a period of not less than ten years following the date such improvements were assessed if the improvements are used for enhanced business enterprises. No real property tax exemption may be granted for a period of more than 25 years after the enhanced enterprise zone was designated.

What businesses are eligible for State income tax credits?

Individual business eligibility will be determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Gambling establishments, retail trade, and food and drinking places are prohibited from receiving the State tax credits. Service industries can be eligible if a majority of their annual revenues will be derived from services provided out of the State. The Department will consult with the local government in determining eligibility.

How are tax credits earned?

A facility must create at least two new jobs and $100,000 in new investment in each year as compared to the base year (the year before the commencement of operations at the facility). Eligible investment expenditures include the original cost of machinery, equipment, furniture, fixtures, land and building, and/or eight times the annual rental rate paid for the same. Inventory is not eligible.

What limitations apply to the tax credits?

Tax credits may be earned for up to ten tax years after a project commences operations. Tax credits can only be applied to State income tax liability (excluding withholding taxes) for the year in which they were earned. The tax credits are refundable or may be transferred, sold or assigned. The sale price cannot be less than 75% of the par value of such tax credits. Tax credits will be in an amount authorized by the Department based on the State economic benefit, supported by the number of new jobs and new capital investment that the project will create. Total tax credits issued under this program are limited to $4,000,000 during 2006 and $7,000,000 thereafter.

A business cannot earn tax credits under this program if earning Enterprise Zone, Business Facility, Rebuilding Communities or Brownfield Jobs and Investment tax credits for the same project for the same tax period. If a project is eligible for more than one such program, the business must choose only one program.
Who can I contact for additional information?

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OTHER PROGRAMS

DEVELOPMENT TAX CREDIT

What is the purpose of the Development Tax Credit Program?

To facilitate a business project in distressed or blighted areas in order to create new jobs or retain jobs.

How are the tax credits generated?

State tax credits are available to taxpayers making contributions to a nonprofit corporation for projects approved by the Department of Economic Development. The credits are equal to 50% of cash contribution or the value of certain types of property. The program may be used for the acquisition of land or buildings through the purchase from cash contributions or donation of real estate. The acquisition of new or used machinery and equipment is also eligible if it is to be placed in an existing building.

Where must a project be located to qualify?

The project must be located in an area that qualifies or could qualify as a “blighted” or “conservation” area as defined in the Real Property Tax Increment Allocation Redevelopment Law (§99.805, RSMo), an enterprise zone (Ch. 135.200 et seq., RSMo), or an urban redevelopment area (Ch. 353, RSMo).

What types of projects are eligible under the Program?

Generally, manufacturing, processing or assembly business projects that propose wages above the average for the area and provide health benefits are prioritized. Other types of projects may be considered for approval if tax credits remain near the end of the State fiscal year. Projects must result in a positive economic benefit to the State taking into consideration other State incentives provided for the project, and new public costs necessary to support the project.

How are projects selected?

Applications by nonprofit corporations will be approved based on compliance with all program criteria, the need for tax credits to make a project feasible, a positive economic impact on the State and the availability of tax credits. The company cannot make a public announcement of the project before the Department’s contingent approval of an application.

How are projects structured?

Once a project has been approved, the Department, the nonprofit corporation and the company enter into a Development Tax Credit Agreement, and the nonprofit corporation and the company enter into a lease agreement for the project. The nonprofit corporation must retain ownership of all properties acquired by the contribution for a minimum of five years. The Department may allow a longer lease period depending on the needs of the project. The eventual disposition of properties acquired by the contribution will be no less than 75% of the fair market value of the facility, excluding the value of leasehold improvements.

Only nonprofit corporations authorized to operate in Missouri and headquartered in the geographic area of the proposed project are eligible recipients of contributions. The company that will lease the project from the nonprofit corporation cannot have significant representation on the nonprofit corporation’s board. Nonprofit corporations ineligible to participate in the program include churches and their denominational headquarters, units of government and any affiliated organization under such entities’ direct supervision, partisan organizations and public or tuition-based private schools.
How may the tax credits be used?

Tax credits can be used against any of the following taxes otherwise due: (1) State income tax under Chapter 143, RSMo; (2) the corporation franchise tax under Chapter 147, RSMo; (3) certain taxes on banks and other financial institutions under Chapter 148, RSMo; (4) the annual tax on gross premium receipts of insurance companies under Chapter 148, RSMo; and (5) the annual tax on gross receipts of express companies under Chapter 153, RSMo. Tax credits may be carried forward for up to five years. Credits may be transferred, sold or assigned.

What limits apply to the tax credits?

The amount of tax credits available for a single project is limited to the lesser of $500,000, or $10,000 per full-time, permanent job created by the business within two years of execution of the lease, and must be the least amount necessary to cause the project to occur. Credits authorized under this program are limited to $6,000,000 per fiscal year during 2005-06 and 2006-07 and $4,000,000 per fiscal year thereafter.

Who can I contact for additional information?

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SALES TAX EXEMPTION – MANUFACTURING EQUIPMENT

Machinery and equipment used to establish a new manufacturing facility or expand an existing manufacturing facility (including replacement machinery and equipment) is exempt from local and State sales/use tax if such machinery/equipment is used directly to manufacture a product ultimately intended for sale.

Missouri courts have been very liberal in interpreting the types of machinery and equipment that a manufacturer can acquire that is sales/use tax exempt. Otherwise taxable properties may be acquired if such properties are part of the overall integrated manufacturing process used in the area of production, and essential in the manufacturing process.

INVENTORY PROPERTY TAX EXEMPTION

All personal property held as industrial inventories, including raw materials, work in progress and finished work on hand, by manufacturers and refiners, and all personal property held as goods, wares, merchandise, stock in trade or inventory for resale by distributors, wholesalers, or retail merchants or establishments is exempt from all State and local property taxes.
D. Worker Training Incentives
NEW JOBS TRAINING PROGRAM

[§§ 178.892-178.896 RSMo]

What is the purpose of the New Jobs Training Program?

In cooperation with local community colleges, the Department of Economic Development’s Division of Workforce Development ("DWD") assists companies creating new jobs in Missouri by providing financing to educate and train new employees.

Who is eligible for the New Jobs Training Program?

This program is available to eligible business that will create new jobs within the State and is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products; conducting research and development; or providing services in interstate commerce, excluding retail services.

What types of costs can an eligible employer finance?

This program provides funding for any training arrangement that provides “program services” including, but not limited to, the following:

1. New jobs training;
2. Adult basic education and job-related instruction;
3. Vocational and skill-assessment services and testing;
4. Training facilities, equipment, materials, and supplies;
5. On-the-job training;
6. Subcontracted services with State institutions of higher education, private colleges or universities, or other federal, state, or local agencies; and
7. Contracted or professional training services.

On-the-job training can include the wages or salaries of participating employees (not to exceed the average of 50% of the total wages paid by the employer to each participant during the training period and not to exceed 50% of the training project). Training activities such as orientation, pre-employment training and occupational skill training can also be financed.

What is the application process?

Once the potential project is identified, the community college will submit a Notice of Intent to DWD, followed by a completed application outlining the details of the training program. DWD will review the application to determine whether the project duplicates other State-funded job training programs already being undertaken by the employer. Upon approval, the community college will enter into a formal agreement with the company to provide training services.

How does the New Jobs Training Program finance new jobs?

Employers pay State withholding taxes on all employees. Under this program, an employer pays the same amount it otherwise would, but receives a credit for a portion of the taxes attributable to employees in the new jobs. The credit is equal to 2.5% of gross wages for the first 100 new jobs and 1.5% for any remaining new jobs. The credit may be claimed for up to 8 years if the project is more than $500,000; otherwise, the credit may be claimed for up to 10 years.
The credit can be applied in one of two ways. One option is a “pay-as-you-go” method, whereby the employer pays the costs of training as they are incurred. Under this structure, the Department of Revenue distributes the credit (as described above) to the community college, and the college uses the credit to reimburse the employer for the training costs. The second option is for the college to issue “job training certificates” (which are similar to bonds), and the certificate proceeds are used to pay the job training costs. When the Department of Revenue distributes the credit to the community college, the college can use the credit to pay the principal of and interest on the certificates.

Who can I contact for additional information?

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RETAINED JOBS TRAINING PROGRAM

[§§178.760-178.764 RSMO]

What is the purpose of the Retained Jobs Training Program?

In cooperation with local community colleges, the Department of Economic Development’s Division of Workforce Development (“DWD”) assists companies retaining jobs in Missouri by providing financing to educate and train employees.

Who is eligible for the Retained Jobs Training Program?

This program is available to any business that will retain jobs within the State that have been in existence for at least two consecutive years and is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products; conducting research and development; or providing services in interstate commerce, excluding retail services.

To meet the requirements for the program, a business must have (1) maintained at least 100 employees per year at the employer’s site in the State at which the jobs are based for 2 years preceding the year in which application for the program is made; (2) retained at that site the level of employment that existed in the taxable year immediately preceding the year in which application for the program is made; and (3) made or agreed to make a capital investment aggregating at least $1,000,000 to acquire or improve long-term assets (including leased facilities) such as property, plant, or equipment (excluding program costs) at the employer’s site in the State at which jobs are based over a period of 3 consecutive years, and (a) has made substantial investment in new technology requiring the upgrading of worker’s skills; (b) is located in a border county of the State and represents a potential risk of relocation from the State; or (c) has been determined to represent a substantial risk of relocation from the State by the director of the Department of Economic Development.

What types of costs can an eligible employer finance?

This program provides funding for any training arrangement that provides “program services” including, but not limited to, the following:

1. Retained jobs training;
2. Adult basic education and job-related instruction;
3. Vocational and skill-assessment services and testing;
4. Training facilities, equipment, materials, and supplies;
5. On-the-job training (for a period of 6 months from the date of the employer’s capital investment);
6. Subcontracted services with State institutions of higher education, private colleges or universities, or other federal, State, or local agencies; and
7. Contracted or professional services.

On-the-job training can include the wages or salaries of participating employees (not to exceed the average of 50% of the total wages paid by the employer to each participant during the training period).

What is the application process?

Once the potential project is identified, the local community college will submit a Notification to DWD, followed by a completed application outlining the details of the training program. DWD will review the application to determine whether the project duplicates other State-funded job training programs already being undertaken by the employer. Upon approval, the community college will enter into a formal agreement with the company to provide training services.
How does the Retained Jobs Training Program finance retained jobs?

Employers pay State withholding taxes on all employees. Under this program, an employer pays the same amount it otherwise would, but receives a credit for a portion of the taxes attributable to employees in the new jobs. The credit is equal to 2.5% of gross wages for the first 100 new jobs and 1.5% for any remaining new jobs. The credit may be claimed for up to 8 years if the project is more than $500,000; otherwise, the credit may be claimed for up to 10 years.

The credit can be applied in one of two ways. One option is a “pay-as-you-go” method, whereby the employer pays the costs of training as they are incurred. Under this structure, the Department of Revenue distributes the credit (as described above) to the community college, and the college uses the credit to reimburse the employer for the training costs. The second option is for the college to issue “job training certificates” (which are similar to bonds), and the certificate proceeds are used to pay the job training costs. When the Department of Revenue distributes the credit to the community college, the college can use the credit to pay principal of and interest on the certificates.

Who can I contact for additional information?

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MISSOURI CUSTOMIZED TRAINING

[§§ 620.470 - 620.481 RSMo]

What is the purpose of the Missouri Customized Training Program?

The Missouri Customized Training Program provides assistance to eligible Missouri businesses to reduce training costs and improve production. The program is administered by the Department of Economic Development’s Division of Workforce Development (“DWD”) with cooperation from the Department of Elementary and Secondary Education. The program provides assistance to new or expanding industries through reimbursement for the training, retraining or upgrading of the skills of potential employees. The program may also provide assistance to locate skilled employees and provide additional sources of job training funds. In addition, the program provides assistance for existing industries through reimbursement for the retraining and upgrading of employees’ skills that are required to support new investment.

Who is eligible for the Customized Training Program?

Assistance is available for eligible employers making investments directly related to an increase in employment which requires training of new employees or the retraining/upgrading of skills of existing employees for new positions created by the employer’s capital investment. “New” industries do not include the change of ownership of a business or the relocation of a business within the State. An “expanding” industry is an industry increasing its workforce over its peak level of employment in the past year.

Assistance is also available for industries in Missouri that make substantial investments in property, facilities or equipment without the creation of new employment. Employers will not be approved if assistance exceeds 20% of the value of the new capital investment.

Other eligibility criteria apply, including industry or occupation types, wage rates, etc.

What types of activities are eligible for financing through the Customized Training Program?

Activities eligible for reimbursement under these programs include:

1. Wages of instructors, who may or may not be employees of the industry;
2. Training development costs, including the cost of training of instructors;
3. Training materials and supplies, including the purchase of packaged training programs when appropriate;
4. Travel directly related to the training program;
5. Tuition payments to third-party training providers and to the industry;
6. Teaching and assistance provided by educational institutions in the State of Missouri;
7. On-the-job training; and
8. Leasing of, but not the purchase of, training equipment and space.

What is the application process?

Eligible businesses can submit an Employer Request for Training to DWD before the start date of training or hiring. DWD will then review the application to determine the project’s eligibility for the program.

How does the Customized Training Program finance eligible activities?

Moneys to operate the program are obtained from appropriations made by the General Assembly from the Missouri Job Development Fund. Appropriations made from the fund shall be for the purpose of providing for vocational-related training or retraining provided (1) by public or private training institutions within Missouri,
(2) by public or private training institutions located outside of Missouri and (3) on site by any proprietorship, partnership or corporate entity within Missouri.

Except for State-sponsored pre-employment training, no industry shall be reimbursed for more than 50% of the total costs of its participation in the program. Funds are subject to annual appropriation from the General Assembly.

Who can I contact for additional information?

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E. BOND FINANCING PROGRAMS
MISSOURI DEVELOPMENT FINANCE BOARD

[§§ 100.250-100.297 RSMo]

INDUSTRIAL DEVELOPMENT, INFRASTRUCTURE AND OTHER REVENUE BONDS

What is the advantage of the industrial development and other revenue bonds issued by the Missouri Development Finance Board?

The Missouri Development Finance Board (the “Board”) is authorized to issue revenue bonds to provide cost-effective financing for many different types of projects for private businesses, nonprofit and governmental entities. Although certain projects that can be financed through the Board overlap with those permitted to be financed by cities, counties and industrial development authorities, the Board’s list of permissible projects is broader than those permitted to be financed by other issuers. In addition, the Board is uniquely qualified to issue bonds for certain types of projects located at more than one site in the State.

What types of projects can be financed with revenue bonds issued by the Board?

Authorized projects include a factory, assembly plant, manufacturing plant, fabricating plant, distribution center, warehouse building, office building, port terminal or facility, transportation and transfer facility, industrial plant, processing plant, commercial or agricultural facility, nursing or retirement facility or combination thereof, recreational facility, cultural facility, public facilities, job training or other vocational training facility, infrastructure facility, video-audio telecommunication conferencing facility, office building, facility for the prevention, reduction, disposal or control of pollution, sewage or solid waste, facility for conducting export trade activities, or research and development building in connection with any of the above facilities.

The Board has placed special emphasis on certain types of projects:

- **Industrial development revenue bonds.** The Board has established a program to target certain qualified manufacturing facilities that may be eligible for the issuance of tax-exempt bonds.

- **Cultural facilities revenue bonds.** The Board is the only governmental issuer authorized to issue bonds for cultural facilities for qualified 501(c)(3) entities, such as museums.

- **Infrastructure facilities revenue bonds.** The Board issues bonds and loans the proceeds to governmental entities to finance infrastructure improvements. Such improvements include highways, streets, bridges, water supply and distribution systems, mass transportation facilities and equipment, telecommunication facilities, jails and prisons, sewers and sewage treatment facilities, wastewater treatment facilities, airports, railroads, reservoirs, dams and waterways in the State, acquisition of blighted real estate and the improvements thereon, demolition of existing structures and preparation of sites in anticipation of development, public facilities, and any other improvements provided by any form of government or certain development agencies.

Are all bonds issued by the Board “tax-exempt”?

If the bonds are issued to pay the costs of certain types of projects (*e.g.*, manufacturing facilities, solid waste disposal facilities, certain governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing. In addition, all bonds issued by the Board regardless of their purpose are exempt from income taxation by the State of Missouri.
What are the costs of issuing bonds through the Board?

Recently, the Board adopted a new, lower bond issuance fee schedule:

*Private Activity Bonds:*
Issuance fee of 0.30% ($75,000 maximum)

*Local Government Bonds:*
Issuance fee of 0.25% up to $25 million; 0.10% above $25 million ($75,000 maximum)

Does the Board issue bonds for the purpose of providing property tax abatement similar to Chapter 100 Bonds?

The Board will permit the issuance of bonds to provide tax abatement under certain limited circumstances. The Board will consider assisting with tax abatement only on projects that have a capital investment of at least $25 million and/or employ over 500 jobs at the facility or over 1,000 jobs in the State. The local governmental entity (city or county) requesting abatement for a company also must hold a public hearing to take and consider public comment on the proposal and adopt a resolution requesting that the Board provide the tax abatement.

Under such a structure, the company receiving abatement will convey title to the property being financed to the Board, and the Board will lease the project back to the company pursuant to a lease agreement. The lease agreement will require the company, acting on behalf of the Board, to use the proceeds of the bonds to purchase and/or construct the project. The company will be unconditionally obligated to make payments in amounts that will be sufficient to pay principal and interest on the bonds as they become due. Pursuant to a trust indenture, the Board will assign to the trustee, for the benefit of the bondowners, its right to receive rental payments from the company under the lease agreement.

Because the Board will hold title to the project, the project is by law exempt from property taxation. However, the Board will require the company to make payments in lieu of taxes to local taxing jurisdictions in a certain percentage of property taxes that would otherwise be due, which percentage is negotiated between the sponsoring municipality and the company.

**MISSOURI DEVELOPMENT FINANCE BOARD BOND GUARANTEE**

What types of bonds may be guaranteed by the Board?

Only bonds issued to finance infrastructure facilities are eligible to be guaranteed.

How does the guarantee work?

The Board may authorize a State income tax credit to the owner of revenue bonds issued by the Board in the amount equal to the unpaid principal of and interest on such bonds in the taxable year of such owner following the calendar year of the default. The tax credit is also available to any financial institution or guarantor executing a credit facility as security for bonds, including for payment of any unpaid fees imposed by such financial institution or guarantor for the credit facility.
What are the requirements for the Board to guarantee bonds?
Before issuing the bonds, the Board must determine that: (1) the availability of a tax credit is a material inducement to the undertaking of the project in the State and to the sale of the bonds; and (2) the loan with respect to the project is adequately secured by security satisfactory to the Board.

What if the tax credit exceeds the total State income tax liability?
Any portion of the tax credit to which any owner of a bond is entitled that exceeds the total income tax liability of such owner may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next ten years.

Are the tax credits transferable?
A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits (1) for no less than 75% of the par value of such credits, and (2) in an amount not to exceed 100% of annual earned credits.

Who can I contact for additional information?
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PORT FACILITIES

[CHAPTER 68 RSMo]

What are the purposes for which a Port Authority may be created?

Local or regional port authorities may be created to promote the general welfare, to promote development within the port district, to encourage private capital investment by fostering the creation of industrial facilities and industrial parks, to endeavor to increase the volume of commerce, and to promote the establishment of a foreign trade zone within its boundaries.

What entities can form a Port Authority?

Port authorities may be formed by any city or county that is situated upon, or adjacent to, or which embraces within its boundaries, a navigable waterway. Only one port authority can be created within each city (with the exception of the City of St. Louis).

How is a Port Authority created?

Any eligible city or county that desires to create a local port authority must submit an application to the Missouri Highways and Transportation Commission (the “Commission”) (with the exception of the City of St. Louis, whose port authority is created by statute without further approval). The Commission will conduct hearings and consider the application. The Commission will consider the following criteria:

1. The population of the city or county submitting the application;
2. If applicable, the desirability and economic feasibility of having more than a single port authority within the same geographic area;
3. The technical and economic capability of the participating cities or counties, as well as private interests, to plan and carry out port development within the proposed district;
4. The amount of actual and potential river traffic that would make use of any facilities developed by a port authority;
5. The potential economic impact on the immediate area surrounding the proposed district; and
6. The potential impact on the economic development of the entire State and how the proposed port authority’s developmental activities relate to any State plans.

Any application will be automatically granted if it is made by: (1) Kansas City, (2) Jackson County or (3) a group of cities or counties, where at least one entity meets the above criteria. No boundary of any proposed port authority may overlap the boundary of any existing port authority.

It is also possible for cities and counties (with or without existing port authorities) to form regional port authorities, also by application to the Commission. If this occurs, any local port authority is dissolved and merged into the regional port authority. Existing port districts to be included in the proposed regional port authority must be contiguous.

What types of projects may be undertaken by a Port Authority?

Port authorities may provide for the following improvements or services:

1. Construction of all wharves, piers, bulkheads, jetties, or other structures;
2. Prevention or removal of obstructions in harbor areas, including the removal of wrecks, wharves, piers, bulkheads, derelicts, jetties or other structures endangering the health and general welfare of the port districts (excluding the removal of a sunken facility or vessel);
3. Acquisition, construction, redevelopment, leasing, maintenance, conducting of land reclamation and resource recovery with respect to unimproved land, residential developments, commercial developments, mixed-use developments, recreational facilities, industrial parks, industrial facilities, terminals, terminal facilities, warehouses and any other type port facility;

4. Acquisition of rights-of-way and property; and

5. Improvement of navigable and non-navigable areas as regulated by federal statute.

Can a Port Authority issue bonds?

Once created, a port authority may issue revenue bonds or notes to finance its improvements or services. If the bonds are issued to pay the costs of certain types of projects (e.g., manufacturing facilities, port facilities, certain other “exempt” facilities, or governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing.

Who governs a Port Authority?

Once the application to create the port authority is approved by the Commission, a port authority is a separate political subdivision of the State. Each port authority has a separate board of at least seven commissioners who are appointed in the manner determined by the legislative body of the city or county who requested its creation.

Who can I contact for additional information?

Missouri Department of Transportation
Central Office
1511 Missouri Boulevard
P.O. Box 718
Jefferson City, Missouri 65102
Phone: 573-526-8106
Fax: 573-526-2819
E-mail: Mark.Mehmert@modot.mo.gov
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY (LCRA)

[§§ 99.300-99.660 RSMo]

What is the purpose of a Land Clearance for Redevelopment Authority?

A Land Clearance for Redevelopment Authority (an “Authority”) may be created to assist counties and municipalities to redevelop blighted or insanitary areas for residential, recreational, commercial, industrial or public uses.

How is an Authority created?

Before an Authority may operate in a city or county, the governing body of the city or county must (1) find that one or more “blighted” or “insanitary” areas (each as defined in the LCRA law) exist in the community and that the redevelopment of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of the community, and (2) approve the conduct of business by the Authority. Although any municipality or county can authorize the operation of an Authority, any municipality that contains less than 75,000 inhabitants is required to obtain majority voter approval to allow the Authority to operate. Regional authorities may also be created where two or more cities or counties cooperate to do so.

Who governs an Authority?

An Authority is governed by a board of five commissioners appointed by the mayor for a municipal authority or county commission for a county authority. Commissioners must be taxpayers who have resided in the city or county forming the Authority for at least 5 years. In the case of a regional Authority, each city or county appoints one commissioner.

What powers can an Authority exercise?

The LCRA law provides for the financing of any land clearance or urban renewal project.

A “land clearance project” includes any work or undertaking to acquire blighted or insanitary areas or portions thereof; clearing any such areas by demolition or removal of structures and improvements thereon and to install, construct or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with a redevelopment plan; retain, sell or lease the land; and develop, construct, repair or improve residences, houses, buildings, structures and other facilities.

An “urban renewal project” includes any surveys, plans, undertakings and activities for the elimination and for the prevention of the spread or development of insanitary, blighted, deteriorated or deteriorating areas and may involve any work or undertaking for such purpose constituting a land clearance project or any rehabilitation or conservation work, or any combination of such undertaking or work in accordance with an urban renewal project.

“Rehabilitation or conservation work” is also defined in the statute and may include such things as carrying out plans for rehabilitation of buildings and other improvements, acquiring real property and demolition and clearing of such property to accomplish certain enumerated purposes; developing buildings and other structures; installing improvements necessary for carrying out the urban renewal project; and the disposition of the urban renewal project and related land.
What type of funding mechanisms are available to an Authority to carry out its purposes?

An Authority may issue bonds and may secure any of such obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the Authority, respectively. If the bonds are issued to pay the costs of certain types of projects (e.g., manufacturing facilities or governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing. Bond issues in excess of $10,000,000 must be sold at public sale.

Any property held by the Authority in fee simple is subject to property tax abatement. A developer could enter into a financing arrangement similar to Chapter 100 where the developer receives the benefit of the abatement during the period any bonds remain outstanding.

In addition, in any constitutional charter city, any person may apply to that community’s Authority for certification that real property owned, leased or rented by such person is located in a blighted area. After the Authority receives acceptable plans demonstrating that the person making the application is engaged in new construction or rehabilitation of the real property in accordance with an approved urban renewal or redevelopment plan, the Authority shall issue a certificate of qualification for tax abatement to the applicant.

What other considerations may be involved in an Authority undertaking a project?

No real property can be acquired by the Authority until a plan is adopted by the governing body. An Authority may use the power of eminent domain to acquire any interest in any real property that is necessary to the redevelopment plan.

An Authority is a separate political entity required to comply with all Missouri laws applicable to political subdivisions (e.g., public meetings, Sunshine Law requirements, annual budgets, etc.). At least once a year the Authority must file a report of its activities with the city or county clerk where the Authority is located. Also, every five years the governing body of the city or county is to have a hearing to determine whether the Authority is making satisfactory progress under the time schedules in plans that have been approved.

Many provisions of the LCRA law are similar to the Planned Industrial Expansion Authority (“PIEA”) law. However, the PIEA law is available only to cities with a population of at least 400,000 and to home rule charter cities. Additionally, the PIEA law is focused on industrial development.

Who can I contact for additional information?

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
Phone: 573-635-9134
Fax: 573-635-9009
Email: info@mocities.com
PLANNED INDUSTRIAL EXPANSION AUTHORITY (PIEA)

[§§ 100.300-100.620 RSMo]

What is the purpose of a Planned Industrial Expansion Authority?

A Planned Industrial Expansion Authority (an “Authority”) may be created to facilitate industrial or commercial development in certain areas.

How is an Authority created?

Only cities with a population of at least 400,000 and cities that have adopted a charter under Article VI, Section 19 of the Missouri Constitution may utilize an Authority. Before an Authority may operate in a city, the governing body of the city must (1) find that one or more “blighted” or “insanitary” or “undeveloped industrial areas” exist in such community and that the redevelopment of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of such city and (2) approve the transacting of business and the exercise of powers of the Authority by ordinance or resolution.

Who governs an Authority?

An Authority is governed by a board of fifteen commissioners (except in St. Louis where there are five commissioners). The board is appointed by the mayor. Commissioners must be taxpayers who have resided in the city for at least 5 years.

What powers can an Authority exercise?

The PIEA law provides for the financing of any project for industrial development. A “project” includes any work or undertaking:

1. To acquire blighted, insanitary and undeveloped industrial areas or portions thereof including lands, structures or improvements the acquisition of which is necessary or incidental to the proper industrial development of the blighted, insanitary and undeveloped industrial areas or to prevent the spread or recurrence of conditions of blight, insanitary or undevelopment;

2. To clear any such areas by demolition or removal of existing buildings, structures, streets, utilities or other improvements thereon and to install, construct or reconstruct streets, utilities and site improvements essential to the preparation of sites for uses in accordance with a plan;

3. To construct, reconstruct, remodel, repair, improve, install improvements, buildings, plants, additions, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers, machines, fixtures, structures and other facilities related to industrial and commercial uses;

4. To sell, lease or otherwise make available land in such areas for industrial and commercial or related use or to retain such land for public use, in accordance with a plan.

“Industrial Development” includes the acquisition, clearance, grading, improving, preparing of land for industrial and commercial development and use and the construction, reconstruction, purchase, repair of industrial and commercial improvements, buildings, plants, additions, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers, machines, fixtures, structures and other facilities relating to industrial and commercial use in blighted,
insanitary or undeveloped industrial areas; and the existing merchants, residents, and present businesses shall have the first option to redevelop the area under the PIEA law.

**What type of funding mechanisms are available to an Authority to carry out its purposes?**

An Authority may issue bonds and may secure any of such obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the Authority, respectively. If the bonds are issued to pay the costs of certain types of projects (e.g., manufacturing facilities or governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing. Bond issues in excess of $10,000,000 must be sold at public sale.

The tax abatement benefits contained in Chapter 353 of the Revised Statutes of Missouri, as amended (The Urban Redevelopment Corporations Law) are not available on land and improvements situated within a project area under the PIEA law, unless approved by three-fourths of the city’s governing body.

**What other considerations may be involved in an Authority undertaking a project?**

No real property can be acquired by the Authority until a plan is adopted by the governing body. An Authority may use the power of eminent domain to acquire any interest in any real property that is necessary to the industrial development plan.

An Authority is a separate political entity required to comply with all Missouri laws applicable to political subdivisions (e.g., public meetings, Sunshine Law requirements, annual budgets, etc.). At least once a year the Authority must file a report of its activities with the city clerk where the Authority is located. Also, every five years the governing body of the city is to have a hearing to determine whether the Authority is making satisfactory progress under the time schedules in plans that have been approved.

Many provisions of the PIEA law are similar to the Land Clearance for Redevelopment Authority (“LCRA”) law. However, the LCRA law is available to counties and all cities, and has a broader scope of eligible projects.

**Who can I contact for additional information?**

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
Phone: 573-635-9134
Fax: 573-635-9009
Email: info@mocities.com
ENVIRONMENTAL IMPROVEMENT AND ENERGY RESOURCES AUTHORITY

[§§ 260.005-260.125 RSMO]

What is the purpose of the State Environmental Improvement and Energy Resources Authority?

The State Environmental Improvement and Energy Resources Authority (the “EIERA”) provides financial assistance for projects that support the environment, energy efficiency and energy alternatives.

The EIERA provides assistance through several programs, including the Missouri Leveraged State Revolving Fund (“SRF”), the Missouri Energy Efficiency Leveraged Loan Program and the Missouri Market Development Program. The EIERA administers these programs with the assistance of the Missouri Department of Natural Resources, the Missouri Clean Water Commission, the Missouri Safe Drinking Water Commission and other State agencies and the U.S. Environmental Protection Agency (“EPA”).

MISSOURI STATE REVOLVING FUND (“SRF”)

What is the SRF?

The Missouri SRF program is a subsidized low-interest loan program established pursuant to the Federal Clean Water Act of 1987. It was developed by the EIERA and the Missouri Department of Natural Resources in cooperation with the Missouri Clean Water Commission and the Missouri Safe Drinking Water Commission, and provides subsidized low-interest-rate loans to qualifying applicants for clean water and drinking water projects.

Who is eligible for this program?

Certain non-profit water systems and any political subdivision of the State with voter authorization to issue general obligation and/or revenue bonds (and, in very limited circumstances, annual appropriation obligations) for the planning, design and construction of a public wastewater system or a public drinking water system.

How does the program work?

To obtain this financing, the eligible participant must submit an application to the Missouri Department of Natural Resources and be approved for inclusion on the Intended Use Plans for clean water and drinking water, as approved by the Missouri Clean Water Commission and Missouri Safe Drinking Water Commission, respectively. In addition, the participant must have voter authorization to issue general obligation and/or revenue bonds. Once the application is approved, the participant’s bonds are purchased by the EIERA with proceeds of EIERA bonds. Funds generated by the sale are used for construction by the participant. As construction costs are incurred, State and federal funds are deposited into a reserve account in an amount equal to 70% or more of the construction cost. Interest earned on the reserve is credited to the interest portion of the debt service charge on the participant’s bonds, thereby providing the interest subsidy to the participant.

MISSOURI ENERGY EFFICIENCY LEVERAGED LOAN PROGRAM

What is the Missouri Energy Efficiency Leveraged Loan Program?

The Energy Efficiency Leveraged Loan Program provides low-interest loans to implement cost-effective energy-efficiency upgrades.
Who is eligible for this program?

Any public school, university, college, city or county government, public hospital or water treatment plant is eligible to apply for loan funds to finance implementations of energy conservation projects. The applicant must own and operate the building, facility or system associated with the proposed project. Further, the building, facility or system must have an expected operational life greater than the project’s loan repayment period.

How does the program work?

An eligible entity must submit an application to the EIERA. An energy project may include costs for design, acquisition, installation, commissioning and other associated project costs determined by the EIERA as eligible. Loan repayments are made from the energy savings generated and thus are not considered debt to the loan recipient. Funding for the loans is provided by bonds issued by the EIERA.

MISSOURI MARKET DEVELOPMENT PROGRAM

What is the Missouri Market Development Program?

The Missouri Market Development Program promotes the development of markets for recovered materials and recycled content products throughout Missouri by providing financial incentives, technical assistance and information services to businesses, governments and other organizations. In doing so, the program helps recycling expand its role in a sustainable economy for Missouri, contributing to a quality environment, conserving resources and reducing reliance on Missouri’s landfills for solid waste disposal. Recycling market development helps ensure that recyclables collected from residents and businesses are used by companies as raw materials in manufacturing products that are purchased and used by consumers.

Who is eligible for this program?

Any individual, private business, non-profit organization or public institution currently operating in Missouri or who will be operating in the State as a result of the project.

What projects are eligible for funding under this program?

Eligible projects include those resulting in the manufacture of products from recovered materials and/or the final processing of recovered materials into feedstock. All projects must be located in Missouri and be based on a technology that has been demonstrated beyond the research stage (i.e., research and development projects are not eligible). Further, they must be technically feasible for full-scale operation and comply with all applicable environmental, safety, and legal requirements.

How does the program work?

The program funds up to 75% of eligible costs with a maximum funding level of $50,000. Eligible expenses include only the purchase of manufacturing equipment and machinery to manufacture products that contain recovered materials (other than internal or mill-broke). Equipment purchased for the final processing of recovered materials to be used by others in the manufacture of recycled content products is also eligible. Prior to funding an eligible entity must submit an application to the EIERA. Funding for approved projects will be provided as a reimbursement of costs incurred for the purchase of the equipment.
OTHER PROGRAMS

The EIERA provides assistance through several other programs including the Missouri Brownfield Revolving Loan Fund and the issuance of private activity bonds for qualifying environmental, pollution prevention or energy-related projects.

Who can I contact for additional information?

Environmental Improvement and Energy Resources Authority
325 Jefferson Street
P.O. Box 744
Jefferson City, Missouri 65102
Phone: 573-751-4919
Fax: 573-635-3486
E-mail: eiera@dnr.mo.gov
MISSOURI AGRICULTURAL AND SMALL BUSINESS DEVELOPMENT AUTHORITY

[CHAPTER 348 RSMo]

What is the purpose of the Missouri Agricultural and Small Business Development Authority?

The Missouri Agricultural and Small Business Development Authority (the “Authority”) is a seven-member bipartisan commission tasked with helping new and expanding agricultural producers finance their operations and add value to their products through promoting the development of agriculture and small business and reducing, controlling, and preventing environmental damage in Missouri.

The Authority provides assistance through several programs including the Missouri Value-Added Grant Program, the Missouri Value-Added Loan Guarantee Program, the New Generation Cooperative Incentive Tax Credit Program and the Agricultural Products Utilization Contributor Tax Credit Program.

MISSOURI VALUE-ADDED GRANT PROGRAM

What is the Missouri Value-Added Grant Program?

The Missouri Value-Added Grant Program provides grants for projects that add value to Missouri agricultural products and aid the economy of a rural community.

What expenses are eligible for grants under the Value-Added Grant Program?

Applicants may receive grant funds for expenses related to the creation, development and operation of a value-added agricultural business including: feasibility studies, marketing studies, legal assistance, marketing plans, business plans, prospectus development for cooperatives, and operational consulting.

Grant funds cannot be used for the following expenses: business start-up (except as detailed in program guidelines); business expansion (unless qualified under the program); debt financing; substituting existing efforts or research already underway; institutional overhead costs; production costs; operational costs such as payroll, utilities, inventory, insurance, and advertising; purchasing land, buildings, or equipment, implementing feasibility studies, marketing studies, marketing plans, or business plans (except as detailed in the program guidelines); and application fee or grant writing expenses.

How much funding is available?

The maximum grant to any person, groups of individuals, businesses or organizations related to a value-added rural agricultural business concept is $200,000. However, 10% of the available funds under this program will be awarded to grant requests of $25,000 or less.

Who is eligible for this program?

Applicants may include an individual (or a group of individuals) who is at least 18 years old and a Missouri resident, a business or an organization related to agriculture. Each proposed value-added agricultural business concept must be based in Missouri.
How does the program work?

An applicant (or group of applicants) must submit a proposal to the Authority. Proposals will be selected on a competitive basis. Each proposal will be evaluated and rated using the following criteria: economic development potential for the agricultural industry; credibility and merit; probability of near-term commercialization and practical application of project results; presence, source and level of matching funds; and the economic impact of the project.

**Missouri Value-Added Loan Guarantee Program**

What is the Missouri Value-Added Loan Guarantee Program?

The Missouri Value-Added Loan Guarantee Program provides a 50% first-loss guarantee to lenders who make agricultural business development loans for the acquisition, construction, improvement, or rehabilitation of agricultural property used for the purpose of processing, manufacturing, marketing, exporting, and adding value to an agricultural product. “Agricultural property” includes: land, buildings, structures, improvements, equipment, stock in a start-up cooperative that processes an agricultural product, and plant stock for grapes which will be processed into wine.

The Authority will not guarantee loans made for a line of credit, working capital, or producing livestock or agricultural crops (except for grapes to be processed into wine).

Who is eligible for this program?

Borrowers may include an individual who is at least 18 years old and a Missouri resident, or a partnership, corporation, firm, cooperative, association, trust, political subdivision, State agency or other legal entity executing a note or other evidence of an agricultural business development loan. Each project must be based in Missouri.

How does the program work?

Borrowers wishing to secure a loan through the Authority’s loan guarantee program must first apply and secure a loan with an independent bank, savings & loan, or Farm Credit System. Once the loan is approved, the lender must submit an application to the Authority.

Are there any required loan terms under the program?

The Authority may approve an applications for a loan amount up to $250,000 with a loan guarantee available for up to 10 years. The interest rate charged to a borrower is subject to negotiation between the lender and the borrower, but cannot exceed the rate normally charged by the lender for similar loans. A borrower must provide at least 10% of the cost of the project as down payment and must provide a first deed of trust or lien on the financed property.

**Agricultural Products Utilization Contributor Tax Credit Program**

What is the Agricultural Product Utilization Contributor Tax Credit Program?

The Authority is authorized to grant an Agricultural Product Utilization Contributor Tax Credit in an amount up to 100% of a contribution made to the Authority and used for financial or technical assistance to rural agricultural business concepts.
**How does the program work?**

The Authority publicizes the availability of the tax credits along with a deadline for accepting applications for the program. Pursuant to State law, the Authority is required to approve tax credits based on the least amount of credits required for the contributions. Therefore, tax credits for contributions are offered on a competitive basis.

**Who is eligible for the tax credits?**

Any person, partnership, corporation, trust, limited liability company or other donor making an eligible donation to the Authority.

**What if the tax credit exceeds the total State income tax liability?**

Any portion of the tax credit may be carried back to satisfy previous State tax liability due during each of the three previous taxable years and may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next five years.

**Are the tax credits transferable?**

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

**NEW GENERATION COOPERATIVE INCENTIVE TAX CREDIT PROGRAM**

**What is the New Generation Cooperative Incentive Tax Credit Program?**

New Generation Cooperative Incentive Tax Credits are available to induce producer-member investment into new generation processing entities that will process Missouri agricultural commodities and agricultural products into value-added goods, provide substantial benefits to Missouri’s agricultural producers, and create jobs for within the State.

A “producer-member” is a person, partnership, corporation, trust or limited liability company whose main purpose is agricultural production that invests cash funds to an eligible new generation cooperative or eligible new generation processing entity.

**How does the program work?**

Before issuing any tax credits, the new generation processing entities must be organized, file an application for Requesting Certification of New Generation Cooperative Incentive Tax Credits, which must be approved by the Authority. After investment, producer-members then file a Member Application for Requesting New Generation Cooperative Incentive Tax Credits.

**Who is eligible for the tax credits?**

New generation processing entities, partnerships, corporations, cooperatives, or limited liability companies organized or incorporated pursuant to the laws of Missouri and consisting of not less than 12 members, approved by the Authority, for the purpose of owning or operating within this State a development facility or a renewable fuel production facility in which producer-members (1) hold a majority of the governance or voting rights of the entity and any governing committee; (2) control the hiring and firing of management; and (3) deliver agricultural commodities to the entity for processing, unless processing is required by multiple entities.
“Development facility” is a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product.

A “renewable fuel production facility” is a facility producing an energy source that is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-products derived from such energy source.

**What is the amount of the tax credit?**

The amount of a tax credit issued to a producer-member may be the lesser of 50% of the producer-member’s cash investment or $15,000. However, if a producer-members’ investment in a new generation “Large Capital Project” processing entity would be eligible for tax credits in excess of the project’s allocation (maximum allocation per project is $1.5 million) or “Employee Qualified Capital Project” (maximum allocation per project is $3.0 million), tax credits will be pro-rated between producer-members on a percent of investment basis, not to exceed the maximum allowed per producer-member.

**What if the tax credit exceeds the total State income tax liability?**

Any portion of the tax credit may be carried back to satisfy previous State tax liability due during each of the three previous taxable years and may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next five years.

**Are the tax credits transferable?**

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

**OTHER PROGRAMS**

The Authority provides assistance through several other programs including the Beginning Farmer Loan Program, the Single-Purpose Animal Facilities Loan Guarantee Program and the Animal Waste Treatment Loan Program.

**Who can I contact for additional information?**

Missouri Department of Agriculture
Agricultural Business Development Division
Missouri Agricultural and Small Business Development Authority
1616 Missouri Boulevard
P.O. Box 630
Jefferson City, Missouri 65102
Phone: 573-751-2129
Fax: 573-522-2416
E-mail: masbda@mda.mo.gov
**INDUSTRIAL DEVELOPMENT CORPORATIONS**

**[Chapter 349 RSMo]**

**What is the purpose of an Industrial Development Corporation?**

Industrial Development Corporations (“Corporations”) can be formed by any city or county in the State to issue bonds and notes for the purpose of financing a variety of projects.

**What types of projects can be financed by Corporations?**

The list of projects that Corporations can finance is broad, but there are certain notable ineligible projects. Corporations can finance the purchase, construction, extension and improvement of plants, buildings, structures, or facilities, whether or not now in existence, including the real estate, used or to be used as a factory, assembly plant, manufacturing plan, processing plant, fabricating plant, distribution center, warehouse building, public facility, waterborne vessels excepting commercial passenger vessels for hire in a city not within a county built before 1950, office building, for-profit or not-for-profit hospital, not-for-profit nursing or retirement facility or combination thereof, physical fitness, recreational, indoor and resident outdoor facilities operated by not-for-profit organizations, commercial or agricultural facility, or facilities for the prevention, reduction or control of pollution. In connection with such projects, the bond proceeds may be used to finance land, buildings, structures, fixtures, machinery and equipment. Specifically excluded from financing under the Industrial Development Corporations Act are facilities designed for the sale or distribution to the public of electricity, gas, water, or telephone, and any cable television or other public utility-type facility.

If a city-formed Corporation finances a project outside the city limits, it must receive the permission of the county. Similarly, a county-formed Corporation cannot finance a project in a city without permission from the city.

**Who governs a Corporation?**

Each Corporation has a board of directors. There must be at least 5 directors, each of whom must be a duly qualified elector and taxpayer in the city or county that forms the Corporation. The directors must be resident taxpayers for at least one year immediately before their appointment. No director can be an officer or employee of the county or municipality.

**What are some of the characteristics of bonds and notes issued by a Corporation?**

Bonds of a corporation must mature within 40 years, and may be sold at a public or private sale at a price not less than ninety-five percent of the principal amount thereof. Corporations can also issue notes that mature in 5 years or less. The notes may be issued in anticipation of an issue of bonds and, similar to bonds, may be sold at a public or private sale at a price not less than ninety-five percent of the principal amount thereof with a maximum rate of interest that cannot exceed the maximum rate, if any, applicable to general and business corporations.

If the bonds are issued to pay the costs of certain types of projects (e.g., manufacturing facilities, facilities for 501(c)(3) nonprofit corporations, solid waste disposal and other “exempt” facilities, or governmental purposes), the bonds may be able to be issued as tax-exempt bonds for federal income tax purposes, carrying lower interest rates than those obtained through conventional financing.
What are some typical financing structures used by Corporations?

In a typical industrial development bond structure, the Corporation issues its bonds pursuant to a trust indenture entered into between the Corporation and a bank or trust company acting as trustee. The bond proceeds are deposited with the trustee bank to be used to complete the project. The Corporation and the company enter into a loan or lease agreement, which sets forth specific requirements regarding the application of the bond proceeds to purchase and construct the project. Regardless of the type of agreement used, the company will be entitled to possession and use of the project after it is acquired or completed and will be unconditionally obligated to make payments to the trustee sufficient to pay principal and interest on the bonds as they become due.

Corporations can also issue bonds secured by other types of revenues, such as tax increment financing revenues or neighborhood improvement district special assessments. These structures will also use a trust indenture and typically involve a financing agreement between the Corporation and the city or county involved, under which the tax increment financing revenues or special assessments will be used by the Corporation to pay debt service on bonds.

Are there any additional requirements when Corporations issue bonds or notes?

Each Corporation must file a report (Form IDC-90R) with the Missouri Department of Economic Development not later than January 31 of each year. This report must include the terms of bonds issued during the prior year and information with respect to the benefiting companies and the projects.

Also, each Corporation must comply with the Missouri Open Meetings Law, Sections 610.010 to 610.030 of the Missouri Revised Statutes.

Who can I contact for additional information?

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
Phone: 573-635-9134
Fax: 573-635-9009
Email: info@mocities.com
F. COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS

What is the purpose of the Community Development Block Grant Program?

The Community Development Block Grant Program offers grants to Missouri communities to improve local facilities, address health and safety concerns and develop a greater capacity for growth. Authorization for the program is set forth in 42 U.S.C. §5301, et seq.; 24 CFR Part 570; and Missouri’s “Consolidated Plan” submitted to the U.S. Department of Housing and Urban Development.

Who is eligible to receive Community Development Block Grants?

Community Development Block Grant funds are only available to cities or counties in non-entitlement areas (incorporated municipalities with a population under 50,000 and counties with a population under 200,000). Projects must benefit at least 51% low to moderate income persons, address a slum or blighted condition, or meet an urgent threat to health and safety.

What types of projects are eligible for grants under the Community Development Block Grant Program?

- **Action Fund Loan** – loans to private companies resulting in the creation of jobs.
- **Community Facilities** – development of a public facility designed to provide services from a central location (senior center, community center, fire station, etc.)
- **Downtown Revitalization** – public infrastructure and improvements that significantly contribute to the revitalization or redevelopment of downtown areas.
- **Emergency** – projects meeting an urgent threat to health and safety.
- **Industrial Infrastructure Grant** – public infrastructure development that results in the creation of jobs by a private company benefiting from the infrastructure.
- **Interim Financing Loan** – short-term loan to a private company resulting in the creation of jobs.
- **Speculative Industrial Building Loan** – loans to a nonprofit development organization to develop a shell building for industrial purposes.
- **Water and Wastewater** – publicly owned water and wastewater improvements and new construction. Proposals must be reviewed by the Missouri Water and Wastewater Review Committee before application is made.
- **Other Public Needs** – eligible activities that are not addressed with a specific Community Development Block Grant category as listed above. Examples include: bridges, streets, housing demolition, handicapped accessibility in public buildings, or other activities deemed important for the economic growth of the community.
- **Rural Affordable Housing Request for Proposals** – included as part of the other public needs category listed above. Proposals must address housing development for low to moderate income persons, and must match low-income housing tax credit or other Missouri Housing Development Commission funding applications.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
G. COMMUNITY DEVELOPMENT INCENTIVES
**NEIGHBORHOOD ASSISTANCE PROGRAM**

[§§ 32.100 - 32.125 RSMo]

What is the purpose of the Neighborhood Assistance Program?

The Neighborhood Assistance Program provides assistance to community-based organizations to enable them to implement community or neighborhood projects in the areas of community service, education, crime prevention, job training and physical revitalization.

How does the program work?

The Neighborhood Assistance Program provides State tax credits to an eligible taxpayer in an amount equal to either 50% or 70% of a qualified contribution to an approved Neighborhood Assistance Program project. Prior to receive the tax credit, an application must be made to the Department of Economic Development. Applications may be submitted any time after applications become available (March) to qualify for a project the following fiscal year (July 1-June 30) and not later than March 1 of the following year. Applications are reviewed until funding is depleted. Preference is given to projects addressing specified program outcomes. The program also seeks projects located in distressed communities and in target communities as determined by the Department of Economic Development.

Who is eligible to apply for the program?

Any business, non-profit corporation, 501(c)(3) organization or individuals who operate a sole proprietorship, operate a farm, have rental property or have royalty income, individuals who are a shareholder in an s-corporation, a partner in a partnership or a member of a limited liability corporation who make an eligible donation to an approved Neighborhood Assistance Program project.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next five years.

Are the tax credits transferable?

No. The tax credits may not be sold or transferred.

What are the limits on the Neighborhood Assistance tax credits?

Applicant organizations may request a maximum of $250,000 in 50% tax credits per year or $350,000 in 70% tax credits per year if the organization is located in a qualifying rural area.

The maximum amount of tax credits available in any year for all participants under the program may not exceed $18,000,000. The tax credits are allocated at the discretion of the Department of Economic Development as follows: $12,000,000 million in 50% credits; and $6,000,000 million in 70% credits (reserved for projects in certain lower population or unincorporated areas). These allocations are subject to change.
Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov
YOUTH OPPORTUNITIES TAX CREDIT PROGRAM

§135.460; §§620.1100 – 620.1103 RSMo

What is the purpose of the Youth Opportunities Tax Credit Program?

The Youth Opportunities Tax Credit Program offers financial incentives to non-profits, public and private entities to broaden and strengthen opportunities for positive development and participation in community life for youth, and to discourage such persons from engaging in criminal and violent behavior.

How does the program work?

The Youth Opportunities Tax Credit Program provides state tax credits to organizations administering positive youth development or crime prevention projects that have been approved through the application process. Approved organizations secure contributions from their community, and the contributor receives tax credits for those contributions. There are 50% tax credits for monetary contributions and wages paid to youth in an approved internship, apprenticeship or employment project, and 30% tax credits for property or equipment contributions used specifically for the project.

Eligible projects include:

1. Degree Completion
2. Internship/Apprenticeship
3. Youth Clubs/Associations
4. Adopt-A-School
5. Mentor/Role Model
6. Substance Abuse Prevention
7. Violence Prevention
8. Youth Activity Centers
9. Conflict Resolution
10. Employment
11. Counseling

Who is eligible to apply for Youth Opportunities tax credits?

Non-profit organizations, schools, faith-based organizations, local governments, Missouri businesses, public or private entities. Schools and faith-based organizations must meet certain criteria.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried forward and allowed as a credit against any future taxes imposed on the owner within the next 5 years.

Are the tax credits transferable?

No. The tax credits may not be sold or transferred.
Are there any funding limits?

The Youth Opportunities Program has up to $6 million in tax credits to award annually. Each project is limited to $250,000 in tax credits. Each contributor is limited to $200,000 in tax credits annually.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
OTHER PROGRAMS

FAMILY DEVELOPMENT ACCOUNT TAX CREDIT PROGRAM

Authorization

Sections 208.750 to 208.775 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: fda@ded.mo.gov
H. HOUSING INCENTIVES
AFFORDABLE HOUSING ASSISTANCE CREDIT

[§ 32.105 RSMo]

What is the purpose of the Affordable Housing Assistance Tax Credit Program?

The Affordable Housing Assistance Tax Credit program provides an incentive for the development, construction, acquisition or rehabilitation of affordable housing in Missouri.

How does the program work?

The Affordable Housing Assistance Tax Credit is a state tax credit authorized by the Missouri Housing Development Commission (“MHDC”) to business firms and individuals that make contributions to non-profit neighborhood organizations to provide affordable housing. These contributions must be used in the construction or rehabilitation of affordable housing units. Qualified housing must be for persons at or below 50% of area median income or provide market rate housing in “rebuilding communities” as defined by Missouri statutes. The amount of tax credit may not exceed 55% of the value of the contribution. MHDC accepts applications from July 1 through April 30 of each year.

Who is eligible to apply for Affordable Housing Assistance tax credits?

Non-profit organizations are eligible to apply for tax credits.

What if the tax credit exceeds the total state income tax liability?

Any portion of the tax credit may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next ten years.

Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

What are the limits on the Affordable Housing Assistance tax credits?

The maximum amount of tax credits allocated for an approved development typically may not exceed $1 million in a given year.

Who can I contact for additional information?

Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111
Phone: 816-759-6600
Fax: 816-759-6872
LOW-INCOME HOUSING CREDIT

[§ 42 INTERNAL REVENUE CODE]

What is the purpose of the Low Income Housing Tax Credit Program?

The Low Income Housing Credit program provides an incentive for the development, construction, acquisition or rehabilitation of affordable rental housing in Missouri.

How does the program work?

The Low Income Housing Tax Credit program provides a federal tax credit to investors in affordable housing. The credit may be used for ten years and is allocated to developers, who use it to raise equity to construct or acquire and rehabilitate affordable rental housing. Missouri also has a state Low Income Housing Tax Credit, and may allocate an amount equal to 100% of the federal credit. The Low Income Housing tax credit is limited to a percentage of the qualified basis based upon depreciable basis, and the percentage of affordable units in the development. The minimum number of qualifying units is (a) 40% of the total number of units affordable to persons at 60% of the median income for the area or (b) 20% affordable to persons at 50% of the median income for the area.

Congress has delegated the administration of the program to the state housing agencies to assure that good quality housing would be available where it is most needed. The Missouri Housing Development Commission (“MHDC”) is charged not only with the allocation of the tax credits, but also with the assuring compliance with federal regulations. This includes the performance of a physical inspection of the property and a review of management and occupancy procedures during the compliance period of the initial 15 years and the extended use period (an additional 15 years).

Annually, a Notice of Funding Availability ("NOFA") is published during the month of August by MHDC. Once the NOFA is issued, applications may be submitted until late October and the Commissions’ funding decisions are made in December or January.

Who is eligible to apply for Low Income Housing Tax Credits?

Developers (for-profit and non-profit) are eligible to apply for tax credits. Applicants must demonstrate prior, successful housing experience and engage the services of housing professionals, such as architects, appraisers, attorneys, accountants, contractors and property managers with demonstrable tax credit and housing experience. Developers must have the financial capacity to successfully complete and operate the proposed housing development.

What if the tax credit exceeds the total income tax liability?

Any portion of the tax credit may be carried forward for five years.

Are the tax credits transferable?

Tax credits are only transferable within the ownership entity (limited partnership) of the development.

What are the limits on the Low-Income Housing Tax Credits?

Annually, the Internal Revenue Service allocates tax credits to each state in an amount equal to 1.80 times its population. Missouri also has a state low-income housing tax credit, and may allocate an amount equal to 100% of the federal tax credit.
Who can I contact for additional information?

Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111
Phone: 816-759-6600
Fax: 816-759-6828
NEIGHBORHOOD PRESERVATION CREDIT

[§§135.475 - 135.487 RSMo]

What is the purpose of the Neighborhood Preservation program?

The Neighborhood Preservation program provides incentives for the rehabilitation or construction of owner-occupied homes in certain areas of the State.

How does the program work?

The Neighborhood Preservation program authorizes State tax credits for residential rehabilitation and construction costs for properties located in qualified areas and eligible areas. “Qualified areas” include “distressed communities,” as defined in Section 135.530, RSMo, and areas with a median household income of less than 70% of the median household income for the applicable Metropolitan Statistical Area or non-Metropolitan Statistical Area. “Eligible areas” include areas with a median household income of 70% to 89% of the median household income for the applicable Metropolitan Statistical Area or non-Metropolitan Statistical Area.

Tax credits for a project are determined as follows:

- **New Residences in Eligible Areas** – 15% of eligible costs, tax credits cannot exceed $25,000 per residence;
- **New Residences in Qualifying Areas** – 15% of eligible costs, tax credits cannot exceed $40,000 per residence;
- **Substantial Rehabilitation in Eligible Areas** – 25% of eligible costs, minimum costs $10,000, tax credits cannot exceed $25,000 per residence;
- **Non-substantial Rehabilitation in Qualifying Areas** – 25% of eligible costs, minimum costs $5,000, tax credits cannot exceed $25,000 per residence; and
- **Substantial Rehabilitation in Qualifying Areas** – 35% of eligible costs, minimum costs the greater of $5,000 or 50% of the purchase price, tax credit cannot exceed $70,000 per residence.

Prior to receive the tax credit, an application must be made to the Department of Economic Development. A pre-application must also be submitted to the Department of Economic Development and include cost estimates and scope of work. Applications are accepted beginning in September and ending in mid-November and are granted preliminary approval based on a lottery process.

Who is eligible to apply for Neighborhood Preservation tax credits?

Any taxpayer who incurs eligible costs for a new residence or rehabilitates a residence for owner occupancy that is located in a designated area.

What if the tax credit exceeds the total State income tax liability?

Any portion of the tax credit may be carried back to satisfy previous State tax liability due during each of the three previous taxable years and may be carried forward and allowed as a credit against any future taxes imposed on such owner within the next five years.
Are the tax credits transferable?

A taxpayer may sell, assign, exchange or otherwise transfer earned tax credits.

What are the limits on Neighborhood Preservation tax credits?

The maximum amount of tax credits available in any year for all participants under the program may not exceed $8,000,000 for qualifying areas and $8,000,000 for eligible areas.

Tax credits may not be claimed in addition to any other State tax credits with the exception of the Historic Preservation tax credit authorized by Sections 253.545 to 253.561, RSMo. If Historic Preservation tax credits are claimed, the maximum available tax credits under this program will be the lesser of 20% of the eligible costs or $40,000.

Who can I contact for additional information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-522-8004
Fax: 573-522-9462
E-mail: dedfin@ded.mo.gov
I. MISSOURI DEVELOPMENT FINANCE BOARD
MIDOC INFRASTRUCTURE LOANS

[§ 100.263 RSMo]

What is the purpose of the MIDOC Infrastructure Loans?

The MIDOC Infrastructure Loan Program provides low-interest loans (currently 3%) to local political subdivisions to finance a portion of the costs of infrastructure facilities. “MIDOC” refers to the Missouri Infrastructure Development Opportunities Commission, the functions of which were transferred to the Missouri Development Finance Board.

What infrastructure facilities may be financed?

Infrastructure facilities include highways, streets, bridges, water supply and distribution systems, mass transportation facilities and equipment, telecommunications facilities, jails and prisons, sewers and sewage treatment facilities, waste water treatment facilities, airports, railroads, reservoirs, dams and waterways in the State and any other improvements provided by any form of government. Most of the loans are for water and sewer system improvements.

What are the limitations of MIDOC Loans?

MIDOC loans are financed from a revolving fund as money becomes available from repayments of existing MIDOC loans (the original MIDOC loans were financed from an appropriation by the Missouri General Assembly). The maximum principal amount of MIDOC loans is $100,000. The maximum term of MIDOC loans is 20 years. MIDOC loans are used to supplement other sources of financing for an infrastructure project, such as Community Development Block Grants and other grants and loans.

How do I apply for a MIDOC Loan?

Applications are available through the Business Finance Section of the Missouri Department of Economic Development. After review of an application, the Department makes a recommendation to the Missouri Development Finance Board which makes the loan.

Where can I get more information?

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-0717
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov
TAX CREDIT FOR CONTRIBUTION

[§ 100.286.6 RSMO]

What is the purpose of the Tax Credit for Contribution Program?

The Tax Credit for Contribution Program provides a State income tax credit equal to 50% of the amount contributed by a taxpayer to the Missouri Development Finance Board.

How does the Board apply contributions?

Although the Board may use such contributions for any of its authorized purposes, the Board has historically used contributions to make grants to State agencies and local political subdivisions for infrastructure facilities.

What infrastructure facilities are eligible for contributions?

“Infrastructure facilities” include highways, streets, bridges, water supply and distribution systems, mass transportation facilities and equipment, telecommunication facilities, jails and prisons, sewers and sewage treatment facilities, wastewater treatment facilities, airports, railroads, reservoirs, dams and waterways in this State, acquisition of blighted real estate and the improvements thereon, demolition of existing structures and preparation of sites in anticipation of development, public facilities and any other improvements provided by any form of government or a development agency. By policy the Board will not consider applications for health and/or medical facilities, including nursing or retirement facilities or combination thereof, or for private or public educational facilities.

Are there any other limitations on the use of contributions?

If the donor is a for-profit private corporation or person, the Board will not use the contribution in a manner that will directly or indirectly benefit the donor beyond the benefit conferred by the credits unless the donor demonstrates to the sole satisfaction of the Board that such use is based upon fair market value considerations and is an arms-length transaction from the donor. If a public entity uses any of the contribution proceeds to directly benefit a donor or a private for-profit corporation or business, the Board will require the public entity to impose upon the private business an obligation to reimburse the State for the cost of such credits over a time period determined by the Board. Exceptions to this reimbursement requirement may be made if the Board determines that the project is of extraordinary benefit to the State and that the project would otherwise not be completed.

How may the tax credits be used?

The donor (individuals, estates, trusts and corporations) can use the credit against any tax otherwise due under Chapter 143 (generally income taxes but excluding certain withholding taxes), Chapter 147 (corporate franchise tax), and Chapter 148 (financial institutions tax) of the Missouri Revised Statutes. Tax credits must be taken in the taxpayer’s current tax year, although such credit may be carried forward for up to five years. Credits may be sold for not less than 75% or more than 100% of their par value, provided that all credits must be claimed within 10 years of the date the contribution was made.

How are projects selected?

Each application for project must be submitted by a public entity. If the public entity was created on behalf of or for the benefit of another governmental entity, the application must be accompanied by the written approval of such other governmental entity. The Board will review and approve projects based on the criteria set forth in the guidelines for the Tax Credit for Contribution Program.
Who can I contact for additional information?

Missouri Development Finance Board  
Governor’s Office Building  
200 Madison Street, Suite 1000  
P.O. Box 567  
Jefferson City, Missouri 65102  
Phone: 573-751-8479  
Fax: 573-526-4418  
E-mail: mdfb@ded.mo.gov
J. OTHER DEVELOPMENT PROGRAMS
ECONOMIC DEVELOPMENT

LOCAL OPTION SALES TAX

Authorization

Section 67.1305 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov
SMALL BUSINESS DEVELOPMENT

REBUILDING COMMUNITIES CREDIT

Authorization

Section 135.535 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

LOAN GUARANTY FEE

Authorization

Section 135.766 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov
**URBAN ENTERPRISE LOAN**

Authorization

Section 620.1023 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov

**BUSINESS INCUBATOR CREDIT**

Authorization

Section 620.495 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov
INDUSTRY SPECIFIC PROGRAMS

WINE AND GRAPE GROWERS

Authorization
Section 135.700 of the Revised Statutes of Missouri, as amended

Additional Resources
http://go.missouridevelopment.org/programs

Contact
Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov

FILM PRODUCTION CREDIT

Authorization
Section 135.750 of the Revised Statutes of Missouri, as amended

Additional Resources
http://go.missouridevelopment.org/programs

Contact
Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov
MUTUAL FUND APPORTIONMENT

Authorization

Sections 620-1350-620.1360 and Section 143.451 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-0717
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov
VENTURE/SEED CAPITAL PROJECTS

CERTIFIED CAPITAL COMPANIES

Authorization

Sections 135.500 to 135.529 of the Revised Statutes of Missouri, as amended, and Regulations: 4 CSR 80-7.010 to 4 CSR 807.040

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-522-4322
E-mail: dedfin@ded.mo.gov

NEW ENTITY CREATION (PROLOG VENTURES)

Authorization

Sections 620.635 to 620.653 of the Revised Statutes of Missouri, as amended

Additional Resources

http://go.missouridevelopment.org/programs

Contact

Missouri Department of Economic Development
Business and Community Services Finance
301 West High Street, Room 770
P.O. Box 118
Jefferson City, Missouri 65102
Phone: 573-751-4539
Fax: 573-751-8480
E-mail: dedfin@ded.mo.gov
CHAPTER IV

CASE STUDIES
EXECUTIVE SUMMARY

The Missouri Department of Economic Development (DED) identifies 13 regions for the purposes of comparing local economic conditions and trends (see Appendix A). Each city in Missouri’s economic development regions has its own story about what has shaped its economic revitalization efforts. To create a detailed analysis of how local governments use economic incentive programs, one city, with population under 25,000, was selected from each of the 13 economic regions. Local economic development officials were interviewed to collect information on their use of economic incentive programs and the impact of the programs on the community.

The following reports profile the demographic and economic characteristics of the cities and identify which economic incentives they used. Each report describes the city’s experience with the incentive programs. Four factors emerge from these case studies as having the most notable influence on the use of incentive programs:

- City size
- City location
- Department of Economic Development structural changes
- Lack of an economic development plan

CITY-SPECIFIC CHARACTERISTICS

In gathering the data presented in this report, it became apparent that there are city-specific characteristics that have an impact on the need for and the use of economic development incentives. City size has particular influence. It affects two important basics for implementing economic development projects: the tax base of the jurisdiction and the personnel responsible.

A common challenge faced by economic developers, as seen in the following case studies, is that for smaller cities the usual revenue mechanisms provide a smaller financial base from which to fund expensive infrastructural or transportation improvements for expanding or attracting business. In response to this limitation, Tax Increment Financing (TIF) incentive has most often been utilized, allowing a new or expanding business to initially finance infrastructural improvements based on the size of the new project, not the existing tax base.

Advantages for larger cities include not only a larger revenue base for necessary improvements, but also a larger professional staff, which more often includes economic development-specific positions. These elements in turn, have contributed to a less troublesome use of incentives, due to more availability of resources and a larger pool of trained city staff. As a result of a larger compliment of professional staff, larger cities tend to develop closer relationships with the Department of Economic Development. According to case study participants, the lack of an economic developer on city staff results in less active involvement with the Department of Economic Development.

GEOGRAPHIC LOCATION

Geographic location was also shown to have influence on the need for incentives, and on selecting which economic development incentives to use. Unique to cities in the southern-most region of Missouri is the Arkansas border, considered to be one of the fastest growing in population and development. Arkansas poses a unique competition to its surrounding neighbors. Because of the high level of growth in Arkansas and the strong desire to avoid an out migration of population to this neighbor, nearby cities choose incentives that will delicately avoid imposing disgruntling taxes on their residents and schools.

In contrast to the challenge of the Arkansas border, cities sitting in geographically favored locations are those with easy highway and road access. The following case studies show that cities in these locations are
especially interested in completing the development of these roads as retailers consider them special attractions and voluntarily locate themselves within these cities, causing an upward spiral of new businesses that seem to follow suit.

**THE ROLE OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT**

According to the city personnel interviewed for this report, the Department of Economic Development role has lessened somewhat following the budgetary cuts that relocated DED personnel to Jefferson City, thus lessening the likelihood of smaller cities having access directly within their communities. Cities without an economic development professional on staff, as mentioned previously, describe less connection with the DED. Cities with economic development staff reported their ability to either take the time to travel to Jefferson City or to have the opportunity to meet DED staff at professional meetings and other similar venues.

While the assistance and resources of the Department of Economic Development remain available through technology and communication, budgetary revisions have removed specialists from local offices, and necessitated a heightened effort by city staff in developing communication with the department. Once developed however, as shown by the following case studies, the communication and assistance provided by the DED has been extremely valuable to the economic development efforts of cities throughout each region.

**LACK OF AN ECONOMIC DEVELOPMENT PLAN**

Most of the cities contacted for this report did not have an economic development plan; indeed, many did not have a city comprehensive plan. Lacking an economic plan cities are left reacting to the proposed use of an economic incentive, typically a use proposed for a single project. The city is thus unfamiliar with the requirements for and the impact of the proposed incentive. Those cities with a plan were better positioned to be proactive in attracting development opportunities and better prepared to initiate and administer economic development incentives.

**MOST FREQUENTLY USED AND UNUSED INCENTIVES**

Graph 1 shows that of the 13 cities surveyed and reported here, the most frequently used programs were Tax Increment Financing, the Individualized Development Agreement, and the economic development provisions of the Community Development Block Grant. Other programs that were used, but by less than a majority of the cities, included Neighborhood Improvement Districts, and the Enterprise Zone.
A number of the economic incentive programs have not been used by the cities contacted for this report. These are:

- The Land Clearance for Redevelopment Act
- Missouri Downtown Economic Stimulus Act
- Planned Industrial Expansion District
- Specialized Sales Tax Agreement
- Accelerated Highway Improvement
- Missouri Transportation Finance Corporation

Appendix B provides a detailed summary of incentives use by the cities in this report.
ECONOMIC REGION: BOOTHEEL (KENNETT, MISSOURI)

STATE AND REGIONAL COMPARISON
With a population of 11,072 Kennett, Missouri is located in the Bootheel Economic Region. The Missouri Economic Research and Information Center (MERIC), describes the economy of this region as lagging behind Missouri with the eastern half struggling more than the western. A comparison of city, regional and state indicators is as follows:

<table>
<thead>
<tr>
<th>Community and Economic Indicators – Kennett, Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kennett</td>
</tr>
<tr>
<td>Population Growth (1990-2000)</td>
</tr>
<tr>
<td>Per Capita Income</td>
</tr>
<tr>
<td>Poverty Rate</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
</tr>
<tr>
<td>Unemployment Rate</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Population growth for Kennett between 1990 and 2000 was 3 percent compared to only 1.4 percent for the Bootheel Region and 9.3 percent for Missouri. At $14,397, Kennett’s per capita income for 2000 fell below the region’s figure of $19,952 and the Missouri figure of $19,936. The poverty rate of 26.1 percent exceeds the regional rate of 20.4 percent and far exceeds the state’s rate of 11.7 percent, with a civilian labor force of 4,722; Kennett’s unemployment rate for 2000, of 3.5 percent was half the region’s rate of 6.9 percent and below Missouri’s unemployment rate of 5.3 percent.

The top ten industries adding the most jobs to the Bootheel Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>321</td>
</tr>
<tr>
<td>326</td>
<td>Plastics and Rubber Products Manufacturing</td>
<td>169</td>
</tr>
<tr>
<td>332</td>
<td>Fabricated Metal Product Manufacturing</td>
<td>134</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>118</td>
</tr>
<tr>
<td>484</td>
<td>Truck Transportation</td>
<td>65</td>
</tr>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>54</td>
</tr>
<tr>
<td>623</td>
<td>Nursing and Residential Care Facilities</td>
<td>53</td>
</tr>
<tr>
<td>446</td>
<td>Health and Personal Care Stores</td>
<td>43</td>
</tr>
<tr>
<td>621</td>
<td>Ambulatory Health Care Services</td>
<td>42</td>
</tr>
<tr>
<td>236</td>
<td>Construction of Buildings</td>
<td>41</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

KENNETT, MISSOURI ECONOMIC DEVELOPMENT
Kennett has used a number of incentive programs over the past two decades, but increasingly within the past five years. Its economic development activity began as an offspring to the building of a new community swimming pool. Having been without an operational community pool for almost 10 years, Kennett had a two-story concrete facility sitting in disrepair but could not finance demolition and construction through its current budget. Several sales tax proposals had failed over a period of eight years, the last in 2002. Kennett was without the financial resources for completing its project; but what seemed to be a recreational development would prove to be the catalyst for attracting new business and revitalizing its downtown area.

Kennett’s project is somewhat nontraditional given the collaboration of partners that came together. In particular the project’s stimulus was a commitment by recording artist Sheryl Crow, a native of Kennett. In
May 2003 Ms. Crow indicated her interest in funding the construction of the new pool, contacting Matt Shetley -- a law partner of her father’s and the Chamber of Commerce Board President. In August of that same year Ms. Crow, Mr. Shetley and Chamber Executive Director Jan McElwrath met to discuss possible locations for the pool.

A site adjacent to the downtown square was suggested, with the intent that all private funding be leveraged toward additional incentives for the downtown area. Keith Mitchell owned the property proposed, and promptly offered to donate his land. This site, dormant after the closing of a wholesale/retail lumber company, had an appraised value of $311,000 but had several unsightly, unsafe buildings and storage sheds. However, Mr. Mitchell’s generous donation would later become the basis for matched funding to accomplish redevelopment.

Jan McElwrath contacted the DED. In November 2003 the DED’s Mike Downing, a Kennett area native, met with Chamber representatives and Sheryl Crow to review the overall plan. It was decided that the Kennett Community Development Corporation (KCDC), the non-profit development arm of the Kennett Chamber of Commerce, would be the entity to oversee the planning, development and construction of the pool and adjacent park.

Sallie Hemenway and Betty LeSeure of the DED met with the newly formed pool committee, recommending the most appropriate grant and tax incentive programs available. With a project timeline and proposed grant applications approved by City Council, the KCDC and Bootheel Regional Planning Commission wrote two CDBG applications, which were successfully granted to begin projects. The City Engineer provided the technical plans for the downtown improvements.

The pool site is approximately two acres and the park side of the site is now being developed. A pavilion and walking trail are currently under construction to be completed before May 2006 with fundraising for the walking trail through the Sheryl Crow fan forum. $170,000 was raised locally to purchase equipment for the pool, bathhouse and office as well as playground equipment for the park. The Sheryl Crow Aquatic Center opened as scheduled on May 28, 2005 with filming by 20/20 as Ms. Crow entertained the crowd, performing with a local band in which her father plays. “I Soaked up the Sun in Kennett” t-shirts and other items designed by Sheryl are sold to fund ongoing improvements to the facility. The aquatic center has been featured in People Magazine, VH1, 20/20, Good Morning America and many newspapers and stations throughout the world.

Downtown revitalization will begin this fall with technical plans provided by Kennett’s city engineer. Five new businesses have opened and two local businesses have relocated to downtown since 2004. Although the comprehensive plan for Kennett Missouri was developed in the 1960’s by a professional consultant and is not actively utilized, and no economic development plan exists for the city, Kennett Missouri has a new attitude!

The following economic development incentives have been utilized:

- Enterprise Zone Tax Credits
- Industrial Revenue Bonds
- Neighborhood Assistance Program (NAP)
- Historic Preservation Tax Credits
- Community Development Block Grants (CDBG)

Kennett’s designation as an Enterprise Zone will expire in 2006. As an enterprise zone they were able to bring in a data processing center and an industrial company, both new employers. Kennett is preparing to apply for designation as an Enhanced Enterprise Zone.

The Industrial Revenue Bond was used approximately 10 years ago, but is not currently in use. While active it was used to purchase equipment for an industrial company that relocated to Kennett and created approximately 100 jobs. Equipment was also purchased for the data processing center. While the incentive
was used by the data processing company for the purchase of equipment, the financial savings that resulted from the tax credit to create new jobs was never utilized.

Both the Neighborhood Assistance Program (NAP) and Historical Preservation Tax Credit were used simultaneously in 1999 for the renovation and expansion of a historic site hotel, creating apartments for low-income seniors.

The Community Development Block Grant was originally received in 1988 to assist with infrastructure in the industrial park. In August 2004, $250,000 was awarded under the innovative category for the demolition of dangerous buildings within a blighted area and demolition of the unsound above-ground City swimming pool. Although these properties were in two separate locations, demolition of the old pool was allowed because the demolition project in the blighted area cleared the property for construction of a new, privately funded aquatic center. The land at the new pool site, as a donation from a local community member was valued at $311,000, and received a matching $250,000 grant award. In April 2005 a new $400,000 grant was awarded for Downtown Revitalization, funding the basic infrastructure of sidewalks, lighting, parking, etc. $400,000 of private funds was used to meet the required grant match for this infrastructure funding.

Comments: According to the Chamber of Commerce, the tax credit programs are not simple to use as the required formula presents a challenge for employers. The Community Development Block Grants are difficult with the initiating grant administration process but then become more user-friendly. For the CDBG it is important to know from the onset, that funding is very limited. Kennett recognizes that challenges are inherent in the incentive process for first-time participants.

Kennett, Missouri information has been provided by:
Jan McElwrath, Exec. Director & Chief Economic Dev. Officer - Kennett Chamber of Commerce
City of Kennett (573) 888-5828
ECONOMIC REGION: LAKE OZARK-ROLLA (ROLLA, MISSOURI)

STATE AND REGIONAL COMPARISON
With a population of 17,266 Rolla, Missouri is located in the Lake Ozark-Rolla Region. The overall economy of the region, as described by the Missouri Economic Research and Information Center (MERIC), has been characterized by varied growth over the last 10 years.

Community and Economic Indicators – Rolla, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Rolla</th>
<th>Lake Ozark-Rolla Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>16.2%</td>
<td>14.8%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$15,916</td>
<td>$21,352</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>22.0%</td>
<td>15.0%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>7,907</td>
<td>106,824</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.2%</td>
<td>5.6%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

As shown here, Rolla’s population growth has been 6.9 percent higher than the population growth of Missouri, and slightly higher than the Lake Ozark-Rolla Region. Per capita income for Rolla is less than both the state ($19,936) and region ($21,352), while the poverty rate of 22 percent is nearly twice the rate for Missouri (11.7 percent) and much higher than the regional rate of 15 percent. The available civilian labor force of 7,907 persons has an unemployment rate which is in line with the state’s rate and minimally lower than the region’s.

The top ten industries adding the most jobs to the Lake Ozark-Rolla Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>1,799</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>262</td>
</tr>
<tr>
<td>813</td>
<td>Religious, Grantmaking, Civic, Professional, and Similar Organizations</td>
<td>222</td>
</tr>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>188</td>
</tr>
<tr>
<td>511</td>
<td>Publishing Industries (except Internet)</td>
<td>134</td>
</tr>
<tr>
<td>441</td>
<td>Motor Vehicle and Parts Dealers</td>
<td>112</td>
</tr>
<tr>
<td>623</td>
<td>Nursing and Residential Care Facilities</td>
<td>103</td>
</tr>
<tr>
<td>541</td>
<td>Professional, Scientific, and Technical Services</td>
<td>92</td>
</tr>
<tr>
<td>517</td>
<td>Telecommunications</td>
<td>74</td>
</tr>
<tr>
<td>325</td>
<td>Chemical Manufacturing</td>
<td>68</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

ROLLA, MISSOURI ECONOMIC DEVELOPMENT
Benefiting from a campus of the University of Missouri, a hospital, and as home to the Mapping Division of the United States Geological Survey (USGS), Rolla was favored with almost effortless sustainability, and had not aggressively sought measures for economic development. Known for its outstanding scientific education, the University of Missouri at Rolla is a nationally recognized leader in science and technology, and has educated students in Rolla for 125 years. These resources consistently added jobs and municipal revenues, but with recent government plans to downsize the USGS, Rolla has begun taking a second look at a more active use of economic development incentives.

Minimal use has been accomplished, though it initially met with a typical challenge – the idea of businesses getting incentives for growth called for informing decision makers and clarifying possible outcomes. Through
the Payment in Lieu of Tax (PILOT) program, Rolla initiated incentive use with Brewer Science, Inc (Brewer). The PILOT program offered abatement, and to the credit of economic development decision makers, Brewer was offered the discretion to name benefactors. With a love for arts and education, Brewer designated the Ozark Actors Theater and the school district as recipients of the resulting financial contributions.

With its changing environment, Rolla anticipates a much more aggressive use of incentives that would help replace jobs and revenues. Rolla’s comprehensive plan was developed by city staff while its economic development plan was the work of a professional consultant, in 2003. Following the completion of the economic development plan, the city incorporated the Rolla Regional Economic Commission (RREC), which, for implementation of the development plan, is in the process of hiring an executive director and determining land site(s) for industrial use.

**Rolla has utilized the following economic development incentives:**
- Chapter 100 Bonds
- Industrial Development Authority
- Local Tax Increment Financing
- Neighborhood Improvement Districts
- Other (Enterprise Zone)

**With the use of Chapter 100 Bonds,** in 2002 the City Council assisted Brewer with a $13 million expansion, resulting in a 40,000 square foot laboratory building and over 75 new jobs. The incentive was used specifically to fund building improvements and to refinance debt for Brewer. Because of the savings, this company was able to keep rent costs the same as it had previously been, despite expansion costs. The flexibility of the Chapter 100 bond allowed Brewer to enter an agreement to give back about one half of the savings in the form of a Payment-in-Lieu-of-Tax (PILOT) program that benefited the City, the School District and a cultural arts program, according to the City of Rolla.

**The Industrial Development Authority (IDA)** was used in 2004 to construct a building for Mental Health and Juvenile Services, creating new classrooms and offices.

**The Local Tax Increment Financing (TIF) incentive** is currently under review by a St. Louis developer who is pursuing redevelopment for a 10-acre, $19-20 million project. If utilized, the TIF would be approximately $9 million.

**The Neighborhood Improvement Districts (NID) incentive** was used in 1999 for annexing a 1,300-acre area on the city’s southern border, and specifically financed an upgrade of utilities.

Rolla is in its 14th year as an **Enterprise Zone**, and was just re-designated for another seven-year increment, providing for 100 percent tax abatement on the increase for 10 years. Rolla is applying for an enhanced zone designation.

**Other Comments:** According to the City of Rolla, the Chapter 100 bonds is the most useful economic development incentive that Missouri offers, because it allows the abatement of taxes on both real and personal property, generally giving a better tax impact to the potential business. This allows the company using the incentive to refinance debt and/or use less out-of-pocket funds for expansion, with the flexibility to give a portion back to the city or other local entities, such as the school district, etc. In contrast, the TIF is the least favorable due to its difficulty with use; it requires a level of expertise that is sometimes beyond the capacity of smaller communities.

**Rolla, Missouri information has been provided by:**
*John Petersen, Director - Community Development Department*
*City of Rolla (573) 364-5333*
ECONOMIC REGION: SOUTH CENTRAL (AVA, MISSOURI)

STATE AND REGIONAL COMPARISON
With a population of 3,063 Ava, Missouri is located in the South Central Economic Region of the state. The overall economy of the region, as described by the Missouri Economic Research and Information Center (MERIC), is keeping pace with Missouri.

Community and Economic Indicators – Ava, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Ava</th>
<th>South Central Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>2.8%</td>
<td>11.1%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$13,307</td>
<td>$16,728</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>21.7%</td>
<td>20.3%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>1,180</td>
<td>51,721</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.2%</td>
<td>6.2%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Ava’s population growth was considerably less than the state and regional comparisons between 1990 and 2000. The per capita income of $13,307 falls well below the state and the regional income levels, and is reflected in the higher rate of poverty (21.7 percent) compared to the regional poverty rate of 20.3 percent and Missouri’s rate of 11.7. The unemployment rate of 5.2 percent is in line with the state’s rate of 5.3 percent, but below the regional unemployment rate of 6.2 percent for 2000.

The top ten industries adding the most jobs to the South Central Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>621</td>
<td>Ambulatory Health Care Services</td>
<td>55</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>45</td>
</tr>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>37</td>
</tr>
<tr>
<td>624</td>
<td>Social Assistance</td>
<td>26</td>
</tr>
<tr>
<td>333</td>
<td>Machinery Manufacturing</td>
<td>25</td>
</tr>
<tr>
<td>522</td>
<td>Credit Intermediation and Related Activities</td>
<td>22</td>
</tr>
<tr>
<td>445</td>
<td>Food and Beverage Stores</td>
<td>17</td>
</tr>
<tr>
<td>441</td>
<td>Motor Vehicle and Parts Dealers</td>
<td>16</td>
</tr>
<tr>
<td>423</td>
<td>Merchant Wholesalers, Durable Goods</td>
<td>13</td>
</tr>
<tr>
<td>237</td>
<td>Heavy and Civil Engineering Construction</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

AVA, MISSOURI ECONOMIC DEVELOPMENT
Ava, like many other smaller cities throughout Missouri, needed to make infrastructure improvements to stimulate economic development. And similar to many other cities, Ava could not make the upfront outlay for these improvements through general revenue or nonsubsidized financing methods. Two Missouri programs for addressing infrastructure have proven to be effective for Ava: the Community Development Block Grant, with use initiated by the South Central Ozark Council of Governments (SCOCOG); and the use of a development agreement, initiated by Wal-Mart in its proposal to expand from a standard store to a Wal-Mart Super Center.

As a willing source of assistance, Mr. John Murrell of the SCOCOG introduced the CDBG program to Ava and has continued to provide consultation for economic development and related grants administration. Initially meeting with the Mayor and City Clerk to go over the financing scenario for the program, Mr. Murrell explained the potential for Ava to receive $1,000,000 in funding from the Economic Development
Administration and $500,000 in funding from the CDBG program. In addition to these funds, Copeland Corporation, a subsidiary of Emerson Electric was willing to commit to an investment of several million dollars and over 200 new jobs, and the use of the CDBG was welcomed by Ava decision makers. One particularly attractive aspect of the incentive was that it would give state and local governments discretionary authority regarding how the assistance could be utilized – Ava would determine the most important needs for their own community. Community Development Block Grants can be difficult to administer, but DED staff and the SCOCOG provided ample assistance to Ava for successful implementation.

Also affecting Ava’s infrastructure needs, in 2002 Wal-Mart determined that many of the infrastructure improvements outlined in its plans for a Supercenter were actually to be made on public property. Wal-Mart initiated the idea that the City of Ava and Douglas County share in the cost of these public improvements by entering into a development agreement, reimbursing Wal-Mart the cost of infrastructure improvements with the incremental taxes generated by the project. Both the city and county agreed, realizing the potential to increase attractiveness to other businesses. With this decision, the public law firm of Gilmore and Bell, PC was consulted to develop the actual agreement. Through legal consulting, this process was completed without the assistance of the DED, however Ava experienced some difficulty in getting the needed information, such as invoice copies, etc., from Wal-Mart once the reimbursement period was scheduled to begin. At its discretion, Ava paid the entire reimbursement amount with the initial payment, so that future taxes could be retained locally.

Ava’s comprehensive plan was developed by the South Central Ozark Council of Governments, and is currently being updated through input from community focus groups. This revised plan will include a chapter specific to economic development.

As described above, Ava has utilized the following economic development incentives:

- EDA’s Sudden and Severe Economic Dislocation Program
- CDBG Grants and Loans
- Development Agreement

In 1997, through the Department of Commerce-Economic Development Administration’s Sudden and Severe Economic Dislocation Program, the renovation of a manufacturing plant was accomplished with grant funding that paid for the remodeling. As a result the plant was remodeled and occupied.

The Community Development Block Grant has proven to be vitally important to Ava as a source of funds for infrastructure, especially water lines, sewer lines, and roads. It has also brought quality employment to the area through the financing of new and expanding businesses, such as the Copeland Corporation described above. Through the CDBG a Float Loan was made available in 1998, which paid for manufacturing equipment, allowing for the expansion of an existing factory. In 1999, the CDBG Industrial Infrastructure Grant was obtained. This incentive encouraged the development of an industrial park, financing the construction of an access road, and incoming sewer and water lines. As a result, two new businesses have located themselves in the industrial park. These projects are still current.

Through the implementation of the Development Agreement, the Wal-Mart Super Center was constructed in 2002, and completed the installation of a water line for public improvement. Approximately 200 jobs were created by the Wal-Mart Super Center, along with increased sales tax revenue that continues to benefit the city and its communities.

Comments: The City of Ava has not used Tax Increment Financing because of the cost and complexity of the program. The CDBG is the most utilized program for economic development by the City of Ava because it is flexible, can be used for a variety of projects, and the administrative requirements are straightforward.

Ava, Missouri information has been provided by:
Janice Lorrain, Director of Development
City of Ava (417) 683-5516
ECONOMIC REGION: CENTRAL (ST. ROBERT, MISSOURI)

STATE AND REGIONAL COMPARISON
With a population of 5,221 St. Robert Missouri is located in the Central Economic Region. The overall economy of the region, as described by the Missouri Economic Research and Information Center (MERIC), is well ahead of the economy of Missouri as a whole, with a good amount of economic growth over the last 10 years.

Community and Economic Indicators – St. Robert, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>St. Robert</th>
<th>Central Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>59.5%</td>
<td>14.7%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$17,650</td>
<td>$24,904</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>11.3%</td>
<td>11.4%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>1,170</td>
<td>198,245</td>
<td>3,016,881</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>6.3%</td>
<td>4.5%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

St. Robert’s population growth of 59.5 percent is 50 percent higher than the population growth of Missouri, and well over the growth of the Central Region, though per capita income for St. Robert is less than both the state and region’s figures. The poverty rate of 11.3 percent is comparable to the regional rate of 11.4 percent, and the Missouri rate of 11.7. Of the available civilian labor force of 1,170 the unemployment rate of 6.3 percent is noticeably higher than the region’s rate of 4.5 percent and higher than Missouri’s rate of 5.3 percent.

The top ten industries adding the most jobs to the Central Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>454</td>
<td>Nonstore Retailers</td>
<td>404</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>275</td>
</tr>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>127</td>
</tr>
<tr>
<td>621</td>
<td>Ambulatory Health Care Services</td>
<td>119</td>
</tr>
<tr>
<td>336</td>
<td>Transportation Equipment Manufacturing</td>
<td>114</td>
</tr>
<tr>
<td>541</td>
<td>Professional, Scientific, and Technical Services</td>
<td>101</td>
</tr>
<tr>
<td>531</td>
<td>Real Estate</td>
<td>98</td>
</tr>
<tr>
<td>441</td>
<td>Motor Vehicle and Parts Dealers</td>
<td>93</td>
</tr>
<tr>
<td>623</td>
<td>Nursing and Residential Care Facilities</td>
<td>80</td>
</tr>
<tr>
<td>522</td>
<td>Credit Intermediation and Related Activities</td>
<td>76</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

ST. ROBERT, MISSOURI ECONOMIC DEVELOPMENT
Featured in the February-March 2004 issue of the Missouri Municipal Review, St. Robert experienced growth over the past several years – a direct opposite of the common declines experienced across other cities. In this article, “Grow with Us, The City of St. Robert Grows a New Municipal Center,” by Bruce Harrill, the unique circumstances surrounding the building of the City’s new municipal building are detailed to portray the parallel, positive growth of the city’s economic condition. Once considered a city not likely to prosper, St. Robert is home to Fort Leonard Wood, an army post which has itself evolved from a rustic post to one of the U.S. Army’s premier training bases, populating up to 30,000 residents.

According to the article, which calculates population growth from 1998 to 2004, St. Robert experienced a 63 percent population increase amidst $90 million in new construction and retail business growth. During this
same time period, St. Robert experienced an increase in its sales tax revenue of over 95 percent. Two main players are considered as most contributing to this dynamic change, the Wal-Mart Super Center and the City of St. Robert’s municipal expansion.

Having previously purchased land for a new municipal building, the City entered an innovative deal with Wal-Mart. Desiring to expand from a standard-sized store to a new Super Center, Wal-Mart agreed to the city’s proposition to exchange the land previously purchased for the new city building for the old Wal-Mart store plus a cash settlement. Mayor George Lauritson considered this a “win-win” situation. The new Super Center would increase the base for sales tax revenue, while the City gained a building for its new site. In this new location, $2.5 million would finance the municipal center with a 20-year bond.

Through the open bid process, St. Robert selected its general contractor and architecture firm and began the redesign of the old Wal-Mart into the new, innovative state-of-the-art municipal building. Comparable to the city’s growth, the City’s IT support has grown from one server and 12 computers to six servers and 70 computers. Through fiber-optic cable, the Local Area Network (LAN) includes four off-site locations, including the City transfer station, fire stations, and public works departments. In March 2003 St. Robert occupied its new 90,000+ square feet City Hall, with over 30,000 square-feet of space for administrative offices and its police station, a new council chamber seating 70 persons, a drive-up window for the convenience of citizen-utility customers, 20,000 square-feet for Drury University’s classroom and laboratory space, and still 35,000 square-feet of unfinished space available for future growth.

St. Robert’s comprehensive plan was developed in 1998 through a series of stakeholder meetings, allowing public and leadership input. The comprehensive plan for St. Robert includes an economic development plan, along with a chapter dedicated to implementation. The economic development plan was developed by a team created by the city to identify and establish economic development goals, and was last reviewed in 2002. In 2003 St. Robert’s comprehensive plan was updated.

**St. Robert has utilized the following economic development incentives:**
- Industrial Development Authority
- Local Tax Increment Financing
- Transportation Development Districts
- Specialized Sales Tax Agreement
- Accelerated Highway Improvements (state and federal)
- Missouri Transportation Finance Corporation

St. Robert has representation from the Economic Development Council on the **Industrial Development Authority (IDA)**, established by Pulaski County.

**Local Tax Increment Financing** has been utilized on two different occasions. In 1998 a TIF was used to finance street and sewer infrastructure surrounding the Fairfield Inn, which was the first development in Interstate Plaza. This spurred the development of many subsequent facilities, including the Ruby Tuesday’s restaurant that was attracted to the area without any direct incentive. The second TIF utilization, in 2001, was for a street extension and sanitary sewer area.

The Interstate Plaza/North Town Village **Transportation Development District (TDD)** was the first in the State to be formed by election of property owners, resulting in additional development of property. This TDD originally funded a $3.5 million dollar commercial frontage road extension and additional roadways are currently being pursued. The original extension, completed in the fall of 2003 has already spurred the construction of two motels.

In 1999 North Town Village of St. Robert used a **Specialized Sales Tax Agreement** with a local business to finance infrastructure, utilizing one half of the generated sales taxes. This agreement is still in effect between St. Robert and the Western Construction Company.
Accelerated state and federal highway improvements financing was utilized in 2000 and included a $10 million dollar project for Missouri Avenue. Additionally, federal and state funding accomplished the modernization of exit 159 of Interstate 44, improving this older, previously dilapidated structure. Through the Missouri Transportation Finance Corporation, St. Robert obtained a special interest rate loan to accelerate Exit 159 improvements.

Additional Comments: The use of TIFs assisted in the development of land that had previously been challenging in terms of its infrastructure condition, and property that had been dormant for years. Despite numerous attempts to develop the property, infrastructure improvement costs prohibited development prior to the implementation of TIFs. The end result is quality development that well serves the community, and whose increased tax base far exceeds the incentive received by the developer. The use of local TIFs has allowed an evolution from two commercial areas to three, starting an entirely new area of St. Robert, Missouri.

Use of the economic incentives has resulted in nine lodging businesses, ten restaurants, and between fifteen and twenty retail businesses in St. Robert.

St. Robert, Missouri information has been provided by:
Chris Heard, Assistant City Administrator
City of St. Robert (573) 451-2000 Ext. 1113
ECONOMIC REGION: NORTHEAST (OWENSVILLE, MISSOURI)

STATE AND REGIONAL COMPARISON
With a population of 2,519 Owensville Missouri is located in the Northeast Region. The overall economy of the region, as described by the Missouri Economic Research and Information Center (MERIC), lags behind the economy of Missouri, with a varied amount of economic growth over the last 10 years.

Community and Economic Indicators – Owensville, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Owensville</th>
<th>Northeast Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>7.5%</td>
<td>3.7%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$15,208</td>
<td>$19,100</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>15.6%</td>
<td>15.7%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>1,012</td>
<td>70,763</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>6.7%</td>
<td>5.1%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Owensville was 7.5 percent, twice the growth of the Northeast Region, but below Missouri’s rate of 9.3 percent. Per capita income was well below both the region’s figure of $19,100 and below Missouri’s 2000 census figure of $19,936. The poverty rate of 15.6 percent is shared by the region (15.7 percent), but is well above Missouri’s rate of 11.7 percent. The civilian labor force of 1,012 is 40 percent of Owensville’s population, while the unemployment rate of 6.7 percent exceeds the 2000 rate of 5.1 percent for the Northeast Region and Missouri’s unemployment rate of 5.3 percent.

The top ten industries adding the most jobs to the Northeast Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>454</td>
<td>Nonstore Retailers</td>
<td>66</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>51</td>
</tr>
<tr>
<td>493</td>
<td>Warehousing and Storage</td>
<td>43</td>
</tr>
<tr>
<td>238</td>
<td>Specialty Trade Contractors</td>
<td>38</td>
</tr>
<tr>
<td>311</td>
<td>Food Manufacturing</td>
<td>37</td>
</tr>
<tr>
<td>522</td>
<td>Credit Intermediation and Related Activities</td>
<td>35</td>
</tr>
<tr>
<td>447</td>
<td>Gasoline Stations</td>
<td>27</td>
</tr>
<tr>
<td>236</td>
<td>Construction of Buildings</td>
<td>26</td>
</tr>
<tr>
<td>452</td>
<td>General Merchandise Stores</td>
<td>21</td>
</tr>
<tr>
<td>424</td>
<td>Merchant Wholesalers, Nondurable Goods</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

OWENSVILLE, MISSOURI ECONOMIC DEVELOPMENT
For the city of Owensville, low sales tax and the existence of vacant buildings presented a pair of challenges requiring special economic development efforts. Empty buildings, if approached through the use of incentives could present opportunity for growth and development, but the use of incentives initially met with resistance from city decision makers. Allowing new businesses an incentive for doing business was viewed by some as unnecessary. This is not an uncommon response until expanded economic activity and increased municipal revenue really occurs. The use of incentives was first presented by city staff to a local area business, and proved to be effective; now Owensville is much more progressive in meeting its challenges.

A collaborative relationship exists between the Meramec Regional Planning Commission, and the City of Owensville. With the assistance of the Commission, Owensville has successfully applied for and received
Community Development Block Grant (CDBG) funding, and administrative assistance for the use of other incentives.

Indicative of its proactive approach, Owensville has implemented an Economic Development Electric Rate through which new businesses receive a lower rate for electricity for five years. Rates vary and are determined by a board, based upon what would be the normal rate for wholesale electric.

The comprehensive plan for Owensville was prepared by a professional consultant; however no economic development plan exists for the city.

**Owensville has utilized the following economic development incentives:**
- Industrial Development Authority
- Neighborhood Improvement Districts
- Other (Sales Tax Abatement, CDBG, Enterprise Zone)

**The Industrial Development Authority (IDA)** was used in 2002 as an industrial development bond incentive, but had previously been inactive for fifteen years.

**The Neighborhood Improvement Districts (NID)** incentive was used in 2001 for the installation of new waterlines and infrastructure.

**Sales Tax Abatement** is currently in use for public improvements through commercial development. Owensville receives the sales taxes they would normally receive from the smaller Wal-Mart store and an additional 25 percent of the Super Center’s sales taxes. Seventy-five percent of the Super Center’s sales taxes go back to them for funding public improvements, until such improvements are completed, at which time Owensville will begin receiving 100 percent of the sales taxes.

**A CDBG Grant** through the DED allowed the expansion of Grimco Sign Company, and was just approved in April 2005. Under this grant, Grimco anticipates 12 new employees for which Owensville will receive $120,000 ($10,000 per employee) for the improvement of roads and other infrastructure improvements. This work is still in progress.

Owensville is located within the 3-county region of the **Gasconade Valley Enterprise Zone**, which will have this designation until 2008. While 2004 state legislation removed the eligibility for state tax credits, the eligibility remains for 50 percent tax abatement on new construction or the improvement of existing structures of real property. The Gasconade Valley Enterprise Zone is currently working with the DED to define an area that would meet the criteria for designation as an Enhanced Enterprise Zone.

**Other Comments:** According to the City of Owensville, the Sales Tax Abatement is a beneficial incentive because it allows the completion of public improvements in a timely manner through the return of sales taxes. The CDBG is also beneficial after the initial implementation process, which is unfortunately a very time consuming process.

**Owensville, Missouri information has been provided by:**
*James Decker, Chairman, Industrial Development – Owensville Chamber of Commerce*
*City of Owensville (573) 437-2812*
ECONOMIC REGION: SPRINGFIELD (HOLLISTER, MISSOURI)

STATE AND REGIONAL COMPARISON
With a population of 3,770 Hollister, Missouri is located in the Springfield Region of Missouri. The Missouri Economic Research and Information Center (MERIC) describes the economy of the Springfield region, in many respects, as the engine driving the state’s economic growth, stating that all counties in the region have experienced growth during the past ten years.

Community and Economic Indicators – Hollister, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Hollister</th>
<th>Springfield Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>47.17%</td>
<td>26.6%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$12,716</td>
<td>$23,675</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>13.2%</td>
<td>15.7%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>2,179</td>
<td>224,428</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>11.7%</td>
<td>5.7%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Hollister Missouri was 47.15 percent – nearly twice the growth of the Springfield Region at large, and over five times the rate for the state of Missouri. Per capita income was well below both the region’s 2000 census figure of $23,675 and Missouri’s figure of $19,936. Hollister’s poverty rate of 13.2 percent is below the rate for the region (15.7 percent), but above Missouri’s rate of 11.7 percent. The 2,179-person civilian labor force for Hollister shows an unemployment rate of 11.7 percent for 2000. Comparatively, this rate far exceeds the 2000 regional unemployment rate of 5.7 percent and the 5.3 percent rate for Missouri.

The top ten industries adding the most jobs to the Springfield Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>311</td>
<td>Food Manufacturing</td>
<td>416</td>
</tr>
<tr>
<td>335</td>
<td>Electrical Equipment, Appliance, and Component Manufacturing</td>
<td>314</td>
</tr>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>258</td>
</tr>
<tr>
<td>337</td>
<td>Furniture and Related Product Manufacturing</td>
<td>184</td>
</tr>
<tr>
<td>423</td>
<td>Merchant Wholesalers, Durable Goods</td>
<td>110</td>
</tr>
<tr>
<td>623</td>
<td>Nursing and Residential Care Facilities</td>
<td>108</td>
</tr>
<tr>
<td>454</td>
<td>Nonstore Retailers</td>
<td>91</td>
</tr>
<tr>
<td>441</td>
<td>Motor Vehicle and Parts Dealers</td>
<td>62</td>
</tr>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>46</td>
</tr>
<tr>
<td>551</td>
<td>Management of Companies and Enterprises</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators.

HOLLISTER, MISSOURI ECONOMIC DEVELOPMENT
Hollister’s peculiar challenge is that it is built upon rock, literally. This underlying condition greatly increased the projected cost for what Hollister most needed to enhance its economic position, highway construction. As a small city Hollister had very limited staff resources, but it responded by establishing relationships with both public agencies and private professional specialists.

The Innovative Cost Share Program has become a catalyst for improvements in Hollister. Through participation in this program Hollister started receiving county road and bridge funds from Taney County, matched funding from the state of Missouri, and additional funding through the assistance of Senator Kit
Bond. In addition to these financial resources for its highway improvements, Hollister obtained the legal council of a Jefferson City attorney with the intent that having an external consultant would help avoid the pitfalls of erroneous rates, and bring knowledge and trust inherent in his or her legal reputation.

This kind of communal effort has proven to be necessary because Hollister, again attributable to its size, lacked the staff to develop a close relationship with larger agencies, such as DED. Previously, the DED placed regional managers in local offices around the State, making consultation and assistance readily available. But with more recent DED budgetary constraints, regional economic managers are now located in Jefferson City, and although available, are further removed from the cities that could benefit from their local involvement. Through the collective participation of the city administrator, staff, and the Ozark Economic Development Partnership, Hollister put together an effective economic development program.

Also to its credit, Hollister operates a very transparent system of communication with lots of public and business participation in decisions that affect its viability. This kind of information sharing has helped Hollister maintain the support of its community members, businesses and decision makers throughout its economic development. The comprehensive plan for Hollister was completed through a contract with the Southwest Missouri Council of Governments, and includes a chapter on Economic Development. The base document was implemented in May 2002, with subsequent public work sessions being conducted by the city’s planning commission. The most recent updates were recently completed in May 2005.

Hollister has taken several steps to implement the economic development plan. Initially a validation study of key components was conducted, followed by the dissemination of economic development information and public meetings. Budgets, financial resources and infrastructure priorities have been based on the economic development plan. Financial, legal and bond councils have been formed to assist the city on an as needed basis, and have been utilized to conduct training for elected officials, board members, media and the public.

**Hollister has utilized the following economic development incentives:**

- Developer Agreement
- Innovative Finance Program (MoDOT)
- State Tax Increment Financing

Instituted in 1995, the **Developer Agreement** was entered with local developers for public infrastructure improvements to support site development. A large, 300,000 sq. ft. retail-shopping district has been built, and continues to attract retail businesses to the area.

The **Innovative Finance Program (MoDOT)** began in 2003 with highway construction facilitating 150,000 sq. ft. of retail development. Still underway, this incentive is currently producing $58 million dollars in highway construction, with an additional 415,000 sq. ft. of improvements made possible by a recent **TIF** request.

**Other Comments:** Hollister has utilized incentives with care not to impact local school funding or to raise local taxes. Some incentives, such as special taxing districts which raise the tax levy within their boundaries, are not immediately appealing because Hollister is located only nine miles from the Arkansas border and needs to compete with a lower tax structure and attractive business incentive programs.

According to the City, Hollister has attempted to use Federal Housing incentives, but found it difficult to qualify families. With the housing programs, while funding is available for building, it is very difficult to find people who are initially qualified, and who have the resources to maintain ownership. Hollister has decided to leave the housing subsidy program to the local financiers, rather than to participate in federal programs.

**Hollister Missouri information has been provided by:**

Rick Ziegenfuss, City Administrator
City of Hollister (417) 335-5327
ECONOMIC REGION: NORTHWEST (HIGGINSVILLE, MISSOURI)

STATE AND REGIONAL COMPARISON
With a population of 4,659, Higginsville is located in the Northwest Economic Region of Missouri. According to the Missouri Economic Research and Information Center (MERIC), this region’s economy lags behind the state’s economy. With varied growth, a portion of the region has suffered during the past ten years.

Community and Economic Indicators – Higginsville, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Higginsville</th>
<th>Northwest Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>-2.3%</td>
<td>3.8%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$17,982</td>
<td>$22,176</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>8.4%</td>
<td>12.1%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>2,145</td>
<td>88,076</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>3.2%</td>
<td>5.0%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, Higginsville experienced a small population decline of 2.3 percent. For the Northwest Region, population growth was a small 3.8 percent, compared to Missouri’s 9.3 percent increase. Per capita income was well below both the region’s 2000 census figure of $22,176 and slightly below Missouri’s figure of $19,936. Higginsville’s poverty rate of 8.4 percent falls well below the region’s rate of 12.1 percent, and the state’s rate of 11.7 percent poverty. The civilian labor force includes 2,145 persons. The rate of unemployment is just 3.2 percent for Higginsville, and 5.0 percent for the region compared to Missouri’s rate of 5.3 percent.

The top ten industries adding the most jobs to the Northwest Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>454</td>
<td>Nonstore Retailers</td>
<td>66</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>51</td>
</tr>
<tr>
<td>493</td>
<td>Warehousing and Storage</td>
<td>43</td>
</tr>
<tr>
<td>238</td>
<td>Specialty Trade Contractors</td>
<td>38</td>
</tr>
<tr>
<td>311</td>
<td>Food Manufacturing</td>
<td>37</td>
</tr>
<tr>
<td>522</td>
<td>Credit Intermediation and Related Activities</td>
<td>35</td>
</tr>
<tr>
<td>447</td>
<td>Gasoline Stations</td>
<td>27</td>
</tr>
<tr>
<td>236</td>
<td>Construction of Buildings</td>
<td>26</td>
</tr>
<tr>
<td>452</td>
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<td>21</td>
</tr>
<tr>
<td>424</td>
<td>Merchant Wholesalers, Nondurable Goods</td>
<td>19</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

HIGGINSVILLE, MISSOURI ECONOMIC DEVELOPMENT
To its geographic advantage, the Higginsville city limits extend to include the I-70 and Missouri Highway 13 junction, two major thoroughfares within the city limits. However, at this junction prior to 2000, only two motels and a restaurant existed while the rest of it had become predominantly deteriorated. To the credit of an insightful city administrator, the Tax Increment Financing commission was put in place approximately two years before its initial use, and available for implementation. Following the TIF establishment, the Williams Travel Center, considering the prospect of locating a facility in Higginsville, presented the idea of TIF use.

The Williams Travel Center sought economic development incentives to assist them with a move. Within the next two years, $8 million dollars was invested, bringing not just the Williams Travel Center, but also a
convenience store and a 500,000-gallon water tower. Following these initial investments, a McDonald’s restaurant opened for business within the travel center and a retail meat market opened.

Initially, the use of incentives was a new idea, and as with new ideas, information about processes and the potential outcomes would be necessary before acceptance by decision makers. As county commissioners and the school district became educated about the use of economic development incentives, implementation was accomplished without challenge. In addition to the TIF, Higginsville made itself attractive by offering local utility incentives, installing all necessary electrical lines, poles, etc., carrying services to the front door of new businesses with no installation charges.

The internal relationship climate for economic development was progressive, while according to Donna Glover, Economic Development Director of Higginsville, not much interaction existed between the city and the DED. This seemed to be closely connected to the absence of an official, economic development-specific director on Higginsville’s professional staff. Since the creation of the economic development director position, Higginsville has experienced the evolution of a positive, close communicating relationship with the Missouri-DED. Ms. Glover describes a positive experience, and with the knowledge gained using incentives for economic development, Higginsville expects to continue pursuing such opportunities.

**Higginsville offers the following economic development incentives:**

- Chapter 100 Bonds
- Tax Increment Financing (TIF)
- CDBG – Industrial Infrastructure
- Utility Incentives
- Customized Training Program, New Jobs Training Program

The use of **Chapter 100 Bonds** are encouraged by Higginsville, but not yet utilized by any local businesses.

**Tax Increment Financing (TIF)** was initially used in 2000 as a new water tower was built and infrastructure improvements were made for a travel center and a convenience store, both locating to Higginsville. The resulting infrastructure improvement has since served the area by attracting two additional new businesses, and by the creation of approximately 75 new jobs.

**CDBG Grants** have been received to assist the Higginsville city government in the development of public infrastructure, allowing the local economy to avoid the loss of new business while expanding existing facilities in geographic areas in need of infrastructure improvements. Higginsville received grant funding under this program for improvements initiated in 2004, and are still underway.

The municipally-owned electric utility encourages industrial and commercial development through **utility incentives**, offering rate reductions to new or expanding businesses that meet certain usage and job creation requirements. Electric service to the meter for new business is provided at no charge. These are ongoing incentives.

Employers who are hiring and training workers for newly created jobs, or retraining workers as a result of new capital investment can receive employee training assistance through the **customized training program**. The **new jobs training program** is available to employers with a sound credit rating, when creating a substantial number of new jobs. Local community colleges initially finance training through the sale of certificates. The certificates are repaid by using tax credits from the employer’s regular withholding that is based on a percentage of the gross wages paid to employees in the new jobs.
Other Comments: According to the City of Higginsville the use of the TIF and Chapter 100 Bond is most advantageous to the customer. In addition to these, the Higginsville web page lists and encourages the use of several other incentives that have not been used by local businesses to date. Less advantageous, though they appear attractive, are the employee training programs; which include so many restrictions and high qualification standards that they are difficult for an employer to take advantage of.

Higginsville, Missouri information has been provided by:
Donna Glover, Economic Development Director
City of Higginsville (660) 584-2106
ECONOMIC REGION: SOUTHWEST (CARTHAGE, MISSOURI)

STATE AND REGIONAL COMPARISON
With a population of 13,003 Carthage is located in the Southwest Economic Region of Missouri, described by the Missouri Economic Research and Information Center (MERIC) as being far ahead of Missouri as a whole, with growth especially realized in the extreme south over the past ten years.

Community and Economic Indicators – Carthage, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Carthage</th>
<th>Southwest Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>17.87%</td>
<td>16.6%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$15,281</td>
<td>$20,863</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>19.2%</td>
<td>14.2%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>5,913</td>
<td>146,000</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>8.9%</td>
<td>5.2%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Carthage was nearly 18 percent, compared to 16.6 percent for the Southwest Region and 9.3 percent for Missouri. Per capita income was below regional and state levels reflected in the 2000 census. Carthage’s poverty rate is high; at 19.2 percent it exceeds the regional poverty rate of 14.2 percent and the rate for the state of Missouri. With a civilian labor force of 5,913 persons, the unemployment rate for Carthage was 8.9 percent according to census data, compared to 5.2 percent for the Southwest region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the Southwest Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
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<td>311</td>
<td>Food Manufacturing</td>
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<td>551</td>
<td>Management of Companies and Enterprises</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

CARTHAGE MISSOURI ECONOMIC DEVELOPMENT
The comprehensive plan for Carthage was prepared by a professional consulting firm in 1994, and includes various sections relevant to economic development; though no separate, specific economic development plan exists. Economic development in Carthage is the responsibility of the Chamber of Commerce, contracted and coordinated by the city.
Carthage utilizes the following economic development incentives:

- Local Tax Increment Financing (TIF)
- Community Improvement Districts (CID)
- Industrial Development Authority – Chapter 349
- Other: Individualized Development Agreements

The Local Tax Increment Financing (TIF) was utilized in 1995 to alleviate a blighted area, extend infrastructure, and increase tourism as a result of improvements. The use of this incentive has resulted in approximately $7 million dollars in private improvements for the developer, which helped increase tourism as planned. In addition to this, using the local TIF resulted in approximately $500,000 of public infrastructure improvements in an area of Carthage that had previously been without needed infrastructure.

Approved in 2005 but still in the development stage, a 40-acre tract in the southern part of Carthage has been designated a Community Improvement District for mixed-use development. This will consist of retail space, physician’s offices, town homes, patio homes, assisted living apartments, restaurants, a hotel, bank, civic center, grocery and convenience stores. Results from this development are yet to be measured, but are anticipated to be an increase in tourist accommodations, retail sales, and jobs for local citizens.

The Industrial Development Authority was used from 1981 until 1993 when it was disbanded. The authority issued Industrial Revenue Bonds for various economic development projects and additionally allowed the city the opportunity to own an undivided 1/3 interest in the property comprising an approximate 40-acre industrial park.

Individualized Development Agreements are currently being negotiated with various developers and the City of Carthage.

Comments: According to the City of Carthage, the use of Tax Increment Financing and the Community Development District have proven to be beneficial because they afford the ability to extend and construct public improvements, specifically, needed infrastructure to areas which otherwise would not have been able to grow and develop to the benefit of the entire community and region. Though an available incentive, the Missouri Downtown Economic Stimulus Act (MoDESA) has been shown to be less useful because of the requirements in establishing a development area, project and authority.

Carthage, Missouri information has been provided by:
Tom Short, City Administrator
City of Carthage (417) 237-7003
ECONOMIC REGION: SOUTHWEST (NEOSHO, MISSOURI)

STATE AND REGIONAL COMPARISON

In the Southwest Economic Region, the city of Neosho, Missouri has a population of 10,961. The region, again as described by the Missouri Economic Research and Information Center (MERIC) is far ahead of Missouri as a whole, with growth especially realized in the extreme south over the past ten years.

Community and Economic Indicators – Neosho, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Neosho</th>
<th>Southwest Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>13.5%</td>
<td>16.6%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$15,847</td>
<td>$20,863</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>12.8%</td>
<td>14.2%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>4,927</td>
<td>146,000</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.3%</td>
<td>5.2%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Neosho was 13.5 percent, compared to 16.6 percent for the Southwest Region and 9.3 percent for Missouri. The per capita income, $15,847 falls below regional and state levels reflected in the 2000 census. Neosho’s poverty rate of 12.8 percent is slightly higher than Missouri’s 11.7 percent; but lower than the regional poverty rate of 14.2 percent. With a civilian labor force of 4,927 persons, Neosho’s 5.3 percent unemployment rate is in line with the Southwest region and the State of Missouri.

The top ten industries adding the most jobs to the Southwest Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>311</td>
<td>Food Manufacturing</td>
<td>416</td>
</tr>
<tr>
<td>335</td>
<td>Electrical Equipment, Appliance, and Component Manufacturing</td>
<td>314</td>
</tr>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>258</td>
</tr>
<tr>
<td>337</td>
<td>Furniture and Related Product Manufacturing</td>
<td>184</td>
</tr>
<tr>
<td>423</td>
<td>Merchant Wholesalers, Durable Goods</td>
<td>110</td>
</tr>
<tr>
<td>623</td>
<td>Nursing and Residential Care Facilities</td>
<td>108</td>
</tr>
<tr>
<td>454</td>
<td>Nonstore Retailers</td>
<td>91</td>
</tr>
<tr>
<td>441</td>
<td>Motor Vehicle and Parts Dealers</td>
<td>62</td>
</tr>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>46</td>
</tr>
<tr>
<td>551</td>
<td>Management of Companies and Enterprises</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

NEOSHO, MISSOURI ECONOMIC DEVELOPMENT

The comprehensive plan for Neosho is currently being developed through the services of a professional consultant, financed by the Neosho Economic Development Department. Economic development in Neosho is a joint venture between the Neosho Area Chamber of Commerce, the City of Neosho and Newton County; with all functions and staffing provided by the Neosho Area Chamber of Commerce. Neosho has an economic development-specific plan, originally prepared by members of the Neosho Area Chamber of Commerce Economic Development Committee in 1990, then updated annually. The plan was implemented in 1990 with the designation of a Missouri Enterprise Zone. In 1991, the City of Neosho passed a 1/8¢ sales tax for economic development which provides funding for the Department of Economic Development staffing and marketing.
Neosho has utilized the following economic development incentives:

- Community Development Corporations and Bank(s)
- Community Improvement Districts
- Industrial Development Authority – Chapter 349
- Local Tax Increment Financing
- Urban Redevelopment Corporations – Chapter 353
- Other: Missouri Enterprise Zone

The implementation of the Community Development Corporation (CDC) began in approximately 1997 and continues currently with the cooperation of the Missouri Development Finance Board’s generous contribution of $500,000 in tax credits. Used for the restoration of sidewalks and lights in the downtown area, completion will total over $2,000,000.

Neosho is currently in the final stages of a Community Improvement District, which helped to secure and install infrastructure for a shopping strip and several other pieces of property for retail development in front of the Wal-Mart Super Center. A second CID is planned to help implement improvements to the city’s historic downtown square; for maintaining and servicing flower boxes characteristic of the historic area’s beauty, and for public improvements.

The Newton County Industrial Development Authority has the power to issue industrial bonds inclusive of the Neosho area. The authority remains current, but there have been no applications of this incentive.

Now in use for six years by Neosho, the Local Tax Increment Financing (TIF) incentive has provided for the installation of all necessary utilities (water, sewer, and streets) on two main corridors to the new four-lane Highway 71 corridor, stretching from Kansas City to the Arkansas border. Several miles of water and sewer have been run to the major intersections of Highway 60/Highway 71 and Highway 86/Highway 71. The TIF will also be used to put streets and other infrastructure into the developments, which will be mostly retail oriented. To date Neosho has 4 industries that are expanding, creating another 100,000 square footage plus another 195-250 jobs in the industrial area. Retail sales have increased in the city by 3 to 3-1/2 percent per year from 1999 to 2005 due to the TIF attracting new retail. In some of the older parts of the former retail mainstay (Neosho Boulevard), Neosho has seen the emergence of a brand new Sonic, Walgreen’s, Rent-a-Center, and the purchase and renovation of the old Wal-Mart. The result has been two additional retailers joining the eighteen retailers already doing business there. The CID and TIF combined have helped Neosho establish right of way, to develop drainage and surfacing, and to build street infrastructure for development in front of the Wal-Mart Super Center, an estimated value of $500,000 to be repaid to the developer through bonds.

The Urban Redevelopment Corporations (Chapter 353) incentive has been used in the past by Jeffrey E. Smith Companies on an historic high school that is now being restored and currently serves as affordable housing. Neosho also used Chapter 353 on one of the tallest, most historic buildings in the downtown area being renovated by the Prost Development Corporation. This structure currently houses the Missouri Department of Health & Human Services. The Urban Redevelopment Corporations incentive was implemented approximately five years ago and will be in use for another ten years.

Neosho has had a Missouri Enterprise Zone incentive package since 1990. Several industrial projects, including a brand new industry employing 38 people and investing over $23 million dollars, and existing industries expanding from 300,000 sq. ft. to 1,990,000 sq. ft. at Sunbeam. The Missouri Enterprise Zone has had a tremendous effect in the creation of new jobs and investment, as noted in the Missouri Department of Economic Development Industrial Report.

Comments: The tax incentives of the Missouri Development Finance Board have resulted in approximately $2 million dollars in development downtown and one block off the square in several directions, giving Neosho new sidewalks and new lights in the exact replica of the original antique street lights. It has also created
private investment in no less than eight of the main buildings downtown being historically restored with retail or service in the lower levels and housing/apartments above the retail space. Neosho finds all the incentives to be very useful in economic development and in a wide range of areas from developing industrial jobs, infrastructure, retail development, and office and service industries with each one being unique to the incentive. The community of Neosho would be stalled and dying without the use of incentives like Chapter 353, TIF, Neighborhood Improvement Districts, and Industrial Development Bonds. Neosho describes itself as having always been an aggressive community that will continue to find ways to use these and other available incentives to build their community’s economy and compete with the fastest growing part of the country…Northwest Arkansas, and with industrial competitors such as Kansas, Oklahoma, and Arkansas who are 20 miles from its borders. With the right industry, i.e. paying the required wage and skill level of employment, Neosho would utilize Chapter 100 Bonds, and plans to use Transportation Development Districts, the Missouri Rural Economic Stimulus Act, and State Tax Increment Financing.

*Neosho, Missouri information has been provided by:*
Linda Redshaw, Economic Development Administrative Assistant
City of Neosho (417) 451-1925
ECONOMIC REGION: WEST CENTRAL (WARRENSBURG, MISSOURI)

STATE AND REGIONAL COMPARISON

Warrensburg, Missouri has a population of 17,452 and is located in the West Central Economic Region of the state. The Missouri Economic Research and Information Center (MERIC) describes this region as one keeping pace with Missouri as a whole, however a look at the U.S. Census data shows it to be slightly ahead of Missouri.

Community and Economic Indicators – Warrensburg, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Warrensburg</th>
<th>West Central Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>7.2%</td>
<td>11.7%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$14,714</td>
<td>$20,499</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>24.3%</td>
<td>14.5%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>8,757</td>
<td>86,969</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>9.3%</td>
<td>5.5%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, population growth for Warrensburg was only 7.2 percent, slightly behind that of Missouri and well behind the regional growth. Per capita income was also below regional ($20,499) and state levels ($19,936) as reflected in the 2000 census. The 24.3 percent poverty rate in Warrensburg is well above the regional rate of 14.5 percent and more than doubles the rate for Missouri. With a civilian labor force of 8,757 persons, the unemployment rate for Warrensburg was 9.3 percent, compared to 5.5 percent for the West Central Region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the West Central Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>104</td>
</tr>
<tr>
<td>211</td>
<td>Utilities</td>
<td>68</td>
</tr>
<tr>
<td>336</td>
<td>Transportation Equipment Manufacturing</td>
<td>63</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>58</td>
</tr>
<tr>
<td>333</td>
<td>Machinery Manufacturing</td>
<td>50</td>
</tr>
<tr>
<td>311</td>
<td>Food Manufacturing</td>
<td>46</td>
</tr>
<tr>
<td>327</td>
<td>Nonmetallic Mineral Product Manufacturing</td>
<td>45</td>
</tr>
<tr>
<td>624</td>
<td>Social Assistance</td>
<td>27</td>
</tr>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>24</td>
</tr>
<tr>
<td>424</td>
<td>Merchant Wholesalers, Nondurable Goods</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

WARRENSBURG, MISSOURI ECONOMIC DEVELOPMENT

Through economic development teamwork, including the approach of potential developers and the proactive efforts of its city staff, Warrensburg Missouri has expanded its knowledge and use of economic development incentives. Warrensburg experiences the infrastructure improvement needs and resource limitations existent in other cities in other regions of Missouri, but has become savvy in knowing which incentives result in effective solutions for its potential retail developers. This knowledge has been born out of experience. Initially, each incentive used was at the request of private developers, proposing to locate or expand business should incentives make assistance available for infrastructural improvement.
In the spring of 2004, Lowe’s Home Improvement, Inc. approached the City of Warrensburg about the possibility of a sales tax sharing agreement incorporated into development agreement between the city and a developer specifically for public improvements. The developer completes pre-defined infrastructure improvements, then one half (½) cent of the sales tax generated by a retail store in the development is used as a mechanism for reimbursement. In response to Lowe’s request, the City of Warrensburg created its first sales tax sharing incentive for commercial developments, and has since entered into two subsequent uses of this incentive.

In 2005 Warrensburg was again approached by a private commercial developer proposing the use of a Neighborhood Improvement District (NID) for public improvements in an approximately 100-acre commercial project. The city’s response was to pass a resolution to create the NID; typical of the progressive response by Warrensburg’s decision makers. Later in this same year, as another approach by this developer, Warrensburg was encouraged to initiate a petition to create a Transportation Development District (TDD) for the same development project, this time including Wal-Mart within the boundaries of the TDD. Implementation of the agreement was successful, with this incentive paying for public transportation improvements to address safety and traffic congestion concerns in the development area.

As evident in these instances, the general climate for engaging the use of economic development incentives is positive in Warrensburg. Recognizing the challenge and potential outcomes of meeting the demands for infrastructure improvements, staff has worked with professional bond counsel for assistance on these matters. Through experience Warrensburg’s staff has become more aware of the details and uses of the financing tools available, developing the knowledge for suggesting suitable incentives when working with new developments and projects.

Warrensburg has not worked directly with the Missouri Department of Economic Development for assistance, but notes the usefulness of information available through the DED website. Seminars offered by the Missouri Department of Transportation (MoDOT) have been attended by the Director and Assistant Director of Public Works and Community Development, which have made information available regarding the use of incentives for transportation improvements. Warrensburg’s comprehensive plan was prepared by the Show-Me Regional Planning Commission without a specific plan for economic development. Ongoing economic development is a coordinated effort of both the Economic Development Coordinating Board and the City of Warrensburg.

As described above, Warrensburg utilizes the following economic development incentives:

- Neighborhood Improvement Districts (NID)
- Other: Commercial Development Agreement

The Neighborhood Improvement District is an incentive currently used for the improvement of streets, storm and sanitary systems and a public park. Infrastructure is currently being installed, improvements are ongoing; all of the benefits of this incentive are yet to be measured.

In 2004, Warrensburg entered into a Commercial Development Agreement with Lowe’s Home Improvement Centers to accomplish necessary street and intersection improvements, which will improve the flow of traffic to local area businesses.

Warrensburg, Missouri information has been provided by:
Barbara Carroll, Assistant Director of Community Development
City of Warrensburg (660) 747-9131
ECONOMIC REGION: SAINT LOUIS METROPOLITAN (LAKE SAINT LOUIS, MISSOURI)

STATE AND REGIONAL COMPARISON

Lake Saint Louis, Missouri has a population of 12,893 and is located in the Saint Louis Metropolitan Economic Region. According to the Missouri Economic Research and Information Center (MERIC), this region is generally trailing Missouri’s economy. Over the last ten years, there has been extremely varied growth, with the slowest occurring in the urban core and the greatest in the outlying counties.

Community and Economic Indicators – Lake Saint Louis, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Lake Saint Louis</th>
<th>Saint Louis Metro Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>37.4%</td>
<td>5.1%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$32,064</td>
<td>$33,533</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>3.9%</td>
<td>9.6%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>5,625</td>
<td>1,033,079</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>2.7%</td>
<td>5.5%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Lake Saint Louis experienced a 37.4 percent population growth between 1990 and 2000; far surpassing the growth of the Saint Louis Metropolitan Region (5.1 percent) and the state’s rate of 9.3 percent. Per capita income of $32,064 is about four percent less than the region’s ($33,533), but far exceeds the state per capita income of $19,936. Lake Saint Louis has a much lower incidence of poverty (3.9 percent) than the region (9.6 percent) and the state (11.7 percent). With a civilian labor force of 5,625 persons, the unemployment rate for Lake Saint Louis was only 2.7 percent, compared to 5.5 percent for the region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the St. Louis Metropolitan Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>518</td>
<td>Internet Service Providers, Web Search Portals, Data Processing Serv.</td>
<td>365</td>
</tr>
<tr>
<td>522</td>
<td>Credit Intermediation and Related Activities</td>
<td>334</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>320</td>
</tr>
<tr>
<td>541</td>
<td>Professional, Scientific, and Technical Services</td>
<td>130</td>
</tr>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>118</td>
</tr>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>63</td>
</tr>
<tr>
<td>236</td>
<td>Construction of Buildings</td>
<td>62</td>
</tr>
<tr>
<td>621</td>
<td>Ambulatory Health Care Services</td>
<td>58</td>
</tr>
<tr>
<td>517</td>
<td>Telecommunications</td>
<td>51</td>
</tr>
<tr>
<td>713</td>
<td>Amusement, Gambling, and Recreation Industries</td>
<td>51</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

LAKE SAINT LOUIS, MISSOURI ECONOMIC DEVELOPMENT

A private retail developer initiated the use of tax incentives for economic development in Lake St. Louis. The site proposed for a retail center with Walmart as the anchor tenant needed road improvements. Although MODOT was already making substantial roadway upgrades, a crossover bridge and other realignments would be necessary for access to the retail site.

Such access improvements often are made with TIF financing, but the Lake St. Louis board of aldermen did not welcome the idea of a TIF district. Lake St. Louis City Administrator Paul Markworth proposed instead a Transportation Development District (TDD). Both the board and the developer readily supported the TDD.
Professional services for implementation of the TDD were provided by Armstrong Teasdale, LLP. Jim Mello of Armstrong Teasdale had become known statewide as an expert in the use of TDDs and he was familiar with the political and economic climate of Lake St. Louis.

Even with the endorsement of the concept of a TDD and the use of experienced professional services, there was an extended process determining the structure of the board for the district. After a series of meetings an agreement was reached on the balance between representation by the city and representation by the developer. At the developer’s urging, the city assumed responsibility for much of the administration of the district, including tax collections and maintaining district records.

Other than legal services, Lake St. Louis did not rely on other external economic development professional assistance for its project, either from DED or St. Charles County. On the county level, while a county economic development agency does exist, it is primarily focused on the growth of small businesses, rather than large scale development projects that require incentives such as TIF and TDD.

Lake Saint Louis has neither a formal, comprehensive plan nor an economic development plan. The functions of economic development are conducted by the City Administrator with assistance from the Mayor and Community Development Director.

Through a Transportation Development District (TDD) Lake Saint Louis began the construction of a 700,000 square foot retail development, with the incentive financing the needed road improvements. This is currently underway with full build out as the anticipated outcome, though it will be several years before results can be determined.

Other Comments: According to the City of Lake Saint Louis, recent changes in legislation have made it easier to use the Transportation Development District incentive. It is also a more attractive tool for political leaders and the public when compared to the use of a Tax Increment Financing (TIF) incentive. The use of the TDD has added feasibility to coordinating the Lake Saint Louis road improvements with improvements to Highway 40, concurrently underway by MODOT.

Lake Saint Louis, Missouri information has been provided by:
Bryan Richison, Assistant to the City Administrator
City of Lake Saint Louis (636) 625-1200
ECONOMIC REGION: SAINT LOUIS METROPOLITAN (BALLWIN, MISSOURI)

STATE AND REGIONAL COMPARISON

Ballwin, Missouri has a population of 30,778 in the Saint Louis Metropolitan Economic Region of the state. According to the Missouri Economic Research and Information Center (MERIC), this region is generally trailing Missouri’s economy. Over the last ten years, there has been extremely varied growth, with the slowest occurring in the urban core and the greatest in the outlying counties.

Community and Economic Indicators – Ballwin, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Ballwin</th>
<th>Saint Louis Metro Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>43.4%</td>
<td>5.1%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$29,520</td>
<td>$33,533</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>3.2%</td>
<td>9.6%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>16,617</td>
<td>1,033,079</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>2.0%</td>
<td>5.5%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Ballwin’s population increased 43.4 percent between 1990 and 2000; which is over 8 greater than the regional growth, and far surpasses the growth of Missouri during this time period. The city’s per capita income of $29,520 is lower than the region’s per capita income ($33,533), but far ahead of the state per capita income of $19,936. Ballwin has a much lower incidence of poverty (3.2 percent) than the region (9.6 percent) and the state (11.7 percent). With a civilian labor force of 16,617 persons, the unemployment rate for Ballwin is a mere 2.0 percent compared to 5.5 percent for the region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the St. Louis Metropolitan Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>518</td>
<td>Internet Service Providers, Web Search Portals, Data Processing Serv.</td>
<td>365</td>
</tr>
<tr>
<td>522</td>
<td>Credit Intermediation and Related Activities</td>
<td>334</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>320</td>
</tr>
<tr>
<td>541</td>
<td>Professional, Scientific, and Technical Services</td>
<td>130</td>
</tr>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>118</td>
</tr>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>63</td>
</tr>
<tr>
<td>236</td>
<td>Construction of Buildings</td>
<td>62</td>
</tr>
<tr>
<td>621</td>
<td>Ambulatory Health Care Services</td>
<td>58</td>
</tr>
<tr>
<td>517</td>
<td>Telecommunications</td>
<td>51</td>
</tr>
<tr>
<td>713</td>
<td>Amusement, Gambling, and Recreation Industries</td>
<td>51</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

BALLWIN, MISSOURI ECONOMIC DEVELOPMENT

The comprehensive plan for Ballwin was developed by a professional consultant working closely with city staff. No formal economic development plan exists for the city to date, however economic development is primarily a function of the city with limited assistance from the West County Chamber of Commerce.

Ballwin, Missouri has used the following economic development incentives:
- Local Tax Increment Financing (TIF)
- Transportation Development District (TDD)
• Industrial Development Authority – Chapter 349
• Neighborhood Improvement Districts (NID)

Local Tax Increment Financing (TIF) was initiated in 1999 to write down the cost of land acquisition and the cost of public improvements such as roadways and storm water systems. As a result, a 285,000 square foot retail center with associated public roadway and storm water improvements was constructed. The anticipated outcome was that this modern retail center, replacing an existing commercial land use, would eliminate the deteriorated and poorly utilized commercial development and provide an economic boost to the city, while increasing overall sales tax revenues. The deteriorated commercial properties were replaced under the TIF but the revenue boost, according to the city, has been less than anticipated. The TIF continues to date.

A Transportation Development District (TDD) was initiated in 1999 to accomplish public roadway improvements which were completed through these funds.

Other incentives previously utilized by Ballwin, but which are no longer in effect, include the Industrial Development Authority (used in the middles 1980’s), and the Neighborhood Improvement Districts incentive, which was used over a five-year period, from 1990 to 1995.

Comments: A TIF is a negotiation between a developer and the City. The problem with the process is that all negotiations are completed in advance of the work being done, with no way to know with any certainty if the revenue projections are accurate. By the time the development is constructed and revenue is realized the developer is gone. If the revenues were overly optimistic there may not be enough to cover the bond debt. Although the City may not be technically responsible to pay the deficiency, a default would be a serious black mark on the city’s credit record. The law would be stronger if the developer was required to remain an equity partner in the development until the bonds are retired. Furthermore, the developer should be required to be financially responsible if the revenue projections that he provided were seriously flawed.

Ballwin, Missouri information has been provided by:
Thomas Aiken, Assistant City Administrator
City of Ballwin (636) 227-8580
ECONOMIC REGION: KANSAS CITY METROPOLITAN (NORTH KANSAS CITY, MISSOURI)

STATE AND REGIONAL COMPARISON

North Kansas City, Missouri, with a population of 4,917 is in the Kansas City Metropolitan Economic Region, described by the Missouri Economic Research and Information Center (MERIC), as generally keeping pace with the economy of Missouri. Urban areas of the region in Jackson County have grown at a slower pace than the Cass and Platte County areas.

Community and Economic Indicators – North Kansas City, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>North Kansas City</th>
<th>Kansas City Metro Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>14.1%</td>
<td>9.2%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$18,967</td>
<td>$29,736</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>12.5%</td>
<td>10.4%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>2,870</td>
<td>610,713</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.0%</td>
<td>4.7%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Between 1990 and 2000, North Kansas City experienced a population increase of 14.1 percent, which far exceeds both the region’s rate of 9.2 percent and the Missouri rate of 9.3 percent. Per capita income, at $18,967 is not characteristic of the overall regional figure of $29,736, but only slightly lower than the per capita income for Missouri. North Kansas City has a higher incidence of poverty (12.5 percent) than both the region and state of Missouri. The civilian labor force of 2,870 persons has an unemployment rate of 5.0 percent, only slightly above the rate of the Kansas City Metro Region, and minimally lower than the state’s rate of 5.3 percent.

The top ten industries adding the most jobs to the Kansas City Metropolitan Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>1,912</td>
</tr>
<tr>
<td>221</td>
<td>Utilities</td>
<td>518</td>
</tr>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>505</td>
</tr>
<tr>
<td>551</td>
<td>Management of Companies and Enterprises</td>
<td>478</td>
</tr>
<tr>
<td>517</td>
<td>Telecommunications</td>
<td>299</td>
</tr>
<tr>
<td>525</td>
<td>Funds, Trusts, and Other Financial Vehicles</td>
<td>289</td>
</tr>
<tr>
<td>485</td>
<td>Transit and Ground Passenger Transportation</td>
<td>287</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>247</td>
</tr>
<tr>
<td>621</td>
<td>Ambulatory Health Care Services</td>
<td>189</td>
</tr>
<tr>
<td>446</td>
<td>Health and Personal Care Stores</td>
<td>183</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

NORTH KANSAS CITY, MISSOURI ECONOMIC DEVELOPMENT

North Kansas City, Missouri, one of the first commercialized areas of metropolitan Kansas City, is located along the Missouri river bottoms just north of downtown Kansas City Missouri. Lewis and Clark noted a small development of white settlers along the bluffs in North Kansas City’s current territory during their landmark voyage that first explored the Louisiana Purchase over 200 years ago. Approximately twenty years later the first commercial development in the region was set up by François Chouteau as a fur-trading depot – also along the North banks of the Missouri River near the existing Chouteau Bridge area. Since then, North Kansas City’s geography has offered one of the most fertile business climates in the Midwest.
Its leadership role was fueled largely by its superior transportation infrastructure, including the first bridge across the Missouri River, which experts agree to have been the turning point catapulting the Kansas City area as the largest metropolitan area for hundreds of miles. Still, development would not happen without effort; the early planners of North Kansas City were some of the most astute professionals of the early 1900’s bringing newfound wisdom from major commercial centers like Chicago to develop one of the first fully “planned” cities in the United States.

North Kansas City’s streets were laid out; its water works plant constructed, and specific areas designated for intended uses even before inhabitants came to the area to live. Since most of the area was in a flood plain, a levy system was also developed. Not only were the man-made improvements absolutely essential to future development, public and private leaders of the city embarked on some of the most proactive marketing efforts in the 1910’s and 1920’s targeted to bring development to the Kansas City area. One example was the North Kansas City Industrial District Magazine, distributed far and wide to invite others to join the burgeoning development underway in this remarkable City, “where east meets west and north meets south.”

The transportation advantage of the bordering Missouri River and railroads began to lose significance for economic development. Expanding interstates and expressways allowed the sprawl of suburban housing and commercial facilities further and further away from the urban core. Manmade improvements would ironically prove to be the city’s undoing, and require intervention for continued growth. The population of the city that had peaked to some 6,000 residents in the 1950’s, began a steady downward decline. By the 1970’s, all but one of the major retail franchise outlets had left the downtown commercial area. Northtown, once the region’s largest shopping district, became stagnant despite desperate urban renewal attempts at trying to make the city’s quaint streetscapes look like homogeneous suburban malls. By the 1980’s, North Kansas City’s government had begun spending more money than it was taking in for the first time in history. Retail sales taxes were sharply declining along with the city’s long time mainstay, manufacturing and industrial development.

In response, studies commissioned by city leaders in the early eighties recommended the appointment of a public/private ombudsman who would serve as what’s now called an Economic Development Coordinator. But, many leaders of the community, proudly remembering the city’s hey days of the fifty’s and earlier, shunned the idea of progress all together. But as the economic situation grew worse throughout the eighties, the city council of North Kansas City filled the first city-sponsored Economic Development position in Kansas City’s Northland. The city was well aware that neighboring communities in Johnson County, Kansas and others, were stealing away scores of businesses from North Kansas City with tax abatement programs. One report concluded that only three of North Kansas City’s top ten tax revenue producers of the 1980’s remained by the end of that decade. This newly created professional economic development position would become an intervention.

As the new professional added to city staff, Jeff Samborski began as Economic Development Director at age 24. A native of the area familiar with the predicament of the city, and cognizant of the local view that “North Kansas City was dying on the vine,” Mr. Samborski’s challenge was to change the negative mindset. With a Master’s degree in Government Business Relations from Park College and prior experience with fine-tuning the media message, Samborski endeavored to change the perception of the community, considering this the highest priority if economic improvement was to occur. Jeff brought his experience as a state and federal elections press agent to work with him for North Kansas City.

Fortunately, there were many tax benefits and location advantages that just needed to be promoted, so that managers would begin looking at the city in a different light. Also, the economy that was filled with bad news in the early eighties, had begun giving way to a more expansionary period. Communicating this good news began to help change the perception of North Kansas City, including that of leadership. City government had come to realize change -- no longer could government simply enforce ordinances and regulations. Rather, in the competitive environment, the survival of the city required partnering with business. From decorative
banners with enthusiastic slogans throughout the retail district, to advertisements targeting local decision makers, messages continuously promoted the positive changes underway in North Kansas City.

In 1991, Barnett Helzberg, then president and CEO of Helzberg’s Diamond Corporation had taken notice of the changing outlook of North Kansas City. Catching his eye was an abandoned J.C. Penny store which had set vacant for over ten years and it continued to scare off many potential investors over the years like a boarded up house in any neighborhood would. Helzberg and his advisors reasoned that if a real property tax abatement program could be implemented, the building could become a good investment and serve as the home for Helzberg Diamond Shops Corporate Headquarters. This project had all the elements needed to get the city and private sector working in partnership, plus the high visibility of a relocating corporate headquarters with hundreds of employees meant that the positive message the city was proclaiming would be confirmed publicly.

The City Council after considerable discussion passed the first RSMo 353 real property tax abatement program for Helzberg’s and many in the community now agree that this was probably a landmark turning point for both the city’s economy and its philosophy of Economic Development. As in subsequent 353 tax abatement programs, the city made sure that before approving the abatement, there was discussion with the affected taxing jurisdictions and that a redevelopment agreement called for payments in lieu of taxes for all existing real property improvements to continue being paid by the developer. Being the first abatement program in Kansas City’s northland, the school district noted its reservations concerning the abatement. Fortunately, the project brought all the benefits to the area that were promised and the leadership of the local school district also began understanding that the working with private business sometimes may require concessions in turn for long term gains and the general health of its service area.

The second abatement program approved by the city was for Cook Composites and Polymers, (CCP). Formerly known as Cook Paint, Cook had been a long time North Kansas City Business for some 80 years. The abatement called for rehabilitating the old Wheeling Corrugating building to CCP’s Corporate headquarters as well as Cook’s manufacturing facilities in order to retain their presence in Missouri. The old 1920’s vintage Wheeling building was brought up to National Historic Preservation standards from a blighted, derelict state that was dangerously close to demolition. CCP is now the world’s largest producer of gel coatings and has invested an estimated $40 million in their plant since the approval of their abatement.

The third abatement program was approved for the ten story Sear’s Catalog building constructed in 1912, which was also on the brink of demolition due to broken glass, literally falling down from the building, and a host of other physical problems. The building along Armour Road, North Kansas City’s major east west artery had become a major eyesore. However, a $13 million redevelopment plan added the building to the National Register of Historic Places and converted all levels into a total of 152 residential lofts.

Four other 353 tax abatement programs were subsequently approved by the city for commercial / industrial use and all mirror the same parameters as those described above.

More specifically, the buildings and/or land had undisputable findings of blight and the economic return for all affected tax jurisdictions was shown to be greater with approval of the project than if not approved.

The last major abatement program approved / amended was used to retain Cerner Corporation, which is now reportedly Missouri’s fastest growing employer. This is the only time that a city tax abatement had been approved without the presence of a clearly obsolete, blighted structure. However, the city was very careful in connecting the abatement amount with the actual cure costs for efficiently developing the site. More specifically, the unique terrain and geophysical conditions of the Cerner Campus made it extraordinarily difficult to develop the area as compared with a typical green field commercial site. The city and Cerner agreed upon a certification process whereby the abatement value would not rise above the actual cure costs for making the site developable for their use. Since the approval of the abatement Cerner has agreed to make nearly $200 million in capital improvements at their North Kansas City headquarters. They also have added
thousands of new jobs, and recently announced that they will be investing over a billion dollars in new research and development at their NKC location.

To address its population decline, and sustain its economic development success, North Kansas City began an initiative to improve its residential housing stock. An area that hosted 666 garden styled apartments had become seriously blighted; Census data showed the average length of stay for residents of this community was less than one year. In other areas of the city, housing stock was 50 years old or older, and ownership was low; most were renter occupied units. Questions asked were, “how could the city fill relevant board positions and local businesses be able to attract top talent for information-age businesses, when virtually all of the city’s housing stock was designed for low income, blue-collar workers of a past industrial era?”

In response, the Northgate Village project was proposed, and included a mix of 800 housing units to appeal to various types of residents. Multifamily, senior citizens, single family, and condominium - all types were represented in the plan, along with an adjacent retail area, which was of great need the community. Still underway, Northgate’s total project cost is estimated to be about $100 million, and so relevant to the city that the government purchased the entire 50 acres of land to help clear the way for a master developer. By using Tax Increment Financing, the city’s portion of the costs should eventually be paid back minus interest expenses. The project is now about 75% complete and its new urbanism approach has become a model for other communities in the area. It is the only case in the city by which eminent domain had to be enforced in order for the previous landowner to sell the property for a new development.

The comprehensive plan for North Kansas City was developed by a city staff with a consultant’s guide and public input. The city has several redevelopment plans, development planning areas, and creates an annual economic development agenda. For implementation of its economic development plan, North Kansas City appropriates its annual budget with a full-time IEDC –certified Economic Development Director.

**North Kansas City has used the following economic development incentives:**

- Local Tax Increment Financing – Local TIF
- Urban Redevelopment Corporations – Chapter 353
- Other: Industrial Redevelopment Bonds
- Other: Historic Preservation Tax Credits
- Other: Community Development Block Grants

North Kansas City used the local **Tax Increment Financing (TIF)** incentive in 1999, which has resulted in a $100 million dollar mixed-use development with approximately 800 housing units and five retail pad sites.

The **Urban Redevelopment Corporations – Chapter 353 tax abatement** has been utilized several times, after its initial use in 1991, for converting a blighted, former J.C. Penny’s store into the world headquarters for Helzberg’s Diamond Stores. It was later used in 1997 for a 151-unit loft conversion of a 1910’s vintage ten story warehouse. The total investment was approximately $13 million dollars on this housing project; for which the Chapter 353 was used in conjunction with federal **Historic Preservation Tax Credits** and **Missouri Housing Development Corporation** assistance. Use of the Chapter 353 was critical in the retention/attraction of over 4,000 jobs, over $200 million dollars in new capital building projects, and about one million sq. ft. of new building space for Cerner Corporation.

**Industrial Revenue Bonds** were used in 1992 by North Kansas City for the purchase of approximately $2 million in industrial equipment.

The **Community Development Block Grant (CDBG)** was used for intersection improvements in 2003, for the Cerner Corporation Campus development.

**Comments:** The commercial and industrial situation has effectively been reversed in the city. North Kansas City is once again the rising star of the Midwest. Based on a study by Governing Magazine, North Kansas
City falls in the top three jurisdictions in the United States for generating tax revenues to federal, state and local jurisdictions on a per capita basis. The City of Valdez, Alaska, and City of Industry, California being the only other two cities that can match North Kansas City’s unique prosperity for public coffers. This small city of only four square miles now pumps out an estimated $100 million annually for the benefit of government programs. The most useful tool by far has been the Chapter 353 because of its ease of implementation. Most other tools, like the MoDESA for instance, have been too cumbersome for small communities. According to North Kansas City, they have been blessed with excellent location; therefore public incentives are used rarely and as a last resort.

North Kansas City, Missouri information has been provided by:
Jeffrey Samborski, Economic Development Director
City of North Kansas City (816) 274-6040
ECONOMIC REGION: NORTH CENTRAL (TRENTON, MISSOURI)

STATE AND REGIONAL COMPARISON

Trenton has a population of 6,033 in the North Central Economic Region of Missouri. This region generally lags well behind the state’s economy, according to the Missouri Economic Research and Information Center (MERIC), with farming counties that have struggled considerably.

Community and Economic Indicators – Trenton, Missouri:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Trenton</th>
<th>North Central Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>1.4%</td>
<td>-0.4%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$15,834</td>
<td>$21,740</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>17.1%</td>
<td>14.1%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>2,842</td>
<td>34,724</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>4.8%</td>
<td>4.03%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Trenton’s population growth of only 1.4 percent, well below the state’s growth rate of 9.3 percent, is an increase in lieu of the 0.4 percent population decline experienced by the North Central Region. With a per capita income of $15,834, the city trails far behind the regional per capita income of $21,740 and behind Missouri’s figure of $19,936. Trenton has a high incidence of poverty compared to the region’s rate of 14.1 percent, and the state’s rate of 11.7 percent. With a civilian labor force of 2,842, the unemployment rate for Trenton is 17.1 percent, compared to 4.03 percent for the North Central Region and 5.3 percent for Missouri.

The top ten industries adding the most jobs to the North Central Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>335</td>
<td>Electrical Equipment, Appliance, and Component Manufacturing</td>
<td>31</td>
</tr>
<tr>
<td>311</td>
<td>Food Manufacturing</td>
<td>10</td>
</tr>
<tr>
<td>322</td>
<td>Paper Manufacturing</td>
<td>10</td>
</tr>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>10</td>
</tr>
<tr>
<td>623</td>
<td>Nursing and Residential Care Facilities</td>
<td>6</td>
</tr>
<tr>
<td>721</td>
<td>Accommodation</td>
<td>5</td>
</tr>
<tr>
<td>541</td>
<td>Professional, Scientific, and Technical Services</td>
<td>5</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>4</td>
</tr>
<tr>
<td>814</td>
<td>Private Households</td>
<td>4</td>
</tr>
<tr>
<td>336</td>
<td>Transportation Equipment Manufacturing</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

TRENTON, MISSOURI ECONOMIC DEVELOPMENT

Trenton does not have a comprehensive plan, but rather a comprehensive development ordinance for planning and zoning. Economic development is a function of local government as the City of Trenton employs a full-time Community/Economic Developer. An economic development plan is underway, currently being prepared by the Community/Economic Developer with oversight from the Economic Development Committee consisting of council members.

Trenton has used the following incentives for economic development:

- Local Tax Increment Financing (TIF)
- Neighborhood Improvement Districts (NID)
The Local Tax Increment Financing incentives were initiated in September 1995, with one having been completed four years later, and one currently in use. The completed TIF was used to fund the relocation of a MODOT maintenance building and for the development of the initial building’s site for retail business. The end result was as anticipated, the location of retail establishments, including one discount store (Pamida), one salon, and Orschelin’s, a home and farm store into the new retail site. The second TIF allowed for the creation of a mall located on a site that was previously a Middle School and Junior College. The incentive for this retail development is still in use.

The Neighborhood Improvement Districts incentive is currently in use, having been instituted by the Downtown Improvement Group, allowing for the establishment of a revolving loan fund.

Trenton, Missouri information has been provided by:
Sean Burge, Community Development Director
City of Trenton (660) 359-4310
ECONOMIC REGION: LOWER EAST CENTRAL – CAPE (FREDERICKTOWN, MISSOURI)

STATE AND REGIONAL COMPARISON
Fredricktown has a population of 3,930 in the Lower East Central - Cape Economic Region of Missouri. According to the Missouri Economic Research and Information Center (MERIC), this region generally outpaces the economy of Missouri, with the northern half seeing good progress while the southern half’s growth has occurred at a subdued pace.

Community and Economic Indicators – Fredricktown, Missouri:

<table>
<thead>
<tr>
<th></th>
<th>Fredericktown</th>
<th>Lower East Central – Cape Region</th>
<th>Missouri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pop Growth (1990-2000)</td>
<td>-0.56%</td>
<td>10.6%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Per Capita Income</td>
<td>$13,512</td>
<td>$20,962</td>
<td>$19,936</td>
</tr>
<tr>
<td>Poverty Rate</td>
<td>22.3%</td>
<td>12.9%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Civilian Labor Force</td>
<td>1,678</td>
<td>106,304</td>
<td>2,806,718</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>11.0%</td>
<td>5.8%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Sources: Missouri Economic Research & Info Ctr.; Office of Social & Economic Data Analysis (OSEDA); Local Area Unemp. Stats - U.S. Census Bureau 2000

Fredricktown’s population declined by 0.56 percent between 1990 and 2000, while the population of the Lower East Central-Cape region increased by 10.6 percent and the state’s population increased by 9.3 percent. The per capita income of $13,512 is well below both the region’s per capita income of $20,962 and Missouri’s per capita income of $19,935. At 22.3 percent, Fredricktown’s poverty rate far exceeds the rates of the region and state. The civilian labor force consists of 1,678 persons, with an unemployment rate of 11.0 percent – twice the unemployment rate of both the region (5.8 percent) and the state of Missouri (5.3 percent).

The top ten industries adding the most jobs to the Lower East Central Region by new and expanding businesses are:

<table>
<thead>
<tr>
<th>SIC</th>
<th>Industry</th>
<th>Average Quarterly Job Creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>561</td>
<td>Administrative and Support Services</td>
<td>321</td>
</tr>
<tr>
<td>326</td>
<td>Plastics and Rubber Products</td>
<td>169</td>
</tr>
<tr>
<td>332</td>
<td>Fabricated Metal Product Manufacturing</td>
<td>134</td>
</tr>
<tr>
<td>722</td>
<td>Food Services and Drinking Places</td>
<td>118</td>
</tr>
<tr>
<td>484</td>
<td>Truck Transportation</td>
<td>65</td>
</tr>
<tr>
<td>622</td>
<td>Hospitals</td>
<td>54</td>
</tr>
<tr>
<td>623</td>
<td>Nursing and Residential Care Facilities</td>
<td>53</td>
</tr>
<tr>
<td>446</td>
<td>Health and Personal Care Stores</td>
<td>43</td>
</tr>
<tr>
<td>621</td>
<td>Ambulatory Health Care Services</td>
<td>42</td>
</tr>
<tr>
<td>236</td>
<td>Construction of Buildings</td>
<td>41</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau – Local Employment Dynamics, based on Quarterly Workforce Indicators

FREDERICKTOWN, MISSOURI ECONOMIC DEVELOPMENT
The comprehensive plan for Fredricktown was developed by the Southeast Missouri Regional Planning and Economic Development Commission (SEMO RP & EDC). This initial comprehensive plan included only an overview of the city’s economic sector with several general recommendations for future economic growth. In March of 1993, the SEMO RP & EDC completed a study titled, An Economic Redevelopment Strategy for Madison County, Missouri, (Fredricktown is the county seat for Madison County). This study was compiled through Economic Adjustment Assistance funding received from the U. S. Economic Development Administration, and includes an Implementation Plan that focused on recommended capital projects that would
further economic development. The responsibility for economic development is jointly shared between the City Administrator and the Director of Economic Development. With its plan originally developed in 1980, Fredericktown continues to pursue capital improvement projects, including a northern bypass around the town and a large business park development as implementation strategies.

Fredericktown has used the following incentives for economic development:

- Industrial Development Authority – Chapter 349
- Local Tax Increment Financing – Local TIF
- Certificates of Participation (COPS) Funds
- State Community Development Block Grant (CDBG)
- Rural Business Enterprise Grant (United States Department of Agriculture)
- Public Works and Development Facilities Grant (United States Department of Commerce, Economic Development Administration)

Fredericktown has used the Industrial Development Authority (IDA) on an as-needed basis, but this incentive has otherwise been inactive.

The Local Tax Increment Financing (TIF) is currently being utilized by Fredericktown in an effort to assist with the development of a business park with acreage available for the immediate construction of new facilities. Prior to this business park development, the city had no suitable acreage available for economic development purposes. TIF funds assisted with the construction of roadways and storm sewers. Grant funds awarded through the Community Development Block Grant (CDBG) program, the Rural Business Enterprise Grant program and the Public Works and Development Facilities Grant program were also utilized for roadway and storm sewer infrastructure.

In addition, Fredericktown used Certificates of Participation (COPS) funds to construct drinking water infrastructure serving the entire park and beyond. The city used existing funds to construct a new electrical substation to serve the new business park and surrounding area.

The business park project has resulted in the location of a 75,000 sq. ft. manufacturing facility, the relocation of a Ford automobile dealership to the area, and the location of a Cracker Barrel-style family restaurant. Further development is pending.

Comments: According to Fredericktown economic developers, an attempt was made for the use of a Transportation Development District (TDD) in conjunction with the TIF. However, the Wal-Mart Super Center, as the driving force behind the development effort, voiced strong opposition to participation in a TDD. The TDD effort was therefore terminated.

Fredericktown, Missouri information has been provided by:
Tim Morgan, City Administrator
City of Fredericktown (573) 783-3683
OZARK FOOTHILLS REGIONAL PLANNING COMMISSION
The Ozark Foothills Regional Planning Commission serves the western half of the Bootheel economic
development region of Missouri, specifically a five county area including Ripley, Butler, Carter, Wayne, and
Reynolds counties. The planning commission is responsible for the overall economic development of the
cities within its borders, with the exception of Poplar Bluff. Of the 16 cities within its jurisdiction, only
Poplar Bluff has a comprehensive plan, which was developed through a joint effort of city staff and
professional consultants. In 1992, the Ozark Foothills Regional Planning Commission (RPC) developed an
economic development plan for its cities, and has pursued grant funding for industrial park development,
participated in the EDA strategic planning processes and marketed its region through public and private
sources.

In 2004 the Ozark Foothills RPC used the Community Development Corporations and Bank(s) (CDCs)
incentive in conjunction with the USDA for Rural Development, resulting in the construction of a 40,000 sq.
ft. warehouse for Nordyne, an existing manufacturer in the Poplar Bluff Industrial Park. The incentive for the
new warehouse was a loan guarantee from the USDA – Rural Development, through which Nordyne would
seek conventional financing. This guarantee provided an increased comfort level for banks to participate in the
loan. Five (5) banks in Poplar Bluff participated in the $4.5 million project. Without the loan guarantee, or the
backing of the federal government, the banks may not have made such a substantial loan -- the loan guarantee
by Rural Development consummated the project.

Nordyne, a company manufacturing air conditioning and heating components and systems was then able to
construct the new warehouse as an attachment to their existing building, allowing the movement of storage as
well as business expansion through the addition of an assembly line. This new assembly line created job
opportunities as well as additional tax revenue both from the construction and new payroll.

Also, in this same year, the commission used a Transportation Corporation incentive, as a method to
advance improvements to Highway 67 between Poplar Bluff and Fredericktown. The establishment of the
corporation provided a legal entity to which the Missouri Department of Transportation could attach a
contractual agreement for completion of the improvements. Also, the Transportation Corporation created an
avenue for the passage of a sales tax and payment of one-half of the cost for making Highway 67 a four-lane
highway. Without it, improvements to Highway 67 would have been much later, if at all. The Missouri
Department of Transportation did not have expansion of Highway 67 to four lanes within its plans. Therefore,
only the creation of the Transportation Corporation and passage of a one-half cent sales tax by the residents of
Poplar Bluff moved Highway 67 onto the list of Missouri Department of Transportation projects.

Ozark Foothills Regional Planning Commission:
3019 Fair Street; Poplar Bluff, Missouri 63901
Phone: (573) 785-6402 – Fax: (573) 686-5467
Dr. Greg Batson, Executive Director
COMMUNITY ECONOMIC DEVELOPMENT FINANCE GUIDE CASE STUDY
MISSOURI ECONOMIC DEVELOPMENT - REGIONAL PLANNING COMMISSION PERSPECTIVE

MO-KAN REGIONAL COUNCIL
The MO-KAN Regional Council serves a four county area in the lower northwest region of Missouri that includes Andrew, Buchanan, Clinton, DeKalb counties, and a two county area of Kansas, from which it derives its name (MO-KAN). Generally the individual cities within its jurisdictional borders are responsible for their economic development programs, while MO-KAN assists with specific projects as needed. The administration of economic development programs within this jurisdiction is a concerted effort of chambers, city functions, utilities, etc. While dated, MO-KAN assisted with comprehensive plans for cities within its region, and subsequent revisions have been the responsibility of those cities. A city-specific economic development plan doesn’t fall under the authority of MO-KAN, however this designated regional council does work on a daily basis to implement the regional economic development plan. Much of this implementation is accomplished in providing small business loans, transportation planning, and grant writing to cities and counties within its borders.

Mo-Kan Regional Council:
1302 Faraon Street
St. Joseph, Missouri  64501
Phone: (816) 233-3144 - Fax: (816) 233-8498
Appendix A

Map of
Missouri Economic Development Regions
Appendix B

Pie Chart of
Economic Development Incentives
Percentages of Use
Missouri Economic Development Incentives – Percentages of Use

Note: Other - Development Agreement, includes Developer Agreements, Individualized Development Agreements, and Commercial Development Agreements.
Appendix C

Table of
Missouri Regional Planning Commissions
and the Economic Development Regions within their Boundaries
<table>
<thead>
<tr>
<th>Regional Planning Commission</th>
<th>Economic Development Region(s)</th>
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<tbody>
<tr>
<td>Boonslick Regional Planning Commission</td>
<td>Upper Northwest Economic Development Region</td>
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<tr>
<td>122 East Boonslick Road; P.O. Box 429</td>
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<tr>
<td>Warrenton, MO. 63383</td>
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<tr>
<td>Bootheel Regional Planning &amp; Economic Development Commission</td>
<td>Lower Bootheel Economic Development Region</td>
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<td>P.O. Box 397</td>
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<tr>
<td>Malden, MO 63863</td>
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<tr>
<td>East-West Gateway Council of Governments</td>
<td>Metropolitan St. Louis Economic Development Region and Portions of Illinois</td>
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<tr>
<td>One Memorial Drive, Suite 1600</td>
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</tr>
<tr>
<td>St. Louis, MO 63102</td>
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<tr>
<td>Green Hills Regional Planning Commission</td>
<td>North Central Economic Development Region and Harrison, Davies and Caldwell Counties of the Northwest Region</td>
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<tr>
<td>1104 Main St.; P.O. Box 28</td>
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<tr>
<td>Trenton, MO 64683</td>
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<tr>
<td>Harry S. Truman Coordinating Council</td>
<td>Eastern half of the Southwest Economic Development Region</td>
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<tr>
<td>24943 DeMott; P.O. Box 388</td>
<td></td>
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<tr>
<td>Webb City, MO 64870</td>
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<tr>
<td>Kaysinger Basic Regional Planning Commission</td>
<td>Lower West Central and upper Southwest Economic Development Regions</td>
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<td>213 S. Washington</td>
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<tr>
<td>Clinton, MO 64735</td>
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<tr>
<td>Lake of the Ozarks Council of Local Governments</td>
<td>Western half of the Lake Ozarks-Rolla Economic Development Region</td>
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<tr>
<td>P.O. Box 786</td>
<td></td>
</tr>
<tr>
<td>Camdenton, MO 65020</td>
<td></td>
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<tr>
<td>Mark Twain Regional Council of Governments</td>
<td>Lower Northeast with Randolph and Audrain counties of the Central Economic Development Region</td>
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<tr>
<td>42494 Delaware Lane</td>
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</tr>
<tr>
<td>Perry, MO 63462</td>
<td></td>
</tr>
<tr>
<td>Meramec Regional Planning Commission</td>
<td>Eastern half of the Lake Ozark-Rolla Region, Osage and Gasconade Counties of the Central Region, and Washington County of the Lower East Central-Cape Economic Development Region</td>
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<tr>
<td>#4 Industrial Drive</td>
<td></td>
</tr>
<tr>
<td>St. James, MO 65559</td>
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<tr>
<td>Mid-America Regional Council</td>
<td>Kansas City Metro Economic Development Region (excluding Lafayette County), with portions of Kansas</td>
</tr>
<tr>
<td>600 Broadway; Suite 300</td>
<td></td>
</tr>
<tr>
<td>Kansas City, MO 64105</td>
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<tr>
<td>Mid-Missouri Regional Planning Commission</td>
<td>Central Economic Development Region, excluding Osage, Gasconade and Montgomery counties</td>
</tr>
<tr>
<td>206 E. Broadway, P.O. Box 140</td>
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<tr>
<td>Ashland, MO 65010</td>
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<tr>
<td>Regional Planning Commission</td>
<td>Economic Development Region(s)</td>
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<tr>
<td><strong>Mo-Kan Regional Council</strong></td>
<td>Lower Northwest Economic Development Region, and Clinton County of the Metro Kansas City Region</td>
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<tr>
<td>1302 Faraon</td>
<td></td>
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<tr>
<td>St. Joseph, MO 64501</td>
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<tr>
<td><strong>Northeast Missouri Regional Planning Commission</strong></td>
<td>The upper portion of the Northeast Economic Development Region</td>
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<tr>
<td>P.O. Box 248; 326 East Jefferson</td>
<td></td>
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<tr>
<td>Memphis, MO 63555</td>
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<tr>
<td><strong>Northwest Missouri Regional Council of Governments</strong></td>
<td>Upper Northwest Economic Development Region</td>
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<tr>
<td>114 West Third St.</td>
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<tr>
<td>Maryville, MO 64468</td>
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<tr>
<td><strong>Ozark Foothills Regional Planning Commission</strong></td>
<td>Western half of the Bootheel Economic Development Region</td>
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<tr>
<td>3019 Fair Street</td>
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<td>Popular Bluff, MO 63901</td>
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<tr>
<td><strong>Pioneer Trails Regional Planning Commission</strong></td>
<td>Upper West Central Economic Development Region and Lafayette County of the Kansas City Metro Region</td>
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<tr>
<td>802 South Gordon</td>
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<tr>
<td>Concordia Community Center, Rm LL-1</td>
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<tr>
<td>P.O. Box 123</td>
<td></td>
</tr>
<tr>
<td>Concordia, Missouri 64020</td>
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<tr>
<td><strong>South Central Ozark Council of Governments</strong></td>
<td>South Central Economic Development Region</td>
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<tr>
<td>P.O. Box 100</td>
<td></td>
</tr>
<tr>
<td>Pomona, MO 65789</td>
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<tr>
<td><strong>Southeast Missouri Regional Planning &amp; Economic Development Commission</strong></td>
<td>Lower East Central-Cape Economic Development Region, excluding Reynolds and Washington counties</td>
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<tr>
<td>P.O. Box 366</td>
<td></td>
</tr>
<tr>
<td>Perryville, MO 63775</td>
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<tr>
<td><strong>Southwest Missouri Council of Governments</strong></td>
<td>Springfield Economic Development Region and the eastern half of the Southwest Economic Development Region</td>
</tr>
<tr>
<td>901 S. National Ave.</td>
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<td>Springfield, MO 65804</td>
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</tbody>
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CHAPTER V

ECONOMIC DEVELOPMENT PRACTITIONERS
ECONOMIC DEVELOPMENT PRACTITIONERS

One of the key rules to navigating through the over 70 different economic development initiatives in Missouri is to remember that there is no need to understand every program. As this Guide has illustrated, the programs are far too diverse and complex. There are, however, a large number of both public and private resources available to help you.

PUBLIC RESOURCES

Department of Economic Development
Missouri Development Finance Board
Environmental Improvement and Energy Resources Authority
Missouri Agriculture and Small Business Development Authority
Missouri Department of Transportation
Missouri Housing Development Commission
Missouri Municipal League
Regional Planning Commissions
Local Chambers of Commerce
Local Economic Development Professionals
Colleges and Universities

PRIVATE RESOURCES

Law Firms with Economic Development Practices
Armstrong Teasdale LLP
Blackwell Sanders Peper Martin LLP
Bryan Cave LLP
Gilmore & Bell, P.C.
Greensfelder, Hemker & Gale, P.C.
Husch & Eppenberger, LLC
King Hershey, P.C.
Lewis, Rice & Fingersh, L.C.
Polsinelli Shalton Welte Suelthaus
Stinson Morrison Hecker LLP
The Stolar Partnership LLP
Thompson Coburn LLP
Van Matre, Harrison & Volkert, P.C.
White Goss Bowers March Schulte & Weisenfels, P.C.

Investment Banking Firms
A.G. Edwards & Sons, Inc.
Banc of America Securities LLC
Commerce Bank, National Association
D.A. Davidson & Co.
Edward D. Jones & Co., L.P.
First St. Louis Securities, Inc.
George K. Baum & Company
McLiney and Company
Piper Jaffray & Co.
Stern Brothers & Co.
Stifel, Nicolaus & Company, Incorporated

Planning Consultants
Development Dynamics
Development Strategies
Economic Development Resources
Peckham Guyton Albers & Viets, Inc.

Professional Trade Associations
Missouri Economic Development Council (MEDC)
Missouri Economic Development Financing Association (MEDFA)
Missouri Association of Municipal Utilities (MAMU)

Utility Companies
PUBLIC RESOURCES

Missouri Department of Economic Development
301 West High Street
P.O. Box 1157
Jefferson City, Missouri 65102
Phone: 573-751-4962
Fax: 573-526-7700

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
P.O. Box 567
Jefferson City, Missouri 65102
Phone: 573-751-8479
Fax: 573-526-4418

Environmental Improvement and Energy Resources Authority
P.O. Box 744
235 Jefferson Street
Jefferson City, Missouri 65102
Phone: 573-751-4919
Fax: 573-635-3486

Missouri Agriculture and Small Business Development Agency
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102
Phone: 573-751-2129
Fax: 573-522-2416

Missouri Department of Transportation
Central Office
P.O. Box 718
1511 Missouri Boulevard
Jefferson City, Missouri 65102
Phone: 573-526-8106
Fax: 573-526-2819

Missouri Housing Development Commission
3435 Broadway
Kansas City, Missouri 64111
Phone: 816-759-6600
Fax: 816-759-6878

Missouri Municipal League
1727 Southridge Drive
Jefferson City, Missouri 65109
Phone: 573-635-9134
Fax: 573-635-9009
REGIONAL PLANNING COMMISSIONS

Boonslick Regional Planning Commission
111 Steinhagen, P.O. Box 429
Warrenton, Missouri 63383
Phone: 636-456-3473
Fax: 636-456-2329

Bootheel Regional Planning Commission
P.O. Box 397
Malden, Missouri 63863
Phone: 573-276-2242
Fax: 573-276-6034

East-West Gateway Coordinating Council
One South Memorial Drive, Suite 1600
St. Louis, Missouri 63102
Phone: 314-421-4220
Fax: 314-231-6120

Green Hills Regional Planning Commission
1104 Main Street
Trenton, Missouri 64683
Phone: 660-359-5636
Fax: 660-359-3096

Harry S. Truman Coordinating Council
P.O. Box 388
Webb City, Missouri 64870
Phone: 417-782-3515
Fax: 417-782-2043

Kaysinger Basin Regional Planning Commission
213 South Washington
Clinton, Missouri 64735
Phone: 660-885-3393
Fax: 660-885-4166

Lake of the Ozarks Council of Local Governments
P.O. Box 786
Camdenton, Missouri 65020
Phone: 573-346-5616
Fax: 573-346-2007

Mark Twain Regional Council of Governments
4249 Delaware Lane
Perry, Missouri 63462
Phone: 573-565-2203
Fax: 573-565-2205

Meramec Regional Planning Commission
4 Industrial Drive
St. James, Missouri 65559
Phone: 573-265-2993
Fax: 573-265-3550

Mid-America Regional Council
600 Broadway, Suite 300
Kansas City, Missouri 64105
Phone: 816-474-4240
Fax: 816-474-7758

Mid-Missouri Regional Planning Commission
206 East Broadway, P.O. Box 140
Ashland, Missouri 65010
Phone: 573-657-9779
Fax: 573-657-2829

MO-KAN Regional Council
1302 Faraon Street
St. Joseph, Missouri 64501
Phone: 816-233-3144
Fax: 816-233-8498

Northeast Missouri Regional Planning Commission
326 East Jefferson, P.O. Box 248
Memphis, Missouri 63555
Phone: 660-465-7281
Fax: 660-465-7163

Northwest Missouri Regional Council of Governments
114 West Third
Maryville, Missouri 64468
Phone: 660-582-5121
Fax: 660-582-7264

Ozark Foothills Regional Planning Commission
3019 Fair
Poplar Bluff, Missouri 63901
Phone: 573-785-6402
Fax: 573-686-5467

Pioneer Trails Regional Planning Commission
802 South Gordon Street, P.O. Box 123
Concordia, Missouri 64020
Phone: 660-463-7934
Fax: 660-463-7944

South Central Ozark Council of Governments
4407 County Road 2340, P.O. Box 100
Pomona, Missouri 65789
Phone: 417-256-4226
Fax: 417-256-6188
Southeast Missouri Regional Planning and Economic Development Commission
One West St. Joseph Street, P.O. Box 366
Perryville, Missouri  63775
Phone:  573-547-8357
Fax:  573-547-7283

Southwest Missouri Council of Governments
901 South National Avenue
Springfield, Missouri  65804
Phone: 417-836-6900
Fax: 417-836-4146
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<tr>
<th>Private Resources</th>
<th>Law Firms with Economic Development Practices</th>
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<tr>
<td>Armstrong Teasdale LLP</td>
<td>Gilmore &amp; Bell, P.C.</td>
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<tr>
<td>Kansas City Office 2345 Grand Boulevard, Suite 2000 Kansas City, Missouri 64108 Phone: 816-221-3420 Fax: 816-221-0786</td>
<td>Kansas City Office 2405 Grand Boulevard, Suite 1100 Kansas City, Missouri 64108 Phone: 816-221-1000 Fax: 816-221-1018</td>
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<tr>
<td>St. Louis Office One Metropolitan Square, Suite 2600 211 North Broadway St. Louis, Missouri 63102 Phone: 314-621-5070 Fax: 314-621-5065</td>
<td>St. Louis Office One Metropolitan Square, Suite 2350 211 North Broadway St. Louis, Missouri 63102 Phone: 314-436-1000 Fax: 314-436-1166</td>
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<tr>
<td>Blackwell Sanders Peper Martin LLP</td>
<td>Greensfelder, Hemker &amp; Gale, P.C.</td>
</tr>
<tr>
<td>Kansas City Office 4801 Main Street, Suite 1000 Kansas City, Missouri 64112 Phone: 816-983-8000 Fax: 816-983-8080</td>
<td>10 South Broadway, Suite 2000 St. Louis, Missouri 63102 Phone: 314-241-9090 Fax: 314-241-8624</td>
</tr>
<tr>
<td>St. Louis Office 720 Olive Street, Suite 2400 St. Louis, Missouri 63101 Phone: 314-345-6000 Fax: 314-345-6060</td>
<td>Husch &amp; Eppenberger, LLC</td>
</tr>
<tr>
<td>Springfield Office 901 St. Louis Street, Suite 1900 Springfield, Missouri 65806 Phone: 417-268-4000 Fax: 417-268-4040</td>
<td>Kansas City Office 1200 Main Street, Suite 2300 Kansas City, Missouri 64105 Phone: 816-421-4800 Fax: 816-521-0596</td>
</tr>
<tr>
<td>Bryan Cave LLP</td>
<td>St. Louis Office The Plaza in Clayton Office Tower 190 Carondelet Plaza, Suite 600 St. Louis, Missouri 63105 Phone: 314-480-1500 Fax: 314-480-1505</td>
</tr>
<tr>
<td>Kansas City Office One Kansas City Place 1200 Main Street, Suite 3500 Kansas City, Missouri 64105 Phone: 816-374-3200 Fax: 816-374-3300</td>
<td>Springfield Office 1949 East Sunshine Street Suite 2-300 Springfield, Missouri 65804 Phone: 417-862-6726 Fax: 417-862-6948</td>
</tr>
<tr>
<td>St. Louis Office One Metropolitan Square 211 North Broadway, Suite 3600 St. Louis, Missouri 63102 Phone: 314-259-2000 Fax: 314-259-2020</td>
<td>King Hershey, P.C.</td>
</tr>
<tr>
<td></td>
<td>2345 Grand Boulevard, Suite 2100 Kansas City, Missouri 64108 Phone: 816-842-3636 Fax: 816-842-2414</td>
</tr>
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</table>
Lewis, Rice & Fingersh, L.C.

Kansas City Office
One Petticoat Lane
1010 Walnut, Suite 500
Kansas City, Missouri 64106
Phone: 816-421-2500
Fax: 816-472-2500

St. Louis Office
500 North Broadway, Suite 2000
St. Louis, Missouri 63102
Phone: 314-444-7600
Fax: 314-241-6056

Polsinelli Shalton Welte Suelthaus

Kansas City Office
700 West 47th Street, Suite: 1000
Kansas City, Missouri 64112
Phone: 816-753-1000
Fax: 816-753-1536

St. Louis Offices
7733 Forsyth Boulevard, Suite 1200
St. Louis, Missouri 63105
Phone: 314-889-8000
Fax: 314-727-7166

100 South Fourth Street, Suite 1100
St. Louis, Missouri 63102
Phone: 314-889-8000
Fax: 314-231-1776

Stinson Morrison Hecker LLP

Kansas City Office
1201 Walnut, Suite 2900
Kansas City, Missouri 64106
Phone: 816-842-8600
Fax: 816-691-3495

St. Louis Office
100 South Fourth Street, Suite 700
St. Louis, Missouri 63102
Phone: 314-259-4500
Fax: 314-259-4599

The Stolar Partnership
911 Washington Avenue
St. Louis, Missouri 63101
Phone: 314-231-2800
Fax: 314-436-8400

Thompson Coburn LLP
One US Bank Plaza
St. Louis, Missouri 63101
Phone: 314-552-6000
Fax: 314-552-7000

Van Matre, Harrison, and Volkert, P.C.
1103 East Broadway, Suite 101
Columbia, Missouri 65205
Phone: 573-874-7777
Fax: 573-875-0017

White Goss Bowers March Schulte & Weisenfels, P.C.
4510 Belleview, Suite 300
Kansas City, Missouri 64111
Phone: 816-753-9200
Fax: 816-753-9201
INVESTMENT BANKING FIRMS

A.G. Edwards & Sons, Inc.
1 North Jefferson Avenue
Mail Stop E-260
St. Louis, Missouri 63103
Phone: 314-955-4201
Fax: 314-955-5606

George K. Baum & Company
Plaza Colonnade, Suite 500
4801 Main Street
Kansas City, Missouri 64112
Phone: 800-821-7195
Fax: 816-283-5326

Banc of America Securities LLC
800 Market Street, 11th Floor
M01-800-11-03
St. Louis, Missouri 63101
Phone: 314-466-8387
Fax: 314-466-8390

Mclnley & Company
2800 McGee Trafficway
Kansas City, Missouri 64108
Phone: 800-432-4042
Fax: 816-221-4048

Commerce Bank, National Association

Kansas City Office
Commerce Bank, N.A.
922 Walnut, 10th Floor
Kansas City, Missouri 64106
Phone: 816-234-2000
Fax: 816-234-2562

St. Louis Office
8000 Forsyth, Suite 1200
St. Louis, Missouri 63105
Phone: 800-442-1083
Fax: 314-746-8737

D.A. Davidson & Co.
One Ward Parkway, Suite 215
Kansas City, Missouri 64112
Phone: 800-206-0634
Fax: 816-360-2274

St. Louis Office
7733 Forsyth Boulevard, Suite 750
St. Louis, Missouri 63105
Phone: 314-727-2295
Fax: 314-727-2622

Edward D. Jones & Co., L.P.
12555 Manchester Road
St. Louis, Missouri 63131
Phone: 314-515-2000
Fax: 314-515-2674

Stern Brothers & Company
8000 Maryland Avenue, Suite 800
St. Louis, Missouri 63105
Phone: 314-727-5519
Fax: 314-727-7313

First St. Louis Securities, Inc.
8860 Ladue Road, Suite 100
St. Louis, Missouri 63124
Phone: 888-726-2880
Fax: 314-726-5771

Stifel, Nicolaus & Company, Incorporated
501 North Broadway, 8th Floor
St. Louis, Missouri 63102
Phone: 314-342-2166
Fax: 314-342-2179

September 2006 -164-
PLANNING CONSULTANTS

Development Dynamics, L.L.C.
1001 Boardwalk Springs Place, Suite 50
O'Fallon, Missouri 63366
Phone: 636-561-8602
Fax: 636-561-8605

Development Strategies, Inc.
10 South Broadway, Suite 1500
St. Louis, Missouri 63102
Phone: 314-421-2800
Fax: 314-421-3401

Economic Development Resources
200 South Hanley Road
Clayton, Missouri 63105
Phone: 314-231-4720
Fax: 314-727-5544

Peckham Guyton Albers & Viets, Inc.
200 North Broadway, Suite 1000
St. Louis, Missouri 63102
Phone: 314-231-7318
Fax: 314-231-3158
PROFESSIONAL TRADE ASSOCIATIONS

Missouri Economic Development Council
204 East High Street
Jefferson City, Missouri 65101-3287
Phone: 573-636-7383
Fax: 573-636-5783

Missouri Economic Development Financing Association (MEDFA)
10 Petticoat Lane, Suite 250
Kansas City, Missouri 64106
Phone: 816-221-0636
Fax: 816-221-0189

Missouri Association of Municipal Utilities (MAMU)
2407 West Ash
Columbia, Missouri 65203
Phone: 573-445-3279
Fax: 573-445-0680
CHAPTER VI

STATUTES
STATUTES

Acknowledgement is given to the Joint Committee on Legislative Research for allowing the reproduction of selected portions of the Revised Statutes of Missouri herein.

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99.800. **Law, how cited.** Sections 99.800 to 99.865 shall be known and may be cited as the “Real Property Tax Increment Allocation Redevelopment Act”.

(L. 1982 H.B. 1411 & 1587 § 1)

99.805. **Definitions.** As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

(1) “Blighted area”, an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

(2) “Collecting officer”, the officer of the municipality responsible for receiving and processing payments in lieu of taxes or economic activity taxes from taxpayers or the department of revenue;

(3) “Conservation area”, any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997;

(4) “Economic activity taxes”, the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment relocates within one year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area;

(5) “Economic development area”, any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (3) of this section, and in which the governing body of the municipality finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will:

(a) Discourage commerce, industry or manufacturing from moving their operations to another state; or

(b) Result in increased employment in the municipality; or

(c) Result in preservation or enhancement of the tax base of the municipality;

(6) “Gambling establishment”, an excursion gambling boat as defined in section 313.800, RSMo, and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in sections 313.800 to 313.850, RSMo. This subdivision shall be applicable only to a redevelopment area designated by ordinance adopted after December 23, 1997;

(7) “Municipality”, a city, village, or incorporated town or any county of this state. For redevelopment areas or projects approved on or after December 23, 1997, “municipality” applies only to cities, villages, incorporated towns or counties established for at least one year prior to such date;

(8) “Obligations”, bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality to carry out a redevelopment project or to refund outstanding obligations;

(9) “Ordinance”, an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;
(10) “Payment in lieu of taxes”, those estimated revenues from real property in the area selected for a redevelopment project, which revenues according to the redevelopment project or plan are to be used for a private use, which taxing districts would have received had a municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the area selected for the redevelopment project exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of section 99.850;

(11) “Redevelopment area”, an area designated by a municipality, in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant to sections 135.200 to 135.256, RSMo, or a combination thereof, which area includes only those parcels of real property directly and substantially benefited by the proposed redevelopment project;

(12) “Redevelopment plan”, the comprehensive program of a municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the redevelopment area. Each redevelopment plan shall conform to the requirements of section 99.810;

(13) “Redevelopment project”, any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan;

(14) “Redevelopment project costs” include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited to, the following:

(a) Costs of studies, surveys, plans, and specifications;

(b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of a redevelopment plan or project;

(c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

(d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;

(e) Initial costs for an economic development area;

(f) Costs of construction of public works or improvements;

(g) Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;

(h) All or a portion of a taxing district’s capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

(i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law;

(j) Payments in lieu of taxes;

(15) “Special allocation fund”, the fund of a municipality or its commission which contains at least two separate segregated accounts for each redevelopment plan, maintained by the treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes are deposited in one account, and economic activity taxes and other revenues are deposited in the other account;

(16) “Taxing districts”, any political subdivision of this state having the power to levy taxes;

(17) “Taxing districts’ capital costs”, those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from the redevelopment project; and

(18) “Vacant land”, any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.


Effective 12-23-97
99.810. Redevelopment plan, contents, adoption of plan, required findings—time limitations—reports by department of economic development, required when, contents.

1. Each redevelopment plan shall set forth in writing a general description of the program to be undertaken to accomplish the objectives and shall include, but need not be limited to, the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the project costs, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the redevelopment area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality without findings that:

(1) The redevelopment area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the redevelopment area or project pursuant to this subdivision and an affidavit, signed by the developer or developers and submitted with the redevelopment plan, attesting that the provisions of this subdivision have been met;

(2) The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole;

(3) The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain within five years from the adoption of the ordinance approving such redevelopment project;

(4) A plan has been developed for relocation assistance for businesses and residences;

(5) A cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the boundaries of the redevelopment area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for the commission established in section 99.820 to evaluate whether the project as proposed is financially feasible;

(6) A finding that the plan does not include the initial development or redevelopment of any gambling establishment, provided however, that this subdivision shall be applicable only to a redevelopment plan adopted for a redevelopment area designated by ordinance after December 23, 1997.

2. By the last day of February each year, each commission shall report to the director of economic development the name, address, phone number and primary line of business of any business which relocates to the district. The director of the department of economic development shall compile and report the same to the governor, the speaker of the house and the president pro tempore of the senate on the last day of April each year.

99.815. County implementing project within boundaries of municipality, permission required—definition of municipality to include county. When a county of this state desires to implement a tax increment financing project within the boundaries of a municipality partially or totally within the county, such county shall first obtain the permission of the governing body of the municipality located within the county. When the term “municipality” is used within sections 99.800 to 99.865, such term may be interpreted to include a county implementing a tax incremental financing project.

99.820. Municipalities’ powers and duties—commission appointment and powers—public disclosure requirements—officials’ conflict of interest, prohibited.

1. A municipality may:

(1) By ordinance introduced in the governing body of the municipality within fourteen to ninety days from the completion of the hearing required in section 99.825, approve redevelopment plans and redevelopment projects, and designate redevelopment project areas pursuant to the notice and hearing requirements of sections 99.800 to 99.865. No redevelopment project shall be approved unless a redevelopment plan has been approved and a redevelopment area has been designated prior to or concurrently with the approval of such redevelopment project and the area selected for the redevelopment project shall include only those parcels of real property and improvements thereon directly and substantially benefited by the proposed redevelopment project improvements;

(2) Make and enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan or project;
(3) Pursuant to a redevelopment plan, subject to any constitutional limitations, acquire by purchase, donation, lease or, as part of a redevelopment project, eminent domain, own, convey, lease, mortgage, or dispose of; land and other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the municipality or the commission determines is reasonably necessary to achieve the objectives of the redevelopment plan. No conveyance, lease, mortgage, disposition of land or other property, acquired by the municipality, or agreement relating to the development of the property shall be made except upon the adoption of an ordinance by the governing body of the municipality. Each municipality or its commission shall establish written procedures relating to bids and proposals for implementation of the redevelopment projects. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without making public disclosure of the terms of the disposition and all bids and proposals made in response to the municipality’s request. Such procedures for obtaining such bids and proposals shall provide reasonable opportunity for any person to submit alternative proposals or bids;

(4) Within a redevelopment area, clear any area by demolition or removal of existing buildings and structures;

(5) Within a redevelopment area, renovate, rehabilitate, or construct any structure or building;

(6) Install, repair, construct, reconstruct, or relocate streets, utilities, and site improvements essential to the preparation of the redevelopment area for use in accordance with a redevelopment plan;

(7) Within a redevelopment area, fix, charge, and collect fees, rents, and other charges for the use of any building or property owned or leased by it or any part thereof, or facility therein;

(8) Accept grants, guarantees, and donations of property, labor, or other things of value from a public or private source for use within a redevelopment area;

(9) Acquire and construct public facilities within a redevelopment area;

(10) Incur redevelopment costs and issue obligations;

(11) Make payment in lieu of taxes, or a portion thereof, to taxing districts;

(12) Disburse surplus funds from the special allocation fund to taxing districts as follows:

(a) Such surplus payments in lieu of taxes shall be distributed to taxing districts within the redevelopment area which impose ad valorem taxes on a basis that is proportional to the current collections of revenue which each taxing district receives from real property in the redevelopment area;

(b) Surplus economic activity taxes shall be distributed to taxing districts in the redevelopment area which impose economic activity taxes, on a basis that is proportional to the amount of such economic activity taxes the taxing district would have received from the redevelopment area had tax increment financing not been adopted;

(c) Surplus revenues, other than payments in lieu of taxes and economic activity taxes, deposited in the special allocation fund, shall be distributed on a basis that is proportional to the total receipt of such other revenues in such account in the year prior to disbursement;

(13) If any member of the governing body of the municipality, a member of a commission established pursuant to subsection 2 of this section, or an employee or consultant of the municipality, involved in the planning and preparation of a redevelopment plan, or redevelopment project for a redevelopment area or proposed redevelopment area, owns or controls an interest, direct or indirect, in any property included in any redevelopment area, or proposed redevelopment area, which property is designated to be acquired or improved pursuant to a redevelopment project, he or she shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the governing body of the municipality and entered upon the minutes books of the governing body of the municipality. If an individual holds such an interest, then that individual shall refrain from any further official involvement in regard to such redevelopment plan, redevelopment project or redevelopment area, from voting on any matter pertaining to such redevelopment plan, redevelopment project or redevelopment area, or communicating with other members concerning any matter pertaining to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such member or employee shall acquire any interest, direct or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan or project, or (b) first public notice of such plan, project or area pursuant to section 99.830, whichever first occurs;

(14) Charge as a redevelopment cost the reasonable costs incurred by its clerk or other official in administering the redevelopment project. The charge for the clerk’s or other official’s costs shall be determined by the municipality based on a recommendation from the commission, created pursuant to this section.

2. Prior to adoption of an ordinance approving the designation of a redevelopment area or approving a redevelopment plan or redevelopment project, the municipality shall create a commission of nine persons if the municipality is a county or a city not within a county and not a first class county with a charter form of government with a population in excess of nine hundred thousand, and eleven persons if the municipality is not a county and not in a first class county with a charter form of government having a population of more than nine hundred thousand, and twelve persons if the municipality is located in or is a first class county with a charter form of government having a population of more than nine hundred thousand, to be appointed as follows:

(1) In all municipalities two members shall be appointed by the school boards whose districts are included within the redevelopment plan or redevelopment area. Such members shall be appointed in any manner agreed upon by the affected districts;
(2) In all municipalities one member shall be appointed, in any manner agreed upon by the affected districts, to represent all other districts levying ad valorem taxes within the area selected for a redevelopment project or the redevelopment area, excluding representatives of the governing body of the municipality;

(3) In all municipalities six members shall be appointed by the chief elected officer of the municipality, with the consent of the majority of the governing body of the municipality;

(4) In all municipalities which are not counties and not in a first class county with a charter form of government having a population in excess of nine hundred thousand, two members shall be appointed by the county of such municipality in the same manner as are members appointed in subdivision (3) of this subsection;

(5) In a municipality which is a county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the county which have tax increment financing districts in a manner in which the county shall agree;

(6) In a municipality which is located in the first class county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the county of such municipality in the same manner as members are appointed in subdivision (3) of this subsection;

(7) At the option of the members appointed by the municipality, the members who are appointed by the school boards and other taxing districts may serve on the commission for a term to coincide with the length of time a redevelopment project, redevelopment plan or designation of a redevelopment area is considered for approval by the commission, or for a definite term pursuant to this subdivision. If the members representing school districts and other taxing districts are appointed for a term coinciding with the length of time a redevelopment project, plan or area is approved, such term shall terminate upon final approval of the project, plan or designation of the area by the governing body of the municipality. Thereafter the commission shall consist of the six members appointed by the municipality, except that members representing school boards and other taxing districts shall be appointed as provided in this section prior to any amendments to any redevelopment plans, redevelopment projects or designation of a redevelopment area. If any school district or other taxing jurisdiction fails to appoint members of the commission within thirty days of receipt of written notice of a proposed redevelopment plan, redevelopment project or designation of a redevelopment area, the remaining members may proceed to exercise the power of the commission. Of the members first appointed by the municipality, two shall be designated to serve for terms of two years, two shall be designated to serve for a term of three years and two shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed by the municipality shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the original appointments.

3. The commission, subject to approval of the governing body of the municipality, may exercise the powers enumerated in sections 99.800 to 99.865, except final approval of plans, projects and designation of redevelopment areas. The commission shall hold public hearings and provide notice pursuant to sections 99.825 and 99.830. The commission shall vote on all proposed redevelopment plans, redevelopment projects and designations of redevelopment areas, and amendments thereto, within thirty days following completion of the hearing on any such plan, project or designation and shall make recommendations to the governing body within ninety days of the hearing referred to in section 99.825 concerning the adoption of or amendment to redevelopment plans and redevelopment projects and the designation of redevelopment areas. The requirements of subsection 2 of this section and this subsection shall not apply to redevelopment projects upon which the required hearings have been duly held prior to August 31, 1991.


(2000) Proposed city charter amendment requiring two-thirds voter approval on every tax increment financing measure violated section and thus was unconstitutional pursuant to article VI, section 19(a). State ex rel. Hazelwood Yellow Ribbon Committee v. Klos, 35 S.W.3d 457 (Mo.App.E.D.).

99.825. Adoption of ordinance for redevelopment, public hearing required -- objection procedure -- hearing and notices not required, when -- restrictions on certain projects.

1. Prior to the adoption of an ordinance proposing the designation of a redevelopment area, or approving a redevelopment plan or redevelopment project, the commission shall fix a time and place for a public hearing and notify each taxing district located wholly or partially within the boundaries of the proposed redevelopment area, plan or project. At the public hearing any interested person or affected taxing district may file with the commission written objections to, or comments on, and may be heard orally in respect to, any issues embodied in the notice. The commission shall hear and consider all protests, objections, comments and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon upon the minutes fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may be made in the redevelopment plan, redevelopment project, or redevelopment area, provided that each affected taxing district is given written notice of such changes at least seven days prior to the conclusion of the hearing. After the public hearing but prior to the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, changes may be made to the redevelopment plan, redevelopment projects or redevelopment areas without a further hearing, if such changes do not enlarge the exterior boundaries of the redevelopment area or areas, and do not substantially affect the general land uses established in the redevelopment plan or substantially change the nature of the redevelopment projects, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the area of the proposed redevelopment not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, no ordinance shall be adopted altering the exterior boundaries, affecting the general land uses established pursuant to the redevelopment plan or changing the nature of the redevelopment project without complying with the procedures provided in this section pertaining to the initial approval of a redevelopment plan or redevelopment project and designation of a redevelopment area. Hearings with regard to a redevelopment project, redevelopment area, or redevelopment plan may be held simultaneously.

As of August 28, 2005 -5-
2. Tax incremental financing projects within an economic development area shall apply to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks and any other similar public improvements, but in no case shall it include buildings.


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99.830. Notice of public hearings, publication and mailing requirements, contents.

1. Notice of the public hearing required by section 99.825 shall be given by publication and mailing. Notice by publication shall be given by publication at least twice, the first publication to be not more than thirty days and the second publication to be not more than ten days prior to the hearing, in a newspaper of general circulation in the area of the proposed redevelopment. Notice by mailing shall be given by depositing such notice in the United States mail by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the redevelopment project or redevelopment area which is to be subjected to the payment or payments in lieu of taxes and economic activity taxes pursuant to section 99.845. Such notice shall be mailed not less than ten days prior to the date set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall also be sent to the persons last listed on the tax rolls within the preceding three years as the owners of such property.

2. The notices issued pursuant to this section shall include the following:

(1) The time and place of the public hearing;

(2) The general boundaries of the proposed redevelopment area or redevelopment project by street location, where possible;

(3) A statement that all interested persons shall be given an opportunity to be heard at the public hearing;

(4) A description of the proposed redevelopment plan or redevelopment project and a location and time where the entire plan or project proposal may be reviewed by any interested party;

(5) Such other matters as the commission may deem appropriate.

3. Not less than forty-five days prior to the date set for the public hearing, the commission shall give notice by mail as provided in subsection 1 of this section to all taxing districts from which taxable property is included in the redevelopment area, redevelopment project or redevelopment plan, and in addition to the other requirements pursuant to subsection 2 of this section, the notice shall include an invitation to each taxing district to submit comments to the commission concerning the subject matter of the hearing prior to the date of the hearing.

4. A copy of any and all hearing notices required by section 99.825 shall be submitted by the commission to the director of the department of economic development. Such submission of the copy of the hearing notice shall comply with the prior notice requirements pursuant to subsection 3 of this section.


Effective 12-23-97

99.835. Secured obligations authorized--interest rates--how retired--sale --approval by electors not required--surplus fund distribution --exception--county collectors’ and municipal treasurers’ duties--no personal liability for commission, municipality or state.

1. Obligations secured by the special allocation fund set forth in sections 99.845 and 99.850 for the redevelopment area or redevelopment project may be issued by the municipality pursuant to section 99.820 or by the tax increment financing commission to provide for redevelopment costs. Such obligations, when so issued, shall be retired in the manner provided in the ordinance or resolution authorizing the issuance of such obligations by the receipts of payments in lieu of taxes as specified in section 99.855 and, subject to annual appropriation, other tax revenue as specified in section 99.845. A municipality may, in the ordinance or resolution, pledge all or any part of the funds in and to be deposited in the special allocation fund created pursuant to sections 99.845 and 99.850 to the payment of the redevelopment costs and obligations. Any pledge of funds in the special allocation fund may provide for distribution to the taxing districts of moneys not required for payment of redevelopment costs or obligations and such excess funds shall be deemed to be surplus funds, except that any moneys allocated to the special allocation fund as provided in subsection 4 of section 99.845, and which are not required for payment of redevelopment costs and obligations, shall not be distributed to the taxing districts but shall be returned to the department of economic development for credit to the general revenue fund. In the event a municipality only pledges a portion of the funds in the special allocation fund for the payment of redevelopment costs or obligations, any such funds remaining in the special allocation fund after complying with the requirements of the pledge, including the retention of funds for the payment of future redevelopment costs, if so required, shall also be deemed surplus funds. All surplus funds shall be distributed annually to the taxing districts in the redevelopment area by being paid by the municipal treasurer to the county collector who shall immediately thereafter make distribution as provided in subdivision (12) of section 99.820.

As of August 28, 2005 -6-
2. Without limiting the provisions of subsection 1 of this section, the municipality may, in addition to obligations secured by the special allocation fund, pledge any part or any combination of net new revenues of any redevelopment project, or a mortgage on part or all of the redevelopment project to secure its obligations or other redevelopment costs.

3. Obligations issued pursuant to sections 99.800 to 99.865 may be issued in one or more series bearing interest at such rate or rates as the issuing body of the municipality shall determine by ordinance or resolution. Such obligations shall bear such date or dates, mature at such time or times not exceeding twenty-three years from their respective dates, when secured by the special allocation fund, be in such denomination, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, contain such covenants, terms and conditions, and be subject to redemption as such ordinance or resolution shall provide. Obligations issued pursuant to sections 99.800 to 99.865 may be sold at public or private sale at such price as shall be determined by the issuing body and shall state that obligations issued pursuant to sections 99.800 to 99.865 are special obligations payable solely from the special allocation fund or other funds specifically pledged. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to sections 99.800 to 99.865.

4. The ordinance authorizing the issuance of obligations may provide that the obligations shall contain a recital that they are issued pursuant to sections 99.800 to 99.865, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

5. Neither the municipality, its duly authorized commission, the commissioners or the officers of a municipality nor any person executing any obligation shall be personally liable for such obligation by reason of the issuance thereof. The obligations issued pursuant to sections 99.800 to 99.865 shall not be a general obligation of the municipality, county, state of Missouri, or any political subdivision thereof, nor in any event shall such obligation be payable out of any funds or properties other than those specifically pledged as security therefor. The obligations shall not constitute indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction.


Effective 12-23-97

99.840. Obligation, refunded to pay redevelopment costs, requirements—other obligations of municipality pledged to redevelopment may qualify.

1. A municipality may also issue its obligations to refund, in whole or in part, obligations theretofore issued by such municipality under the authority of sections 99.800 to 99.865, whether at or prior to maturity; provided, however, that the last maturity of the refunding obligations shall not be expressed to mature later than the last maturity date of the obligations to be refunded.

2. In the event a municipality issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay for redevelopment project costs, the municipality may, if it has followed the procedures in conformance with sections 99.800 to 99.865, retire such obligations from funds in the special allocation fund in amounts and in such manner as if such obligations had been issued pursuant to the provisions of sections 99.800 to 99.865.

(L. 1982 H.B. 1411 & 1587 § 7)

99.845. Tax increment financing adoption—division of ad valorem taxes—payments in lieu of tax, deposit, inclusion and exclusion of current equalized assessed valuation for certain purposes, when—other taxes included, amount—supplemental tax increment financing fund established, disbursement.

1. A municipality, either at the time a redevelopment project is approved or, in the event a municipality has undertaken acts establishing a redevelopment plan and redevelopment project and has designated a redevelopment area after the passage and approval of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing that after the total equalized assessed valuation of the taxable real property in a redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

(1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

(2) (a) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid to the municipal treasurer who shall deposit such payment in lieu of taxes into a special fund called the “Special Allocation Fund” of the municipality for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable. The municipality may, in the ordinance, pledge the funds in the special allocation fund for the payment of such costs and obligations and provide for the collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in section 88.861, RSMo. No part of the current equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected for the redevelopment project

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attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general state school aid formula provided for in section 163.031, RSMo, until such time as all redevelopment costs have been paid as provided for in this section and section 99.850,

(b) Notwithstanding any provisions of this section to the contrary, for purposes of determining the limitation on indebtedness of local government pursuant to article VI, section 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area selected for redevelopment attributable to the increase above the total initial equalized assessed valuation shall be included in the value of taxable tangible property as shown on the last completed assessment for state or county purposes;

(c) The county assessor shall include the current assessed value of all property within the taxing district in the aggregate valuation of assessed property entered upon the assessor’s book and verified pursuant to section 137.245, RSMo, and such value shall be utilized for the purpose of the debt limitation on local government pursuant to article VI, section 26(b) of the Missouri Constitution;

(3) For purposes of this section, “levies upon taxable real property in such redevelopment project by taxing districts” shall not include the blind pension fund tax levied under the authority of article III, section 38(b) of the Missouri Constitution, or the merchants’ and manufacturers’ inventory replacement tax levied under the authority of subsection 2 of section 6 of article X of the Missouri Constitution, except in redevelopment project areas in which tax increment financing has been adopted by ordinance pursuant to a plan approved by vote of the governing body of the municipality taken after August 13, 1982, and before January 1, 1998.

2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. Any provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a municipality and any other political subdivision which provides for an appropriation of other municipal revenues to the special allocation fund shall be and remain enforceable.

3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the municipality or other taxing districts, and which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund.

4. Beginning January 1, 1998, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in subsection 8 of this section, estimated for the businesses within the project area and identified by the municipality in the application required by subsection 10 of this section, over and above the amount of such taxes reported by businesses within the project area as identified by the municipality in their application prior to the approval of the redevelopment project by ordinance, while tax increment financing remains in effect, may be available for appropriation by the general assembly as provided in subsection 10 of this section to the department of economic development supplemental tax increment financing fund, from the general revenue fund, for distribution to the treasurer or other designated financial officer of the municipality with approved plans or projects.

5. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805.

6. No transfer from the general revenue fund to the Missouri supplemental tax increment financing fund shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any state revenues prior to an appropriation being made for that project. For all redevelopment plans or projects adopted or approved after December 23, 1997, appropriations from the new state revenues shall not be distributed from the Missouri supplemental tax increment financing fund into the special allocation fund unless the municipality’s redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by the project shall be used for eligible redevelopment project costs while tax increment financing remains in effect. This account shall be separate from the account into which payments in lieu of taxes are deposited, and separate from the account into which economic activity taxes are deposited.

7. In order for the redevelopment plan or project to be eligible to receive the revenue described in subsection 4 of this section, the municipality shall comply with the requirements of subsection 10 of this section prior to the time the project or plan is adopted or approved by ordinance. The director of the department of economic development and the commissioner of the office of administration may waive the requirement that the municipality’s application be submitted prior to the redevelopment plan’s or project’s adoption or the redevelopment plan’s or project’s approval by ordinance.

8. For purposes of this section, “new state revenues” means:

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(1) The incremental increase in the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. In no event shall the incremental increase include any amounts attributable to retail sales unless the municipality or authority has proven to the Missouri development finance board and the department of economic development and such entities have made a finding that the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of this section; or

(2) The state income tax withheld on behalf of new employees by the employer pursuant to section 143.221, RSMo, at the business located within the project as identified by the municipality. The state income tax withholding allowed by this section shall be the municipality’s estimate of the amount of state income tax withheld by the employer within the redevelopment area for new employees who fill new jobs directly created by the tax increment financing project.

9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

(1) Suffered from generally declining population or property taxes over the twenty-year period immediately preceding the area’s designation as a project area by ordinance; or

(2) Was a historic hotel located in a county of the first classification without a charter form of government with a population according to the most recent federal decennial census in excess of one hundred fifty thousand and containing a portion of a city with a population according to the most recent federal decennial census in excess of three hundred fifty thousand.

10. The initial appropriation of up to fifty percent of the new state revenues authorized pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the department of economic development to a municipality until all of the following conditions have been satisfied:

(1) The director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee have approved a tax increment financing application made by the municipality for the appropriation of the new state revenues. The municipality shall include in the application the following items in addition to the items in section 99.810:

(a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;

(b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;

(c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;

(d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;

(e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;

(f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and

(g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;

(h) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;

(i) The street address of the development site;

(j) The three-digit North American Industry Classification System number or numbers characterizing the development project;

(k) The estimated development project costs;

(l) The anticipated sources of funds to pay such development project costs;

(m) Evidence of the commitments to finance such development project costs;

(n) The anticipated type and term of the sources of funds to pay such development project costs;

(o) The anticipated type and terms of the obligations to be issued;

(p) The most recent equalized assessed valuation of the property within the development project area;
(q) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;

(r) The general land uses to apply in the development area;

(s) The total number of individuals employed in the development area, broken down by full-time, part-time, and temporary positions;

(t) The total number of full-time equivalent positions in the development area;

(u) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area;

(v) The total number of individuals employed in this state by the corporate parent of any business benefiting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time, and temporary positions;

(w) The number of new jobs to be created by any business benefiting from public expenditures in the development area, broken down by full-time, part-time, and temporary positions;

(x) The average hourly wage to be paid to all current and new employees at the project site, broken down by full-time, part-time, and temporary positions;

(y) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;

(z) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;

(aa) A list of other community and economic benefits to result from the project;

(bb) A list of all development subsidies that any business benefiting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;

(cc) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding pursuant to this section is being sought;

(dd) A statement as to whether the development project may reduce employment at any other site, within or without the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;

(ee) A statement as to whether or not the project involves the relocation of work from another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;

(ff) A list of competing businesses in the county containing the development area and in each contiguous county;

(gg) A market study for the development area;

(hh) A certification by the chief officer of the applicant as to the accuracy of the development plan;

(i) The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;

(jj) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality’s application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the annual amount of the new state revenues approved for disbursements from the Missouri supplemental tax increment financing fund exceed thirty-two million dollars;

(kk) Redevelopment plans and projects receiving new state revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no case shall the duration exceed twenty-three years.

(ll) In addition to the areas authorized in subsection 9 of this section, the funding authorized pursuant to subsection 4 of this section shall also be available in a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a county of the first classification without a charter form of government with a population between fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a population in excess of four hundred thousand or more inhabitants.

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12. There is hereby established within the state treasury a special fund to be known as the “Missouri Supplemental Tax Increment Financing Fund”, to be administered by the department of economic development. The department shall annually distribute from the Missouri supplemental tax increment financing fund the amount of the new state revenues as appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys in the Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to state appropriations.

13. Redevelopment project costs may include, at the prerogative of the state, the portion of salaries and expenses of the department of economic development and the department of revenue reasonably allocable to each redevelopment project approved for disbursements from the Missouri supplemental tax increment financing fund for the ongoing administrative functions associated with such redevelopment project. Such amounts shall be recovered from new state revenues deposited into the Missouri supplemental tax increment financing fund created under this section.

14. For redevelopment plans or projects approved by ordinance that result in net new jobs from the relocation of a national headquarters from another state to the area of the redevelopment project, the economic activity taxes and new state tax revenues shall not be based on a calculation of the incremental increase in taxes as compared to the base year or prior calendar year for such redevelopment project, rather the incremental increase shall be the amount of total taxes generated from the net new jobs brought in by the national headquarters from another state. In no event shall this subsection be construed to allow a redevelopment project to receive an appropriation in excess of up to fifty percent of the new state revenues.


99.847. No new TIF projects authorized for flood plain areas in St. Charles County, applicability of restriction.

1. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no new tax increment financing project shall be authorized in any area which is within an area designated as flood plain by the Federal Emergency Management Agency and which is located in or partly within a county with a charter form of government with greater than two hundred fifty thousand inhabitants but fewer than three hundred thousand inhabitants.

2. This subsection shall not apply to tax increment financing projects or districts approved prior to July 1, 2003, and shall allow the aforementioned tax increment financing projects to modify, amend or expand such projects including redevelopment project costs by not more than forty percent of such project original projected cost including redevelopment project costs as such projects including redevelopment project costs as such projects redevelopment projects including redevelopment project costs existed as of June 30, 2003, and shall allow the aforementioned tax increment financing district to modify, amend or expand such districts by not more than five percent as such districts existed as of June 30, 2003.


(2005) Addition of subsections 2 and 3 of section prohibiting tax increment financing districts in flood plain areas to bill relating to emergency services did not violate single-subject requirement of Article III, Section 23. City of St. Charles v. State, 165 S.W.3d 149 (Mo.banc).

99.848. Emergency services district, reimbursement from special allocation fund authorized, when. Notwithstanding subsection 1 of section 99.847, any district providing emergency services pursuant to chapter 190 or 321, RSMo, shall be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent nor more than one hundred percent of the district’s tax increment. This section shall not apply to tax increment financing projects or districts approved prior to August 28, 2004.

( L. 2004 H.B. 1529 & 1655)

99.850. Costs of project paid—surplus fund in special allocation fund —distribution—dissolution of fund and redevelopment area.

1. When such redevelopment project costs, including, but not limited to, all municipal obligations financing redevelopment project costs incurred under sections 99.800 to 99.865 have been paid, all surplus funds then remaining in the special allocation fund shall be paid by the municipal treasurer to the county collector who shall immediately thereafter pay such funds to the taxing districts in the area selected for a redevelopment project in the same manner and proportion as the most recent distribution by the collector to the affected districts of real property taxes from real property in the area selected for a redevelopment project.

2. Upon the payment of all redevelopment project costs, retirement of obligations and the distribution of any excess moneys pursuant to section 99.845 and this section, the municipality shall adopt an ordinance dissolving the special allocation fund for the redevelopment area and terminating the designation of the redevelopment area as a redevelopment area. Thereafter the rates of the taxing districts shall be extended and taxes levied, collected, and distributed in the manner applicable in the absence of the adoption of tax increment financing.
3. Nothing in sections 99.800 to 99.865 shall be construed as relieving property in such areas from paying a uniform rate of taxes, as required by article X, section 3 of the Missouri Constitution.


99.855. Tax rates for districts containing redevelopment projects, method for establishing--county assessor’s duties--method of extending taxes to terminate, when.

1. If a municipality by ordinance provides for tax increment allocation financing pursuant to sections 99.845 and 99.850, the county assessor shall immediately thereafter determine total equalized assessed value of all taxable real property within such redevelopment project by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such project, and shall certify such amount as the total initial equalized assessed value of the taxable real property within such project.

2. After the county assessor has certified the total initial equalized assessed value of the taxable real property in such redevelopment project, then, in respect to every taxing district containing a redevelopment project, the county clerk, or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such district for the purpose of computing any debt service levies to be extended upon taxable property within such district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project by including in such amount the certified total initial equalized assessed value of all taxable real property in such area in lieu of the equalized assessed value of all taxable real property in such area. For the purpose of measuring the size of payments in lieu of taxes under sections 99.800 to 99.865, all tax levies shall then be extended to the current equalized assessed value of all property in the redevelopment project in the same manner as the tax rate percentage is extended to all other taxable property in the taxing district. The method of extending taxes established under this section shall terminate when the municipality adopts an ordinance dissolving the special allocation fund for the redevelopment project.


99.860. Severability. If any section, subsection, subdivision, paragraph, sentence or clause of sections 99.800 to 99.860 is, for any reason, held to be invalid or unconstitutional, such decision shall not affect any remaining portion, section, or part thereof which can be given effect without the invalid provision.

(L. 1982 H.B. 1411 & 1587 § 10)

99.863. Joint committee on real property tax increment allocation redevelopment, members, appointment, duties. Beginning in 1999, and every five years thereafter, a joint committee of the general assembly, comprised of five members appointed by the speaker of the house of representatives and five members appointed by the president pro tem of the senate, shall review sections 99.800 to 99.865. A report based on such review, with any recommended legislative changes, shall be submitted to the speaker of the house of representatives and the president pro tem of the senate no later than February first following the year in which the review is conducted.

(L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

99.865. Report by municipalities, contents, publication--satisfactory progress of project, procedure to determine--reports by department of economic development required, when, contents--rulemaking authority--department to provide manual, contents.

1. Each year the governing body of the municipality, or its designee, shall prepare a report concerning the status of each redevelopment plan and redevelopment project, and shall submit a copy of such report to the director of the department of economic development. The report shall include the following:

(1) The amount and source of revenue in the special allocation fund;

(2) The amount and purpose of expenditures from the special allocation fund;

(3) The amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness;

(4) The original assessed value of the redevelopment project;

(5) The assessed valuation added to the redevelopment project;

(6) Payments made in lieu of taxes received and expended;

(7) The economic activity taxes generated within the redevelopment area in the calendar year prior to the approval of the redevelopment plan, to include a separate entry for the state sales tax revenue base for the redevelopment area or the state income tax withheld by employers on behalf of existing employees in the redevelopment area prior to the redevelopment plan;
(8) The economic activity taxes generated within the redevelopment area after the approval of the redevelopment plan, to include a separate entry for the increase in state sales tax revenues for the redevelopment area or the increase in state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;

(9) Reports on contracts made incident to the implementation and furtherance of a redevelopment plan or project;

(10) A copy of any redevelopment plan, which shall include the required findings and cost-benefit analysis pursuant to subdivisions (1) to (6) of section 99.810;

(11) The cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired or remodeled;

(12) The number of parcels acquired by or through initiation of eminent domain proceedings; and

(13) Any additional information the municipality deems necessary.

2. Data contained in the report mandated pursuant to the provisions of subsection 1 of this section and any information regarding amounts disbursed to municipalities pursuant to the provisions of section 99.845 shall be deemed a public record, as defined in section 610.010, RSMo.

An annual statement showing the payments made in lieu of taxes received and expended in that year, the status of the redevelopment plan and projects therein, amount of outstanding bonded indebtedness and any additional information the municipality deems necessary shall be published in a newspaper of general circulation in the municipality.

3. Five years after the establishment of a redevelopment plan and every five years thereafter the governing body shall hold a public hearing regarding those redevelopment plans and projects created pursuant to sections 99.800 to 99.865. The purpose of the hearing shall be to determine if the redevelopment project is making satisfactory progress under the proposed time schedule contained within the approved plans for completion of such projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the commission once each week for four weeks immediately prior to the hearing.

4. The director of the department of economic development shall submit a report to the speaker of the house of representatives and the president pro temp of the senate no later than February first of each year. The report shall contain a summary of all information received by the director pursuant to this section.

5. For the purpose of coordinating all tax increment financing projects using new state revenues, the director of the department of economic development may promulgate rules and regulations to ensure compliance with this section. Such rules and regulations may include methods for enumerating all of the municipalities which have established commissions pursuant to section 99.820. No rule or portion of a rule promulgated under the authority of sections 99.800 to 99.865 shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

6. The department of economic development shall provide information and technical assistance, as requested by any municipality, on the requirements of sections 99.800 to 99.865. Such information and technical assistance shall be provided in the form of a manual, written in an easy- to-follow manner, and through consultations with departmental staff.


Effective 12-23-97

(2000) Proposed city charter amendment requiring two-thirds voter approval on every tax increment financing measure violated section and thus was unconstitutional pursuant to article VI, section 19(a). State ex rel. Hazelwood Yellow Ribbon Committee v. Klos, 35 S.W.3d 457 (Mo.App.E.D.).
MISSOURI DOWNTOWN AND RURAL ECONOMIC STIMULUS ACT

§§ 99.915 - 99.1060 RSMo

99.915. Title--funding exclusions--act supersedes other inconsistent laws.

1. Sections 99.915 to 99.1060 shall be known and may be cited as the "Missouri Downtown and Rural Economic Stimulus Act".

2. Nothing in sections 99.915 to 99.1060 shall be construed to provide any funding for the construction, maintenance, or operation of any sports stadium, arena, or related facility which has as its intended purpose use for spectator events which seats over ten thousand persons.

3. Insofar as the provisions of sections 99.915 to 99.1060 are inconsistent with the provisions of any other law, the provisions of sections 99.915 to 99.1060 shall be controlling.

(L. 2003 H.B. 289)

Effective 7-7-03

99.918. Definitions. As used in sections 99.915 to 99.980, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Authority", the downtown economic stimulus authority for a municipality, created pursuant to section 99.921;

(2) "Baseline year", the calendar year prior to the adoption of an ordinance by the municipality approving a development project; provided, however, if economic activity taxes or state sales tax revenues, from businesses other than any out-of-state business or businesses locating in the development project area, decrease in the development project area in the year following the year in which the ordinance approving a development project is approved by a municipality, the baseline year may, at the option of the municipality approving the development project, be the year following the year of the adoption of the ordinance approving the development project. When a development project area is located within a county for which public and individual assistance has been requested by the governor pursuant to Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by the governor pursuant to section 44.100, RSMo, due to a natural disaster of major proportions that occurred after May 1, 2003, but prior to May 10, 2003, and the development project area is a central business district that sustained severe damage as a result of such natural disaster, as determined by the state emergency management agency, the baseline year may, at the option of the municipality approving the development project, be the calendar year in which the natural disaster occurred or the year following the year in which the natural disaster occurred, provided that the municipality adopts an ordinance approving the development project within one year after the occurrence of the natural disaster;

(3) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

(4) "Central business district", the area at or near the historic core that is locally known as the "downtown" of a municipality that has a median household income of sixty-two thousand dollars or less, according to the last decennial census. In addition, at least fifty percent of existing buildings in this area will have been built in excess of thirty-five years prior or vacant lots that had prior structures built in excess of thirty-five years prior to the adoption of the ordinance approving the redevelopment plan. The historical land use emphasis of a central business district prior to redevelopment will have been a mixed use of business, commercial, financial, transportation, government, and multifamily residential uses;

(5) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes, economic activity taxes other than economic activity taxes which are local sales taxes, and other local taxes other than local sales taxes and, for local sales taxes and state taxes, the director of revenue;

(6) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more, and such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning;

(7) "Development area", an area designated by a municipality in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, which area shall have the following characteristics:

(a) It includes only those parcels of real property directly and substantially benefited by the proposed development plan;

(b) It can be renovated through one or more development projects;

(c) It is located in the central business district;

(d) It has generally suffered from declining population or property taxes for the twenty-year period immediately preceding the area's designation as a development area or has structures in the area fifty percent or more of which have an age of thirty-five years or more;

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(e) It is contiguous, provided, however that a development area may include up to three noncontiguous areas selected for development projects, provided that each noncontiguous area meets the requirements of paragraphs (a) to (g) herein;

(f) The development area shall not exceed ten percent of the entire area of the municipality; and

(g) The development area shall not include any property that is located within the one hundred year flood plain, as designated by the Federal Emergency Management Agency flood delineation maps, unless such property is protected by a structure that is inspected and certified by the United States Army Corps of Engineers.

This subdivision shall not apply to property within the one hundred year flood plain if the buildings on the property have been or will be flood proofed in accordance with the Federal Emergency Management Agency’s standards for flood proofing and the property is located in a home rule city with more than one hundred fifty-one thousand five hundred but fewer than one hundred fifty-one thousand six hundred inhabitants. Only those buildings certified as being flood proofed in accordance with the Federal Emergency Management Agency’s standards for flood proofing by the authority shall be eligible for the state sales tax increment and the state income tax increment. Subject to the limitation set forth in this subdivision, the development area can be enlarged or modified as provided in section 99.951;

(8) “Development plan”, the comprehensive program of a municipality to reduce or eliminate those conditions which qualified a development area as a blighted area or a conservation area, and to thereby enhance the tax bases of the taxing districts which extend into the development area through the reimbursement, payment, or other financing of development project costs in accordance with sections 99.915 to 99.980 and through the exercise of the powers set forth in sections 99.915 to 99.980. The development plan shall conform to the requirements of section 99.942;

(9) “Development project”, any development project within a development area which constitutes a major initiative in furtherance of the objectives of the development plan, and any such development project shall include a legal description of the area selected for such development project;

(10) “Development project area”, the area located within a development area selected for a development project;

(11) “Development project costs” include such costs to the development plan or a development project, as applicable, which are expended on public property, buildings, or rights-of-ways for public purposes to provide infrastructure to support for a development project. Such costs shall only be allowed as an initial expense which, to be recoverable, must be included in the costs of a development plan or development project, except in circumstances of plan amendments approved by the Missouri development finance board and the department of economic development. Such infrastructure costs include, but are not limited to, the following:

(a) Costs of studies, appraisals, surveys, plans, and specifications;

(b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services;

(c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

(d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public buildings and fixtures;

(e) Costs of construction of public works or improvements;

(f) Financing costs, including, but not limited to, all necessary expenses related to the issuance of obligations issued to finance all or any portion of the infrastructure costs of one or more development projects, and which may include capitalized interest on any such obligations and reasonable reserves related to any such obligations;

(g) All or a portion of a taxing district’s capital costs resulting from any development project necessarily incurred or to be incurred in furtherance of the objectives of the development plan, to the extent the municipality by written agreement accepts and approves such infrastructure costs;

(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes diverted by approval of a development project;

(i) State government costs, including, but not limited to, the reasonable costs incurred by the department of economic development, the department of revenue and the office of administration in evaluating an application for and administering state supplemental downtown development financing for a development project; and

(j) Endowment of positions at an institution of higher education which has a designation as a Carnegie Research I University including any campus of such university system, subject to the provisions of section 99.958.

In addition, economic activity taxes and payment in lieu of taxes may be expended on or used to reimburse any reasonable or necessary costs incurred or estimated to be incurred in furtherance of a development plan or a development project;

(12) “Economic activity taxes”, the total additional revenue from taxes which are imposed by the municipality and other taxing districts, and which are generated by economic activities within each development project area, which are not related to the relocation of any out-of-state business into the development project area, which exceed the amount of such taxes generated by economic activities within such development project area in the baseline year plus, in development project areas where the baseline year is the year following the year in which the development project is approved by the municipality pursuant to subdivision (2) of this section, the total revenue from taxes which are imposed by the municipality and other taxing districts which is generated by economic activities within the development project area resulting from the
relocation of an out-of-state business or out-of-state businesses to the development project area pursuant to section 99.919; but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees, or special assessments. If a retail establishment relocates within one year from one facility to another facility within the same county and the municipality or authority finds that the retail establishment is a direct beneficiary of development financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from taxes which are imposed by the municipality and other taxing districts which are generated by the economic activities within the development project area which exceed the amount of taxes which are imposed by the municipality and other taxing districts which are generated by economic activities within the development project area generated by the retail establishment in the baseline year;

(13) “Gambling establishment”, an excursion gambling boat as defined in section 313.800, RSMo, and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in sections 313.800 to 313.850, RSMo;

(14) “Major initiative”, a development project within a central business district that:

(a) Promotes tourism, cultural activities, arts, entertainment, education, research, arenas, multipurpose facilities, libraries, ports, mass transit, museums, or conventions, the estimated cost of which is in excess of the amount set forth below for the municipality, as applicable; or

(b) Promotes business location or expansion, the estimated cost of which is in excess of the amount set forth below for the municipality, and is estimated to create at least as many new jobs as set forth below within three years of such location or expansion: Population of Estimated New Jobs Municipality Project Cost Created 300,000 or more $10,000,000 at least 100 100,000 to 299,999 $5,000,000 at least 50 50,000 to 99,999 $1,000,000 at least 10 50,000 or less $500,000 at least 5;

(15) “Municipality”, any city, village, incorporated town, or any county of this state established on or prior to January 1, 2001, or a census-designated place in any county designated by the county for purposes of sections 99.915 to 99.1060;

(16) “New job”, any job defined as a new job pursuant to subdivision (11) of section 100.710, RSMo;

(17) “Obligations”, bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the municipality or authority, or other public entity authorized to issue such obligations pursuant to sections 99.915 to 99.980 to carry out a development project or to refund outstanding obligations;

(18) “Ordinance”, an ordinance enacted by the governing body of any municipality or an order of the governing body of such a municipal entity whose governing body is not authorized to enact ordinances;

(19) “Other net new revenues”, the amount of state sales tax increment or state income tax increment or the combination of the amount of each such increment as determined under section 99.960;

(20) “Out-of-state business”, a business entity or operation that has been located outside of the state of Missouri prior to the time it relocates to a development project area;

(21) “Payment in lieu of taxes”, those revenues from real property in each development project area, which taxing districts would have received had the municipality not adopted a development plan and the municipality not adopted development financing, and which would result from levies made after the time of the adoption of development financing during the time the current equalized value of real property in such development project area exceeds the total equalized value of real property in such development project area during the baseline year until development financing for such development project area expires or is terminated pursuant to sections 99.915 to 99.980;

(22) “Special allocation fund”, the fund of the municipality or its authority required to be established pursuant to section 99.957 which special allocation fund shall contain at least four separate segregated accounts into which payments in lieu of taxes are deposited in one account, economic activity taxes are deposited in a second account, other net new revenues are deposited in a third account, and other revenues, if any, received by the authority or the municipality for the purpose of implementing a development plan or a development project are deposited in a fourth account;

(23) “State income tax increment”, up to fifty percent of the estimate of the income tax due the state for salaries or wages paid to new employees in new jobs at a business located in the development project area and created by the development project. The estimate shall be a percentage of the gross payroll which percentage shall be based upon an analysis by the department of revenue of the practical tax rate on gross payroll as a factor in overall taxable income;

(24) “State sales tax increment”, up to one-half of the incremental increase in the state sales tax revenue in the development project area. In no event shall the incremental increase include any amounts attributable to retail sales unless the Missouri development finance board and the department of economic development are satisfied based on information provided by the municipality or authority, and such entities have made a finding that a substantial portion of all but a de minimus portion of the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. The incremental increase for an existing facility shall be the amount by which the state sales tax revenue generated at the facility exceeds the state sales tax revenue generated at the facility in the baseline year. The incremental increase in development project areas where the baseline year is the year following the year in which the development project is approved by the municipality pursuant to subdivision (2) of this section shall be the state sales tax revenue generated by out-of-state businesses relocating into a development project area. The incremental increase for a Missouri facility which relocates to a development project area shall be the amount by which the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the calendar year prior to relocation;

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(25) “State sales tax revenues”, the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law;

(26) “Taxing district’s capital costs”, those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from a development project; and

(27) “Taxing districts”, any political subdivision of this state having the power to levy taxes.


99.919. Out-of-state business, projects that relocate, calculation of new net revenues. Notwithstanding anything contained in sections 99.915 to 99.980 to the contrary, for development projects that result in the relocation of an out-of-state business or out-of-state businesses to the development project area, the portion of economic activity taxes, the state income tax increment, the state sales tax increment and other net new revenues generated by such out-of-state business or businesses shall be calculated based upon the full amount of tax revenue generated by such out-of-state business or out-of-state businesses without reduction due to revenues generated in the baseline year.

(L. 2003 H.B. 289)

Effective 7-7-03

99.921. Downtown economic stimulus authority authorized, limitations. Each municipality may create an authority to be known as a “Downtown Economic Stimulus Authority”; provided, however:

(1) No such authority shall transact any business or exercise its powers pursuant to sections 99.915 to 99.980 until and unless the governing body of such municipality shall, in accordance with subsection 1 of section 99.948, approve, by ordinance, the exercise of the powers, functions, and duties of an authority under sections 99.915 to 99.980;

(2) No governing body of a municipality shall adopt an ordinance pursuant to subdivision (1) of this section unless it finds:

(a) That it would be in the interest of the public to consider the establishment of a development area in accordance with sections 99.915 to 99.980;

(b) That the development of such a development area would be in the interest of the public health, safety, morals, or welfare of the residents of such municipality; and

(c) That it is anticipated that such a development area can be renovated through a series of one or more development projects;

(3) Cities, villages, and census-designated places located wholly within a county of the first classification with a population of more than one million, according to the last decennial census, shall undertake downtown development financing as allowed for pursuant to sections 99.915 to 99.980 through a countywide downtown economic stimulus authority. This countywide authority shall have the same powers, functions, and duties of an authority pursuant to sections 99.915 to 99.980. In addition, the countywide downtown economic stimulus authority shall be responsible for coordinating municipal downtown development financing activities in such a way as to encourage fiscal competition and promote mutual benefits among the affected local jurisdictions. Each countywide downtown economic stimulus authority shall be governed by a board of commissioners. In any county of the first classification with a population greater than one million, the authority shall be comprised of fifteen members. Three members shall be appointed by the county executive. Three members shall be appointed by the county council to represent class A cities and three members shall be appointed to represent class B cities, as both are defined in section 66.620, RSMo. The remaining six members shall be appointed by the county executive with the approval of the county council, of which members at least three will represent school districts within the county and the remainder shall represent other political subdivisions levying ad valorem taxes in the county. The term of office for each member shall be at the discretion of the appointing jurisdictions.

(L. 2003 H.B. 289)

Effective 7-7-03

99.924. Board of commissioners to govern authority, exceptions—appointment of commissioners, terms, vacancies. Each authority created pursuant to section 99.921, except a countywide downtown economic stimulus authority created pursuant to subdivision (3) of section 99.921, shall be governed by a board of commissioners. The number of commissioners serving on the board of each authority shall be no less than five and no more than fourteen, which number shall be established by ordinance of the municipality of which one shall be a member of any local community development corporation, if one exists in the municipality, and one shall be an African American business owner in the municipality, if one exists. One of the initial commissioners appointed pursuant to this subsection shall be appointed by the school district or districts located within the development area for a term of three years. The other initial commissioners appointed pursuant to this subsection shall be appointed by the school board of the school district or districts making the initial appointments for a term of three years. All vacancies shall be filled by appointment of the mayor or chief executive officer of the municipality or the school district or districts making the initial appointments for a term of three years. Three members shall be appointed by the school board of the school district or districts, for the unexpired term. In addition to the commissioners appointed in accordance with this subsection, a nonvoting advisor shall be appointed by the other taxing districts located within the development area.

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1. The powers of the authority created pursuant to section 99.921 shall be exercised by its board of commissioners. A majority of the commissioners shall constitute a quorum of such board for the purpose of conducting business and exercising the powers of the authority and for all other purposes. Action may be taken by the board upon a vote of a majority of the commissioners present in person or by teleconference, unless in any case the bylaws of the authority shall require a larger number. Meetings of the board of the authority may be held anywhere within the municipality.

2. The commissioners of the authority annually shall elect a chair and vice chair from among the commissioners; however, the first chair shall be designated by the mayor for a term of one year. The mayor or chief executive officer of the municipality shall serve as the co-chair of the authority. The authority may employ an executive director, technical experts, and such other officers, agents, and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties, and compensation. For such legal services as it may require, an authority may call upon the chief law officer of the municipality or may employ its own counsel and legal staff.

3. A commissioner of an authority shall receive no compensation for his or her services, but may receive the necessary expenses, including traveling expenses, incurred in the discharge of his or her duties. Each commissioner shall hold office until a successor has been appointed.

4. For inefficiency or neglect of duty or misconduct in office, a commissioner of an authority may be removed by the mayor or chief executive officer of the municipality.

(L. 2003 H.B. 289)
Effective 7-7-03

99.930. Contracts, authority may transact business, when—validity of authority not to be challenged, when.

1. In any suit, action, or proceeding involving the validity or enforcement of or relating to any contract of an authority entered into pursuant to sections 99.915 to 99.980, such authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers under sections 99.915 to 99.980 upon proof of the adoption of the appropriate ordinance prescribed in section 99.921. Each such ordinance shall be deemed sufficient if it authorizes the exercise of powers under sections 99.915 to 99.980 by the authority and sets forth the findings of the municipality as required in subdivision (2) of section 99.921.

2. A copy of such ordinance duly certified by the clerk of the municipality shall be admissible in evidence in any suit, action, or proceeding.

3. No lawsuit to set aside the creation of an authority, the approval of a development plan, development project, development area or development project area, or a tax levied pursuant to sections 99.915 to 99.980, or to otherwise question the validity of the proceedings related thereto, shall be brought after the expiration of ninety days from the effective date of the ordinance or resolution in question.

(L. 2003 H.B. 289)
Effective 7-7-03

99.933. Authority to be public body corporate and politic, powers—disclosure of conflicts of interest—disadvantaged business enterprise to be approved (Kansas City, St. Louis City, St. Louis County).

1. The authority created pursuant to section 99.921 shall constitute a public body corporate and politic, exercising public and essential governmental functions.

2. A municipality or an authority created pursuant to section 99.921 shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of sections 99.915 to 99.980, including the following powers in addition to others granted pursuant to sections 99.915 to 99.980:

(1) To prepare or cause to be prepared and approved development plans and development projects to be considered at public hearings in accordance with sections 99.915 to 99.980 and to undertake and carry out development plans and development projects which have been adopted by ordinance;

(2) To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, streets, roads, public utilities, or other facilities for or in connection with any development project; and notwithstanding anything to the contrary contained in sections 99.915 to 99.980 or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of any development project, and to include in any contract let in connection with any such development project provisions to fulfill such of the conditions as it may deem reasonable and appropriate;
(3) Within a development area, to acquire by purchase, lease, gift, grant, bequest, devise, obtain options upon, or otherwise acquire any real or personal property or any interest therein, necessary or incidental to a development project, all in the manner and at such price as the municipality or authority determines is reasonably necessary to achieve the objectives of a development plan;

(4) Within a development area, subject to provisions of section 99.936 with regard to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest therein, all in the manner and at such price and subject to any covenants, restrictions, and conditions as the municipality or authority determines is reasonably necessary to achieve the objectives of a development plan; to make any such covenants, restrictions, or conditions as covenants running with the land, and to provide appropriate remedies for any breach of any such covenants, restrictions, or conditions, including the right in the municipality or authority to terminate such contracts and any interest in the property created pursuant thereto;

(5) Within a development area, to clear any area by demolition or removal of existing buildings and structures;

(6) To install, repair, construct, reconstruct, or relocate streets, utilities, and site improvements as necessary or desirable for the preparation of a development area for use in accordance with a development plan;

(7) Within a development area, to fix, charge, and collect fees, rents, and other charges for the use of any real or personal property, or any portion thereof, in which the municipality or authority has any interest;

(8) To accept grants, guarantees, and donations of property, labor, or other things of value from any public or private source for purposes of implementing a development plan;

(9) In accordance with section 99.936, to select one or more developers to implement a development plan, or one or more development projects, or any portion thereof;

(10) To charge as a development project cost the reasonable costs incurred by the municipality or authority, the department of economic development, the Missouri development finance board, or the department of revenue in evaluating, administering, or implementing the development plan or any development project;

(11) To borrow money and issue obligations in accordance with sections 99.915 to 99.980 and provide security for any such loans or obligations;

(12) To insure or provide for the insurance of any real or personal property or operations of the municipality or authority against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of sections 99.915 to 99.980;

(13) Within a development area, to renovate, rehabilitate, own, operate, construct, repair, or improve any improvements, buildings, parking garages, fixtures, structures, and other facilities;

(14) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to redeem obligations at the redemption price established therein or to purchase obligations at less than redemption price, all obligations so redeemed or purchased to be canceled;

(15) To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, the state, county, municipality, or other public body or from any sources, public or private, for the purposes of implementing a development plan, to give such security as may be required and to enter into and carry out contracts in connection therewith. A municipality or authority, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government for a project such conditions imposed pursuant to federal law as the municipality or authority may deem reasonable and appropriate and which are not inconsistent with the purposes of sections 99.915 to 99.980;

(16) To incur development project costs and make such expenditures as may be necessary to carry out the purposes of sections 99.915 to 99.980; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures;

(17) To loan the proceeds of obligations issued pursuant to sections 99.915 to 99.980 for the purpose of providing for the purchase, construction, extension, or improvement of public infrastructure related to a development project by a developer pursuant to a development contract approved by the municipality or authority in accordance with subdivision (2) of section 99.936;

(18) To declare any funds, or any portion thereof, in the special allocation fund to be excess funds, so long as such excess funds have not been pledged to the payment of outstanding obligations or outstanding development project costs, are not necessary for the payment of development project costs incurred or anticipated to be incurred, and are not required to pay baseline state sales taxes and baseline state withholding taxes to the director of revenue. Any such funds deemed to be excess shall be disbursed in the manner of surplus funds as provided in section 99.965;

(19) To pledge or otherwise expend funds deposited to the special allocation fund, or any portion thereof, for the payment or reimbursement of development project costs incurred by the authority, the municipality, a developer selected by the municipality or authority, or any other entity with the consent of the municipality or authority; to pledge or otherwise expend funds deposited to the special allocation fund, or any portion thereof, or to mortgage or otherwise encumber its property, or any portion thereof, for the payment of obligations issued to finance development project costs; provided, however, any such pledge or expenditure of economic activity taxes or other net new revenues shall be subject to annual appropriation by the municipality; and
(20) To exercise all powers or parts or combinations of powers necessary, convenient, or appropriate to undertake and carry out development plans and any development projects and all the powers granted pursuant to sections 99.915 to 99.980, excluding powers of eminent domain.

3. If any member of the governing body of the municipality, a commissioner of the authority, or an employee or consultant of the municipality or authority, involved in the planning and preparation of a development project, owns or controls an interest, direct or indirect, in any property included in a development project area, the individual shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the governing body of the municipality and entered upon the minutes books of the governing body of the municipality. If an individual holds such an interest, then that individual shall refrain from any further official involvement in regard to a development project and from voting on any matter pertaining to such development project. Furthermore, subject to the succeeding sentence, no such member, commissioner, employee, or consultant shall acquire any interest, direct or indirect, in any property in a development project area or proposed development project area, after either such individual obtains knowledge of a development project, or first public notice of such development project, or development project area pursuant to subsection 2 of section 99.951, whichever first occurs. At any time after one year from the adoption of an ordinance designating a development project area, any commissioner may acquire an interest in real estate located in a development project area so long as any such commissioner discloses such acquisition and refrains from voting on any matter related to the development project area in which the property acquired by such commissioner is located.

4. An authority created pursuant to section 99.921 shall have the following powers in addition to others granted pursuant to sections 99.915 to 99.980:

   (1) To sue and to be sued; to have a seal and to alter the same at the authority’s pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal bylaws, rules, and regulations, not inconsistent with sections 99.915 to 99.980, to carry out the provisions of sections 99.915 to 99.980;

   (2) To delegate to a municipality or other public body any of the powers or functions of the authority with respect to the planning or undertaking of a development project, and any such municipality or public body is hereby authorized to carry out or perform such powers or functions for the authority;

   (3) To receive and exercise powers delegated by any authority, agency, or agent of a municipality created pursuant to this chapter or chapter 353, RSMo, excluding powers of eminent domain.

5. Any home rule city with more than four hundred thousand inhabitants and located in more than one county, any city not within a county, and any county with a charter form of government and with more than one million inhabitants shall approve a disadvantaged business enterprise program to be implemented by the downtown economic stimulus authority. The program shall require all businesses, vendors, and contractors working on projects undertaken by the authority to ensure enforcement of an equal opportunity employment plan and a minority and women-owned business program that is based on population and availability that contains specific worker ethnicity goals for each such business, vendor, and contractor, in accordance with applicable state and federal laws, rules, regulations, and orders.

(L. 2003 H.B. 289)
Effective 7-7-03

99.936. Disposal of real property. Real property which is acquired by a municipality or authority in a development project area may be disposed of as follows:

(1) Within a development project area, the authority may sell, lease, exchange, or otherwise transfer real property, including land, improvements, and fixtures, or any interest therein, to any developer selected for a development project, or any portion thereof, in accordance with the development plan, subject to such covenants, conditions, and restrictions as may be deemed to be in the public interest or to carry out the purposes of sections 99.915 to 99.980. Such real property shall be sold, leased, or transferred at its fair market value for uses in accordance with the development plan; provided that such fair market value may be less than the cost of such property to the municipality or authority. In determining the fair market value of real property for uses in accordance with a development plan, the municipality or authority shall take into account and give consideration to the uses and purposes required by the development plan; the restrictions upon, and the covenants, conditions, and obligations assumed by the developer of such property; the objectives of the development plan; and such other matters as the municipality or authority shall specify as being appropriate. In fixing rental and sale prices, a municipality or authority shall give consideration to appraisals of the property for such uses made by experts employed by the municipality or authority;

(2) The municipality or authority shall, by public notice published in a newspaper having a general circulation in a development area, prior to selecting one or more developers for any development project, or any portion thereof, invite proposals from, and make available all pertinent information to, private developers or any persons interested in undertaking the development of such development project, or any portion thereof. Such notice shall be published at least once each week during the two weeks preceding the selection of a developer, shall identify the area of the development project or development projects, or any portion thereof, for which one or more developers are to be selected, and shall state that such further information as it is available may be obtained at the office of the municipality or authority. The municipality or authority shall consider all proposals and the financial and legal ability of the prospective developers to carry out their proposals. The municipality or authority may negotiate and enter into one or more contracts with any developer selected for the development of any such area for the development of such area by such developer in accordance with a development plan or for the sale or lease of any real property to any such developer in any such area for the purpose of developing such property in accordance with the development plan. The municipality or authority may enter into any such contract as it deems to be in the public interest and in furtherance of the purposes of sections 99.915 to 99.980; provided that the municipality or
authority has, not less than ten days prior thereto, notified the governing body in writing of its intention to enter into such contract. Thereafter, the municipality or authority may execute such contract in accordance with the provisions of subdivision (1) of this section and deliver deeds, leases, and other instruments and take all steps necessary to effectuate such contract. In its discretion, the municipality or authority may, in accordance with the provisions of this subdivision, dispose of any real property in an area selected for a development project, or any portion thereof, to private developers for development under such reasonable competitive bidding procedures as it shall prescribe, subject to the provisions of subdivision (1) of this section;

(3) In carrying out a development project, the authority may:

(a) Convey to the municipality such real property as, in accordance with the development plan, is to be dedicated as public right-of-way for streets, sidewalks, alleys, or other public ways, this power being additional to and not limiting any and all other powers of conveyance of property to municipalities expressed, generally or otherwise, in sections 99.915 to 99.980;

(b) Grant servitudes, easements, and rights-of-way for public utilities, sewers, streets, and other similar facilities, in accordance with the development plan; and

(c) Convey to the municipality or other appropriate public body such real property as, in accordance with the development plan, is to be used for parks, schools, public buildings, facilities, or other public purposes;

(4) The municipality or authority may operate and maintain real property in the development area pending the disposition or development of the property in accordance with a development plan, without regard to the provisions of subdivisions (1) and (2) of this section, for such uses and purposes as may be deemed desirable even though not in conformity with the development plan.

99.939. Fund established for community development corporations (Kansas City, St. Louis County, St. Louis City, Boone County)—fund administration—diversion of certain sales tax revenues to general revenue fund—grants and loans awarded.

1. Any home rule city with more than four hundred thousand inhabitants and located in more than one county, any county with a charter form of government and with more than one million inhabitants, any city not within a county, and any county of the first classification with more than one hundred thirty-five thousand four hundred but less than one hundred thirty-five thousand five hundred inhabitants and any municipality located therein shall by ordinance establish a fund for the purpose of providing funds to community development corporations in such city for comprehensive programs within such city to stimulate economic development, housing, and other public benefits leading to the development of economically sustainable neighborhoods or communities, such fund to be known as the "Community Development Corporation Revolving Fund". Notwithstanding section 33.080, RSMo, to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

2. The community development corporation revolving fund shall be administered by a community development corporation revolving fund board, which shall consist of six members appointed by the chief elected official of such municipality or county, of which one shall be a member of the economic stimulus authority, three shall be members of the local regional community development association, and two shall be members of local business or financial organizations. The initial members shall serve staggered terms of one, two, and three years as determined by the chief elected official at the time of appointment. Thereafter, successor members shall be appointed by the chief elected official for a term of three years, and shall hold office until a successor is appointed. Any member may be removed by the chief elected official for inefficiency, neglect of duty, or misconduct. All vacancies shall be filled by appointment of the chief elected official for the unexpired term. No member shall receive compensation for the member’s services, but shall be entitled to necessary and reasonable expenses, including travel expenses, incurred in the discharge of the member’s duties. The chief elected official shall appoint the chair of the board, and the members of the board shall elect officers from the membership of the board.

3. Beginning January 1, 2004, up to five percent of the state sales tax increment portion of other net new revenues generated by development projects certified for state supplemental downtown development financing pursuant to sections 99.915 to 99.980, but not being used for state supplemental downtown development financing, may be available for appropriation by the general assembly from the state supplemental downtown development fund, to the general revenue fund, for the purpose of providing grants to cities or counties as set forth herein. A city or county described in subsection 1 of this section may, upon application to the department of economic development, receive a grant for deposit into the city or county community development corporation revolving fund for the purposes of funding a community development corporation revolving fund program pursuant to subsection 4 of this section. Any city or county otherwise eligible shall not be denied participation in the grant program due to a lack of projects certified for state supplemental downtown development financing, but such grants shall be limited to incremental revenues generated from certified projects in any city or county described in subsection 1 of this section. At no time shall the sum of the grants exceed one million five hundred thousand dollars annually.

4. From money granted to a city or county described in subsection 1 of this section for deposit in the community development corporation revolving fund, the city or county, through the community development corporation revolving fund board, shall provide grants and forgivable loans to community development corporations in such municipality for community economic development activities implemented by such corporations. The board shall give special funding consideration to collaborations on community development projects between developers organized for profit and nonprofit developers. All expenses for such projects shall be paid for out of the community development corporation revolving fund. Any money appropriated, and any other money made available by gift, grant, bequest, contribution, or otherwise to carry out the purposes of this section, and all interest earned on, and income generated from, money in the fund shall be paid to, and deposited in, the community development corporation revolving fund.
99.942. Development plan, contents—goal for certain projects (Kansas City, St. Louis City, St. Louis County, Boone County)—adoption of development plan, procedure.

1. A development plan shall set forth in writing a general description of the program to be undertaken to accomplish the development projects and related objectives and shall include, but need not be limited to:

   (1) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;

   (2) The street address of the development site;

   (3) The three-digit North American Industry Classification System number or numbers characterizing the development project;

   (4) The estimated development project costs;

   (5) The anticipated sources of funds to pay such development project costs;

   (6) Evidence of the commitments to finance such development project costs;

   (7) The anticipated type and term of the sources of funds to pay such development project costs;

   (8) The anticipated type and terms of the obligations to be issued;

   (9) The most recent equalized assessed valuation of the property within the development project area;

   (10) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;

   (11) The general land uses to apply in the development area;

   (12) The total number of individuals employed in the development area, categorized by full-time, part-time, and temporary positions;

   (13) The total number of full-time equivalent positions in the development area;

   (14) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area;

   (15) The total number of individuals employed in this state by the corporate parent of any business benefiting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty-first of the prior fiscal year, categorized by full-time, part-time, and temporary positions;

   (16) The number of new jobs to be created by any business benefiting from public expenditures in the development area, categorized by full-time, part-time, and temporary positions;

   (17) The average hourly wage to be paid to all current and new employees at the project site, categorized by full-time, part-time, and temporary positions;

   (18) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;

   (19) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;

   (20) A list of other community and economic benefits to result from the project;

   (21) A list of all development subsidies that any business benefiting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;

   (22) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding pursuant to this act* is being sought;

   (23) A statement as to whether the development project may reduce employment at any other site, within or without of the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;
(24) A statement as to whether or not the project involves the relocation of work from another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;

(25) A list of businesses that are competing with the business benefiting from the development plan in the county containing the development area and in each contiguous county;

(26) A market study for the development area; and

(27) A certification by the chief officer of the applicant as to the accuracy of the development plan.

2. For any home rule city with more than four hundred thousand inhabitants and located in more than one county, for any county with a charter form of government and with more than one million inhabitants, any county of the first classification with more than one hundred thirty-five thousand four hundred but less than one hundred thirty-five thousand five hundred inhabitants and any municipality within the county, and for any city not within a county, the authority shall be required in connection with the designation of the development area, development projects, and development project areas, to work with local community development corporations, as defined in subsection 3 of section 135.400, RSMo, with a goal that over the term of the development plan five percent of the funds generated pursuant to section 99.957 will be expended in connection with such projects through the community development revolving fund created pursuant to section 99.939.

3. The development plan may be adopted by a municipality in reliance on findings that a reasonable person would believe:

(1) The development area on the whole is a blighted area or a conservation area. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the development area or project pursuant to this subsection, a written statement, signed by members of the governing body of the municipality or authority confirming that the information has been independently reviewed by the members of the governing body of the municipality or authority with due diligence to confirm its accuracy, truthfulness, and completeness. The study shall be of sufficient specificity to allow representatives of the authority or the municipality to conduct investigations deemed necessary in order to confirm its findings;

(2) The development area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the implementation of one or more development projects and the adoption of local and state development financing;

(3) The development plan conforms to the comprehensive plan for the development of the municipality as a whole;

(4) The estimated dates, which shall not be more than twenty-five years from the adoption of the ordinance approving any development project, of the completion of such development project and retirement of obligations incurred to finance development project costs have been stated, provided that no ordinance approving a development project shall be adopted later than fifteen years from the adoption of the ordinance approving the development plan and provided that no property for a development project shall be acquired by eminent domain later than ten years from the adoption of the ordinance approving such development plan;

(5) In the event any business or residence is to be relocated as a direct result of the implementation of the development plan, a plan has been developed for relocation assistance for businesses and residences;

(6) A cost-benefit analysis showing the economic impact of the development plan on the municipality and school districts that are at least partially within the boundaries of the development area. The analysis shall show the impact on the economy if the development projects are not built pursuant to the development plan under consideration. The cost-benefit analysis shall include a fiscal impact study on each municipality and school district which is at least partially within the boundaries of the development area, and sufficient information from the authority to evaluate whether each development project as proposed is financially feasible;

(7) The development plan does not include the initial development or redevelopment of any gambling establishment; and

(8) An economic feasibility analysis including a pro forma financial statement indicating the return on investment that may be expected without public assistance. The financial statement shall detail any assumptions made, a pro forma statement analysis demonstrating the amount of assistance required to bring the return into a range deemed attractive to private investors, which amount shall not exceed the estimated reimbursable project costs.

(L. 2003 H.B. 289)

Effective 7-7-03

**This act** (H.B. 289, 2003) contained numerous sections. Consult Disposition of Sections table for a definitive listing.

99.945. Permission needed for designation of development area outside boundaries of municipality. In the event a municipality desires to designate a development area located in whole or in part outside the incorporated boundaries of the municipality and within the boundaries of another municipality, such municipality shall first obtain the permission of the governing body of such other municipality.

(L. 2003 H.B. 289)

Effective 7-7-03
99.948. Powers of municipality creating authority--powers authorized to authority--public hearings held, when.

1. A municipality which has created an authority pursuant to section 99.921 may:

   (1) Approve by ordinance the exercise by the authority of the powers, functions, and duties of the authority under sections 99.915 to 99.980; and

   (2) After adopting an ordinance in accordance with subdivision (1) of this subsection and after receipt of recommendations from the authority in accordance with subsection 3 of this section, by ordinance, designate development areas adopt the development plans and development projects, designate a development project area for each development project area adopted, and adopt development financing for each such development project area. No development plan may be adopted until the development area is designated. No development project shall be adopted until the development plan is adopted and the development project area for each development project shall be designated at the time of adopting the development project.

2. A municipality may authorize an authority created pursuant to section 99.921 to exercise all powers and perform all functions of a transportation development district pursuant to sections 238.200 to 238.275, RSMo, within a development area.

3. The municipality or authority shall hold public hearings and provide notice pursuant to sections 99.957 and 99.960. Within ten days following the completion of any such public hearing, the authority shall vote on and shall make recommendation to the governing body of the municipality with regard to any development plan, development projects, designation of a development area or amendments thereto which were proposed at such public hearing.

   (L. 2003 H.B. 289)
   Effective 7-7-03

99.951. Adoption of authorizing ordinance, public hearings to be held--notice for hearing, contents.

1. Prior to the adoption of the ordinance designating a development area, adopting a development plan, or approving a development project, the municipality or authority shall fix a time and place for a public hearing and notify each taxing district located wholly or partially within the boundaries of the proposed development area or development project area affected. Such notice shall comply with the provisions of subsection 2 of this section. At the public hearing any interested person or affected taxing district may file with the municipality or authority written objections to, or comments on, and may be heard orally in respect to, any issues regarding the plan or issues embodied in the notice. The municipality or authority shall hear and consider all protests, objections, comments, and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may be made in the development plan, development project, development area or development project area, provided that written notice of such changes is available at the public hearing. After the public hearing but prior to the adoption of an ordinance designating a development area, adopting a development plan or approving a development project, changes may be made to any such proposed development plan, development project, development area, or development project area without a further hearing, if such changes do not enlarge the exterior boundaries of the development area, and do not substantially affect the general land uses established in a development plan or development project, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the development area or development project area, as applicable, not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance designating the development area, adopting a development plan, approving a development project, or designating a development project area, no ordinance shall be adopted altering the exterior boundaries of the development area or a development project area affecting the general land uses established pursuant to the development plan or the general nature of a development project without holding a public hearing in accordance with this section. One public hearing may be held for the simultaneous consideration of a development area, development plan, development project, or development project area.

2. Notice of the public hearing required by this section shall be given by publication and mailing. Notice by publication shall be given at least twice, the first publication to be not more than thirty days and the second publication to be not more than ten days prior to the hearing, in a newspaper of general circulation in the proposed development area or development project area, as applicable, and in two minority newspapers, if such newspapers are published in the municipality, of which one shall be published in the Spanish language, if such a newspaper is published in the municipality. Notice by mailing shall be given by depositing such notice in the United States mail by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the proposed development area or development project area, as applicable, which is to be subjected to the payment or payments in lieu of taxes and economic activity taxes pursuant to section 99.957. Such notice shall be mailed not less than ten working days prior to the date set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall also be sent to the persons last listed on the tax rolls within the preceding three years as the owners of such property.

3. The notices issued pursuant to this section shall include the following:

   (1) The time and place of the public hearing;

   (2) The general boundaries of the proposed development area or development project area, as applicable, by street location, where possible;

   (3) A statement that all interested persons shall be given an opportunity to be heard at the public hearing;

   (4) A description of the development plan and the proposed development projects and a location and time where the entire development plan or development projects proposed may be reviewed by any interested party;

As of August 28, 2005
(5) An estimate of other net new revenues;

(6) A statement that development financing involving tax revenues and payments in lieu of taxes is being sought for the project and an estimate of the amount of local development financing that will be requested, if applicable; and

(7) Such other matters as the municipality or authority may deem appropriate.

4. Not less than forty-five days prior to the date set for the public hearing, the municipality or authority shall give notice by mail as provided in subsection 2 of this section to all taxing districts with jurisdiction over taxable property in the development area or development project area, as applicable, and in addition to the other requirements pursuant to subsection 3 of this section, the notice shall include an invitation to each taxing district to submit comments to the municipality or authority concerning the subject matter of the hearing prior to the date of the hearing.

5. A copy of any and all hearing notices required by this section shall be submitted by the municipality or authority to the director of the department of economic development and the date such notices were mailed or published, as applicable.

   (L. 2003 H.B. 289)
   Effective 7-7-03

99.954. Financing project costs, issuance of obligations permitted, procedure--immunity from liability for obligations--retiring or refinancing debt, restrictions.

1. For the purpose of financing development project costs, obligations may be issued by the municipality, or, at the request of the municipality, by the authority or any other political subdivision authorized to issue bonds, but in no event by the state, to pay or reimburse development project costs. Such obligations, when so issued, shall be retired in the manner provided in the ordinance or resolution authorizing the issuance of such obligations.

2. Obligations issued pursuant to sections 99.915 to 99.980 may be issued in one or more series bearing interest at such rate or rates as the issuing entity shall determine by ordinance or resolution. Such obligations shall bear such date or dates, be in such denomination, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, contain such covenants, terms, and conditions, and be subject to redemption as such ordinance or resolution shall provide. Obligations issued pursuant to sections 99.915 to 99.980 may be sold at public or private sale at such price as shall be determined by the issuing entity and shall state that obligations issued pursuant to sections 99.915 to 99.980 are special obligations payable solely from the funds specifically pledged. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to sections 99.915 to 99.980.

3. In the event the obligations contain a recital that they are issued pursuant to sections 99.915 to 99.980, such recital shall be conclusive evidence of their validity and of the regularity of their issuance.

4. Neither the municipality, the authority, or any other entity issuing such obligations, or the members, commissioners, directors, or the officers of any such entities nor any person executing any obligation shall be personally liable for such obligation by reason of the issuance thereof. The obligations issued pursuant to sections 99.915 to 99.980 shall not be a general obligation of the state, the municipality, or any political subdivision thereof, nor in any event shall such obligation be payable out of any funds or properties other than those specifically pledged as security for such obligations. The obligations shall not constitute indebtedness within the meaning of any constitutional, statutory, or charter debt limitation or restriction.

5. Obligations issued pursuant to sections 99.915 to 99.980 may be issued to refund, in whole or in part, obligations theretofore issued by such entity pursuant to the authority of sections 99.915 to 99.980, whether at or prior to maturity; provided, however, that the last maturity of the refunding obligations shall not be expressed to mature later than the last maturity date of the obligations to be refunded.

6. In the event a municipality or authority issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay for development project costs, the municipality may retire such obligations from funds in the special allocation fund in amounts and in such manner as if such obligations had been issued pursuant to the provisions of sections 99.915 to 99.980.

7. State supplemental downtown development financing shall not be used for retiring or refinancing debt or obligations on a previously publicly financed redevelopment project without express approval from the director of the department of economic development and the Missouri development finance board. No approval shall be granted unless the application for state supplemental downtown development financing contains development projects that are new projects which were not a part of the development projects for which there is existing public debt or obligations.

   (L. 2003 H.B. 289)
   Effective 7-7-03

As of August 28, 2005
99.957. Adoption of development financing by ordinance—county assessor to determine total equalized assessed value—calculation of ad valorem taxes—allocation of economic activity taxes.

1. A municipality, after designating a development area, adopting a development plan, and adopting any development project in conformance with the procedures of sections 99.915 to 99.980, may adopt development financing for the development project area selected for any such development project by passing an ordinance. Upon the adoption of the first of any such ordinances, the municipality shall establish, or shall direct the authority to establish, a special allocation fund for the development area.

2. Immediately upon the adoption of a resolution or ordinance adopting development financing for a development project area pursuant to subsection 1 of this section, the county assessor shall determine the total equalized assessed value of all taxable real property within such development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such development project area as of the date of the adoption of such resolution or ordinance and shall provide to the clerk of the municipality written certification of such amount as the total initial equalized assessed value of the taxable real property within such development project area.

3. In each of the twenty-five calendar years following the adoption of an ordinance adopting development financing for a development project area pursuant to subsection 1 of this section unless and until development financing for such development project area is terminated by ordinance of the municipality, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such development project area by taxing districts at the tax rates determined in the manner provided in section 99.968 shall be divided as follows:

(1) That portion of taxes, penalties, and interest levied upon each taxable lot, block, tract, or parcel of real property in such development project area which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area as certified by the county assessor in accordance with subsection 2 of this section shall be allocated to and, when collected, shall be paid by the collecting authority to the respective affected taxing districts in the manner required by law in the absence of the adoption of development financing;

(2) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the development project area and any applicable penalty and interest over and above the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area as certified by the county assessor in accordance with subsection 2 of this section shall be allocated to and, when collected, shall be paid to the collecting officer of the municipality who shall deposit such payment in lieu of taxes into a separate segregated account for payments in lieu of taxes within the special fund. Payments in lieu of taxes which are due and owing shall constitute a lien against the real property from which such payments in lieu of taxes are derived and shall be collected in the same manner as real property taxes, including the assessment of penalties and interest where applicable. The lien of payments in lieu of taxes may be foreclosed in the same manner as the lien of real property taxes. No part of the current equalized assessed valuation of each taxable lot, block, tract, or parcel of property in any such development project area attributable to any increase above the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area as certified by the county assessor in accordance with subsection 2 of this section shall be used in calculating the general state school aid formula provided for in section 163.031, RSMo, until development financing for such development project area expires or is terminated in accordance with sections 99.915 to 99.980;

(3) For purposes of this section, “levies upon taxable real property in such development area by taxing districts” shall not include the blind pension fund tax levied under the authority of section 38(b), article III, of the Missouri Constitution, the merchants’ and manufacturers’ inventory replacement tax levied under the authority of subsection 2 of section 6, article X of the Missouri Constitution, the desegregation sales tax, or the conservation taxes.

4. In each of the twenty-five calendar years following the adoption of an ordinance or resolution adopting development financing for a development project area pursuant to subsection 1 of this section unless and until development financing for such development project area is terminated in accordance with sections 99.915 to 99.980, fifty percent of the economic activity taxes from such development project area shall be allocated to, and paid by the collecting officer of any such economic activity tax to, the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account for economic activity taxes within the special allocation fund. Provided however, in any county, the governing body of the county may, by resolution, exclude any portion of any countywide sales tax of such county.

5. In no event shall a municipality collect and deposit economic activity taxes in the special allocation fund unless the developing project has been approved for state supplemental downtown development financing pursuant to section 99.960.

(L. 2003 H.B. 289)
Effective 7-7-03

99.958. Endowment, Carnegie Research I University, private funds needed for one-half of endowment. If a development plan includes an endowment of positions at an institution of higher education which has a designation as a Carnegie Research 1 University, including any campus of such university system, such endowment must first be funded with a private donation to the institution of higher education in accordance with its endowment policy in an amount of at least one-half of the total amount of the endowment. Thereafter, the remaining portion of matching public for such endowment may be made either from the local economic activity taxes or from a disbursement made from the state supplemental downtown development fund. Any disbursement from the state supplemental downtown development fund for purposes of funding an endowment pursuant to the provisions of this section shall be transferred to general revenue for appropriation of the endowment.

As of August 28, 2005
99.960. Disbursement of project costs, approval of department required—application, contents—finance board to make determination—cap on disbursements—time limitations on disbursements—development costs defined—projects ineligible for TIFs, when—rulemaking authority.

1. A municipality shall submit an application to the department of economic development for review and submission of an analysis and recommendation to the Missouri development finance board for a determination as to approval of the disbursement of the project costs of one or more development projects from the state supplemental downtown development fund. The department of economic development shall forward the application to the Missouri development finance board with the analysis and recommendation. In no event shall any approval authorize a disbursement of one or more development projects from the state supplemental downtown development fund which exceeds the allowable amount of other net new revenues derived from the development area. An application submitted to the department of economic development shall contain the following, in addition to the items set forth in section 99.942:

   (1) An estimate that one hundred percent of the payments in lieu of taxes and economic activity taxes deposited to the special allocation fund must and will be used to pay development project costs or obligations issued to finance development project costs to achieve the objectives of the development plan. Contributions to the development project from any private not-for-profit organization or local contributions from tax abatement or other sources may be substituted on a dollar-for-dollar basis for the local match of one hundred percent of payments in lieu of taxes and economic activity taxes from the fund;

   (2) Identification of the existing businesses located within the development project area and the development area;

   (3) The aggregate baseline year amount of state sales tax revenues and the aggregate baseline year amount of state income tax withheld on behalf of existing employees, reported by existing businesses within the development project area. Provisions of section 32.057, RSMo, notwithstanding, municipalities will provide this information to the department of revenue for verification. The department of revenue will verify the information provided by the municipalities within forty-five days of receiving a request for such verification from a municipality;

   (4) An estimate of the state sales tax increment and state income tax increment within the development project area after redevelopment;

   (5) An affidavit that is signed by the developer or developers attesting that the provision of subdivision (2) of subsection 3 of section 99.942 has been met and specifying that the development area would not be reasonably anticipated to be developed without the appropriation of the other net new revenues;

   (6) The amounts and types of other net new revenues sought by the applicant to be disbursed from state supplemental downtown development fund over the term of the development plan;

   (7) The methodologies and underlying assumptions used in determining the estimate of the state sales tax increment and the state income tax increment; and

   (8) Any other information reasonably requested by the department of economic development and the Missouri development finance board.

2. The department of economic development shall make all reasonable efforts to process applications within sixty days of receipt of the application.

3. The Missouri development finance board shall make a determination regarding the application for a certificate allowing disbursements from the state supplemental downtown development fund and shall forward such determination to the director of the department of economic development. In no event shall the amount of disbursements from the state supplemental downtown development fund approved for a project, in addition to any other state economic development funding or other state incentives, exceed the projected state benefit of the development project, as determined by the department of economic development through a cost-benefit analysis. Any political subdivision located either wholly or partially within the development area shall be permitted to submit information to the department of economic development for consideration in its cost-benefit analysis. Upon approval of state supplemental downtown development financing, a certificate of approval shall be issued by the department of economic development containing the terms and limitations of the disbursement.

4. At no time shall the annual amount of other net new revenues approved for disbursements from the state supplemental downtown development fund exceed one hundred eight million dollars.

5. Development projects receiving disbursements from the state supplemental downtown development fund shall be limited to receiving such disbursements for fifteen years, unless specific approval for a longer term is given by the director of the department of economic development, as set forth in the certificate of approval; except that, in no case shall the duration exceed twenty-five years. The approved term notwithstanding, state supplemental downtown development financing shall terminate when development financing for a development project is terminated by a municipality.

6. The municipality shall deposit payments received from the state supplemental downtown development fund in a separate segregated account for other net new revenues within the special allocation fund.
7. Development project costs may include, at the prerogative of the state, the portion of salaries and expenses of the department of economic development, the Missouri development finance board, and the department of revenue reasonably allocable to each development project approved for disbursements from the state supplemental downtown development fund for the ongoing administrative functions associated with such development project. Such amounts shall be recovered from other net new revenues deposited into the state supplemental downtown development fund created pursuant to section 99.963.

8. A development project approved for state supplemental downtown development financing may not thereafter elect to receive tax increment financing pursuant to the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, and continue to receive state supplemental downtown development financing pursuant to sections 99.915 to 99.980.

9. The department of economic development, in conjunction with the Missouri development finance board, may establish the procedures and standards for the determination and approval of applications by the promulgation of rules and regulations and publish forms to implement the provisions of this section and section 99.963.

10. 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 and section 99.963 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, section 99.963, 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, 2003, shall be invalid and void.

11. The Missouri development finance board shall consider parity based on population and geography of the state among the regions of the state in making determinations on applications pursuant to this section.


99.963. State supplemental downtown development fund established, moneys in fund, use of moneys, disbursements--rulemaking authority.

1. There is hereby established within the state treasury a special fund to be known as the “State Supplemental Downtown Development Fund”, to be administered by the department of economic development. Any unexpended balance and any interest in the fund at the end of the biennium shall be exempt from the provisions of section 33.080, RSMo, relating to the transfer of unexpended balances to the general revenue fund. The fund shall consist of:

(1) The first one hundred fifty million dollars of other net new revenues generated annually by the development projects;

(2) Money received from costs charged pursuant to subsection 7 of section 99.960; and

(3) Gifts, contributions, grants, or bequests received from federal, private, or other sources.

2. Notwithstanding the provisions of section 144.700, RSMo, to the contrary, the department of revenue shall annually submit the first one hundred fifty million of other net new revenues generated by the development projects to the treasurer for deposit in the state supplemental downtown development fund.

3. The department of economic development shall annually disburse funds from the state supplemental downtown development fund in amounts determined pursuant to the certificates of approval for projects, providing that the amounts of other net new revenues generated from the development area have been verified and all of the conditions of sections 99.915 to 99.980 are met. If the revenues appropriated from the state supplemental downtown development fund are not sufficient to equal the amounts determined to be disbursed pursuant to such certificates of approval, the department of economic development shall disburse the revenues on a pro rata basis to all such projects and other costs approved pursuant to section 99.960.

4. In no event shall the amounts distributed to a project from the state supplemental downtown development fund exceed the lesser of the amount of the certificates of approval for projects or the actual other net new revenues generated by the projects.

5. The department of economic development shall not disburse any moneys from the state supplemental downtown development fund for any project which has not complied with the annual reporting requirements of section 99.980.

6. Money in the state supplemental downtown development fund may be spent for the reasonable and necessary costs associated with the administration of the program authorized under sections 99.915 to 99.980.

7. No municipality shall obligate or commit the expenditure of disbursements received from the state supplemental downtown development fund prior to receiving a certificate of approval for the development project generating other net new revenues.

8. Taxpayers in any development area who are required to remit sales taxes pursuant to chapter 144, RSMo, or income tax withholdings pursuant to chapter 143, RSMo, shall provide additional information to the department of revenue in a form prescribed by the department by rule. Such information shall include but shall not be limited to information upon which other net new revenues can be calculated, and shall include the number of new jobs, the gross payroll for such jobs, and sales tax generated in the development area by such taxpayer in the baseline year and during the time period related to the withholding or sales tax remittance.

As of August 28, 2005
9. 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, 2003, shall be invalid and void.

(L. 2003 H.B. 289)
Effective 7-7-03

99.965. Termination of development financing, when, procedure—dissolution of special fund and termination of designated area.

1. When all development project costs and all obligations issued to finance development project costs have been paid in full, the municipality shall adopt an ordinance terminating development financing for all development project areas. Immediately upon the adoption of such ordinance, all payments in lieu of taxes, all economic activity taxes, and other net new revenues then remaining in the special allocation fund shall be deemed to be surplus funds; and thereafter, the rates of the taxing districts shall be extended and taxes levied, collected, and distributed in the manner applicable in the absence of the adoption of development financing. Surplus payments in lieu of taxes shall be paid to the county collector who shall immediately thereafter pay such funds to the taxing districts in the development area selected in the same manner and proportion as the most recent distribution by the collector to the affected taxing districts of real property taxes from real property in the development area. Surplus economic activity taxes shall be paid to the taxing districts in the development area in proportion to the then current levy rates of such taxing districts that are attributable to economic activity taxes. Surplus other net new revenues shall be paid to the state. Any other funds remaining in the special allocation fund following the adoption of an ordinance terminating development financing in accordance with this section shall be deposited to the general fund of the municipality.

2. Upon the payment of all development project costs, retirement of obligations, and the distribution of any surplus funds pursuant to this section, the municipality shall adopt an ordinance dissolving the special allocation fund and terminating the designation of the development area as a development area.

3. Nothing in sections 99.915 to 99.980 shall be construed as relieving property in such areas from paying a uniform rate of taxes, as required by section 3, article X of the Missouri Constitution.

(L. 2003 H.B. 289)
Effective 7-7-03

99.968. Debt service levies, computation of. In each of the twenty-five calendar years following the adoption of an ordinance adopting development financing for a development project area, unless and until development financing for such development project area is terminated by ordinance of the municipality, then, in respect to every taxing district containing such development project area, the county clerk, or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such development project area for the purpose of computing any debt service levies to be extended upon taxable property within such development project area, shall in every year that development financing is in effect ascertain the amount of value of taxable property in such development project area by including in such amount the certified total initial equalized assessed value of all taxable real property in such development project area in lieu of the equalized assessed value of all taxable real property in such development project area. For the purpose of measuring the size of payments in lieu of taxes under sections 99.915 to 99.980, all tax levies shall then be extended to the current equalized assessed value of all property in the development project area in the same manner as the tax rate percentage is extended to all other taxable property in the taxing district.

(L. 2003 H.B. 289)
Effective 7-7-03

99.971. Joint committee of general assembly to review economic stimulus act, when—report to be submitted, when. Beginning in 2008, and every five years thereafter, a joint committee of the general assembly, comprised of five members appointed by the speaker of the house of representatives and five members appointed by the president pro tempore of the senate, shall review sections 99.915 to 99.980. A report based on such review, with any recommended legislative changes, shall be submitted to the speaker of the house of representatives and the president pro tempore of the senate no later than February first following the year in which the review is conducted.

(L. 2003 H.B. 289)
Effective 7-7-03

99.975. Application approvals, limitations.

1. No new applications made pursuant to sections 99.915 to 99.980 shall be approved after January 1, 2013.

2. No applications made pursuant to sections 99.915 to 99.980 shall be approved prior to August 28, 2003, except for applications for projects that are located within a county for which public and individual assistance has been requested by the governor pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by the governor pursuant
to section 44.100, RSMo, due to a natural disaster of major proportions that occurred after May 1, 2003, but prior to May 10, 2003, and the development project area is a central business district that sustained severe damage as a result of such natural disaster, as determined by the state emergency management agency.

3. Prior to December 31, 2006, the Missouri development finance board may approve up to two applications made pursuant to sections 99.915 to 99.980 in a home rule city with more than four hundred thousand inhabitants and located in more than one county in which the state sales tax increment for such projects approved pursuant to the provisions of this subsection shall be up to one-half of the incremental increase in all sales taxes levied pursuant to section 144.020, RSMo. In no event shall the incremental increase include any amounts attributable to retail sales unless the Missouri development finance board and the department of economic development are satisfied based on information provided by the municipality or authority, and such entities have made a finding that a substantial portion of all but a de minimus portion of the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. The incremental increase for an existing facility shall be the amount of all state sales taxes generated pursuant to section 144.020, RSMo, at the facility in excess of the amount of all state sales taxes generated pursuant to section 144.020, RSMo, at the facility in the baseline year. The incremental increase in development project areas where the baseline year is the year following the year in which the development project is approved by the municipality pursuant to subdivision (2) of section 99.918 shall be the state sales tax revenue generated by out-of-state businesses relocating into a development project area. The incremental increase for a Missouri facility which relocates to a development project area shall be the amount by which the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the calendar year prior to relocation.

(L. 2003 H.B. 289)
Effective 7-7-03

99.980. Businesses relocating in development area, authority to report to department, when—status of development plan, report to be submitted, contents—access to project sites—annual financial statements required.

1. By the last day of February each year, the municipality or authority shall report to the director of the department of economic development the name, address, phone number, and primary line of business of any business which relocates to the development area.

2. Each year the governing body of the municipality, or its designee, shall prepare a report concerning the status of the development plan, the development area, and the included development projects, and shall submit a copy of such report to the director of the department of economic development. The report shall include the following:

   (1) The name, street and mailing addresses, phone number, and chief officer of the granting body;

   (2) The name, street and mailing addresses, phone number, and chief officer of any business benefiting from public expenditures in such development plans and projects;

   (3) The amount and source of revenue in the special allocation fund;

   (4) The amount and purpose of expenditures from the special allocation fund;

   (5) The amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness;

   (6) The original equalized assessed value of the development area;

   (7) The assessed valuation added to the development area;

   (8) Payments made in lieu of taxes received and expended;

   (9) The economic activity taxes generated within the development area in the baseline year;

   (10) The economic activity taxes generated within the development area after the baseline year;

   (11) Reports on contracts made incident to the implementation and furtherance of a development area, the development plan, and the included development projects;

   (12) A copy of the development plan;

   (13) The cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired, or remodeled;

   (14) The number of parcels acquired by or through initiation of eminent domain proceedings;

   (15) For municipalities with more than four hundred thousand inhabitants and located in more than one county, any county with a charter form of government and with more than one million inhabitants, any city not within a county, and any county of the first classification with more than one hundred thirty-five thousand four hundred but less than one hundred thirty-five thousand five hundred inhabitants and any municipality located therein, the number of development projects developed in connection with community development corporations and the amount of funds generated pursuant to section 99.957 which are expended in connection with such project;

   (16) A summary of the number of net new jobs created, categorized by full-time, part-time, and temporary positions, and by wage groups;
(17) The comparison of the total employment in this state by any business, including any corporate parent, benefiting from public expenditures in the development area on the date of the application compared to such employment on the date of the report, categorized by full-time, part-time, and temporary positions;

(18) A statement as to whether public expenditures on any development project during the previous fiscal year have reduced employment at any other site controlled by any business benefiting from public expenditures in the development area or its corporate parent, within or without of this state as a result of automation, merger, acquisition, corporate restructuring, or other business activity;

(19) A summary of the other community and economic benefits resulting from the project, consistent with those identified in the application;

(20) A signed certification by the chief officer of the authority or municipality as to the accuracy of the progress report; and

(21) Any additional reasonable information the department of economic development deems necessary.

3. The report shall include an analysis of the distribution of state supplemental downtown development financing by municipality and by economic development region, as defined by the department of economic development.

4. The department shall compile and publish all data from the progress reports in both written and electronic form, including the department’s Internet web site.

5. The department shall have access at all reasonable times to the project site and the records of any authority or municipality in order to monitor the development project or projects and to prepare progress reports.

6. Data contained in the report required pursuant to the provisions of subsection 1 of this section and any information regarding amounts disbursed to municipalities pursuant to the provisions of sections 99.957 and 99.963 shall be deemed a public record, as defined in section 610.010, RSMo.

7. Any municipality failing to file an annual report as required pursuant to this section shall be ineligible to receive any disbursements from the state supplemental downtown development fund pursuant to section 99.963.

8. The Missouri development finance board and the department of economic development shall annually review the reports provided pursuant to this section.

9. The director of the department of economic development shall submit a report to the governor, the speaker of the house of representatives, and the president pro tempore of the senate no later than April thirtieth of each year. The report shall contain a summary of all information received by the director of economic development pursuant to subsection 2 of this section.

10. An annual statement showing the payments made in lieu of taxes received and expended in that year, the status of the development area, the development plan, the development projects in the development plan, the amount of outstanding obligations, and any additional information that the municipality deems necessary shall be published in a newspaper of general circulation in the municipality.

11. Five years after the establishment of the development area and the development plan and every five years thereafter the governing body of the municipality or authority shall hold a public hearing regarding the development area and the development plan and the development projects adopted pursuant to sections 99.915 to 99.980. The purpose of the hearing shall be to determine if the development area, development plan, and the included development projects are making satisfactory progress under the proposed time schedule contained within the approved development plan for completion of such development projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the municipality or authority once each week for four weeks immediately prior to the hearing.

(L. 2003 H.B. 289)
Effective 7-7-03

99.1000. Definitions. As used in sections 99.1000 to 99.1060, unless the context clearly requires otherwise, the following terms shall mean:

(1) “Authority”, the rural economic stimulus authority for a municipality, created pursuant to section 99.1006;

(2) “Baseline year”, the calendar year prior to the adoption of an ordinance by the municipality approving a development project;

(3) “Collecting officer”, the officer of the municipality responsible for receiving and processing payments in lieu of taxes, economic activity taxes other than economic activity taxes which are local sales taxes, and other local taxes other than local sales taxes, and, for local sales taxes and state taxes, the director of revenue;

(4) “Development area”, an area designated by a municipality which area shall have the following characteristics:

(a) It includes only those parcels of real property directly and substantially benefited by the proposed development plan;

(b) It can be renovated through one or more development projects;
(c) It is contiguous, provided, however that a development area may include up to three noncontiguous areas selected for development projects, provided that each noncontiguous area meets the requirements of paragraphs (a) and (b) of this subdivision; and

(d) The development area shall not exceed ten percent of the entire area of the municipality.

Subject to the limitation set forth in this subdivision, the development area can be enlarged or modified as provided in section 99.1036;

(5) “Development facility”, a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product;

(6) “Development plan”, the comprehensive program of a municipality and to thereby enhance the tax bases of the taxing districts which extend into the development area through the reimbursement, payment, or other financing of development project costs in accordance with sections 99.1000 to 99.1060 and through the exercise of the powers set forth in sections 99.1000 to 99.1060. The development plan shall conform to the requirements of section 99.1027;

(7) “Development project”, any development project within a development area which creates a renewable fuel production facility or eligible new generation processing entity, and any such development project shall include a legal description of the area selected for such development project;

(8) “Development project area”, the area located within a development area selected for a development project;

(9) “Development project costs” include such costs to the development plan or a development project, as applicable, which are expended on public property, buildings, or rights-of-ways for public purposes to provide infrastructure to support a development project. Such costs shall only be allowed as an initial expense which, to be recoverable, must be included in the costs of a development plan or development project, except in circumstances of plan amendments approved by the Missouri agricultural and small business development authority and the department of economic development. Such infrastructure costs include, but are not limited to, the following:

(a) Costs of studies, appraisals, surveys, plans, and specifications;

(b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services;

(c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

(d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public buildings and fixtures;

(e) Costs of construction of public works or improvements;

(f) Financing costs, including, but not limited to, all necessary expenses related to the issuance of obligations issued to finance all or any portion of the infrastructure costs of one or more development projects, and which may include capitalized interest on any such obligations and reasonable reserves related to any such obligations;

(g) All or a portion of a taxing district’s capital costs resulting from any development project necessarily incurred or to be incurred in furtherance of the objectives of the development plan, to the extent the municipality by written agreement accepts and approves such infrastructure costs;

(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes diverted by approval of a development project;

(i) State government costs, including, but not limited to, the reasonable costs incurred by the department of economic development, the agricultural and small business development authority, and the department of revenue in evaluating an application for and administering state supplemental rural development financing for a development project; and

(j) Endowment of positions at an institution of higher education which has a designation as a Carnegie Research I University including any campus of such university system, subject to the provisions of section 99.1043;

(10) “Economic activity taxes”, the total additional revenue from taxes which are imposed by the municipality and other taxing districts, and which are generated by economic activities within each development project area which exceed the amount of such taxes generated by economic activities within such development project area in the baseline year; but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees, or special assessments. If a retail establishment relocates within one year from one facility to another facility within the same county and the municipality or authority finds that the retail establishment is a direct beneficiary of development financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from taxes which are imposed by the municipality and other taxing districts which are generated by economic activities within the development project area which exceed the amount of taxes which are imposed by the municipality and other taxing districts which are generated by economic activities within the development project area generated by the retail establishment in the baseline year;

(11) “Eligible new generation processing entity”, as defined in section 348.432, RSMo;

(12) “Major initiative”, a development project that:

(a) Promotes the development of a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product, the estimated cost of which is in excess of the amount set forth below for the municipality, as applicable; or
(b) Promotes business location or expansion, the estimated cost of which is in excess of the amount set forth below for the municipality, and is estimated to create at least as many new jobs as set forth below within three years of such location or expansion:

<table>
<thead>
<tr>
<th>Population of Estimated New Jobs</th>
<th>Municipality Project Cost Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>99,999 or less $3,000,000 at least 30</td>
<td></td>
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(13) “Municipality”, any city, village, incorporated town, or any county of this state established on or prior to January 1, 2001;

(14) “New job”, any job defined as a new job pursuant to subdivision (11) of section 100.710, RSMo;

(15) “Obligations”, bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the municipality or authority, or other public entity authorized to issue such obligations pursuant to sections 99.1000 to 99.1060 to carry out a development project or to refund outstanding obligations;

(16) “Ordinance”, an ordinance enacted by the governing body of any municipality or an order of the governing body of such a municipal entity whose governing body is not authorized to enact ordinances;

(17) “Other net new revenues”, the amount of state sales tax increment or state income tax increment or the combination of the amount of each such increment as determined under section 99.1045;

(18) “Payment in lieu of taxes”, those revenues from real property in each development project area, which taxing districts would have received had the municipality not adopted a development plan and the municipality not adopted development financing, and which would result from levies made after the time of the adoption of development financing during the time the current equalized value of real property in such development project area exceeds the total equalized value of real property in such development project area during the baseline year until development financing for such development project area expires or is terminated pursuant to sections 99.1000 to 99.1060;

(19) “Renewable fuel production facility”, a facility producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source;

(20) “Special allocation fund”, the fund of the municipality or its authority required to be established pursuant to section 99.1042 which special allocation fund shall contain at least four separate segregated accounts into which payments in lieu of taxes are deposited in one account, economic activity taxes are deposited in a second account, other net new revenues are deposited in a third account, and other revenues, if any, received by the authority or the municipality for the purpose of implementing a development plan or a development project are deposited in a fourth account;

(21) “State income tax increment”, the estimate of the income tax due the state for salaries or wages paid to new employees in new jobs at a business located in the development project area and created by the development project. The estimate shall be a percentage of the gross payroll which percentage shall be based upon an analysis by the department of revenue of the practical tax rate on gross payroll as a factor in overall taxable income. In no event shall the percentage exceed two percent;

(22) “State sales tax increment”, the incremental increase in the state sales tax revenue in the development project area. In no event shall the incremental increase include any amounts attributable to retail sales unless the Missouri agricultural and small business development authority and the department of economic development are satisfied based on the information provided by the municipality or authority, and such entities have made a finding that a substantial portion of all but a de minimus portion of the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. In addition, the incremental increase for an existing facility shall be the amount by which the state sales tax revenue generated at the facility exceeds the state sales tax revenue generated at the facility in the baseline year. The incremental increase for a Missouri facility which relocates to a development project area shall be the amount by which the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the calendar year prior to relocation;

(23) “State sales tax revenues”, the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law;

(24) “Taxing districts”; any political subdivision of this state having the power to levy taxes; and

(25) “Taxing district’s capital costs”, those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from a development project.

(1) No such authority shall transact any business or exercise its powers pursuant to sections 99.1000 to 99.1060 until and unless the governing body of such municipality shall, in accordance with subsection 1 of section 99.1033, approve, by ordinance, the exercise of the powers, functions, and duties of an authority under sections 99.1000 to 99.1060;

As of August 28, 2005
As of August 28, 2005

(2) No governing body of a municipality shall adopt an ordinance pursuant to subdivision (1) of this section unless it finds:

(a) That it would be in the interest of the public to consider the establishment of a development area in accordance with sections 99.1000 to 99.1060; and

(b) That the development of such a development area would be in the interest of the public health, safety, morals, or welfare of the residents of such municipality.

(L. 2003 H.B. 289)

99.1009. Board of commissioners to govern authority--appointment of commissioners, terms, vacancies.

1. Each authority created pursuant to section 99.1006 shall be governed by a board of commissioners. The number of commissioners serving on the board of each authority shall be no less than five and no more than fourteen, which number shall be established by ordinance of the municipality.

2. One of the initial commissioners appointed pursuant to this subsection shall be appointed by the school district or districts located within the development area for a term of three years. The other initial commissioners appointed pursuant to this subsection shall serve staggered terms of one, two, and three years as determined by the mayor or chief executive officer of the municipality at the time of their appointment. Thereafter, successor commissioners shall be appointed by the mayor or chief executive officer of the municipality or the school district or districts making the initial appointments for a term of three years. All vacancies shall be filled by appointment of the mayor or chief executive officer of the municipality, or the school district or districts, for the unexpired term. In addition to the commissioners appointed in accordance with this subsection, a nonvoting advisor shall be appointed by the other taxing districts located within the development area.

(L. 2003 H.B. 289)

99.1012. Powers of authority exercised by board--quorum requirements, meetings, officers, expenses, removal.

1. The powers of the authority created pursuant to section 99.1006 shall be exercised by its board of commissioners. A majority of the commissioners shall constitute a quorum of such board for the purpose of conducting business and exercising the powers of the authority and for all other purposes. Action may be taken by the board upon a vote of a majority of the commissioners present in person or by teleconference, unless in any case the bylaws of the authority shall require a larger number. Meetings of the board of the authority may be held anywhere within the municipality.

2. The commissioners of the authority annually shall elect a chair and vice chair from among the commissioners; however, the first chair shall be designated by the mayor for a term of one year. The mayor or chief executive officer of the municipality shall serve as the co-chair of the authority. The authority may employ an executive director, technical experts, and such other officers, agents, and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties, and compensation. For such legal services as it may require, an authority may call upon the chief law officer of the municipality or may employ its own counsel and legal staff.

3. A commissioner of an authority shall receive no compensation for his or her services, but may receive the necessary expenses, including traveling expenses, incurred in the discharge of his or her duties. Each commissioner shall hold office until a successor has been appointed.

4. For inefficiency or neglect of duty or misconduct in office, a commissioner of an authority may be removed by the mayor or chief executive officer of the municipality.

(L. 2003 H.B. 289)

99.1015. Contracts, authority may transact business, when--validity of authority not to be challenged, when.

1. In any suit, action, or proceeding involving the validity or enforcement of or relating to any contract of an authority entered into pursuant to sections 99.1000 to 99.1060, such authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers under sections 99.1000 to 99.1060 upon proof of the adoption of the appropriate ordinance prescribed in section 99.1006. Each such ordinance shall be deemed sufficient if it authorizes the exercise of powers under sections 99.1000 to 99.1060 by the authority and sets forth the findings of the municipality as required in subdivision (2) of section 99.1006.

2. A copy of such ordinance duly certified by the clerk of the municipality shall be admissible in evidence in any suit, action, or proceeding.

3. No lawsuit to set aside the creation of an authority, the approval of a development plan, development project, development area or development project area, or a tax levied pursuant to sections 99.1000 to 99.1060, or to otherwise question the validity of the proceedings related thereto, shall be brought after the expiration of ninety days from the effective date of the ordinance or resolution in question.

(L. 2003 H.B. 289)
99.1018. Authority to be public body corporate and politic, powers—disclosure of conflicts of interest.

1. The authority created pursuant to section 99.1006 shall constitute a public body corporate and politic, exercising public and essential governmental functions.

2. A municipality or an authority created pursuant to section 99.1006 shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of sections 99.1000 to 99.1060, including the following powers in addition to others granted pursuant to sections 99.1000 to 99.1060:

(1) To prepare or cause to be prepared and approve development plans and development projects to be considered at public hearings in accordance with sections 99.1000 to 99.1060 and to undertake and carry out development plans and development projects which have been adopted by ordinance;

(2) To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, streets, roads, public utilities, or other facilities for or in connection with any development project; and notwithstanding anything to the contrary contained in sections 99.1000 to 99.1060 or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of any development project, and to include in any contract let in connection with any such development project provisions to fulfill such of the conditions as it may deem reasonable and appropriate;

(3) Within a development area, to acquire by purchase, lease, gift, grant, bequest, devise, obtain options upon, or otherwise acquire any real or personal property or any interest therein, necessary or incidental to a development project, all in the manner and at such price as the municipality or authority determines is reasonably necessary to achieve the objectives of a development plan;

(4) Within a development area, subject to provisions of section 99.1021 with regard to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest therein, all in the manner and at such price and subject to any covenants, restrictions, and conditions as the municipality or authority determines is reasonably necessary to achieve the objectives of a development plan; to make any such covenants, restrictions, or conditions as covenants running with the land, and to provide appropriate remedies for any breach of any such covenants, restrictions, or conditions, including the right in the municipality or authority to terminate such contracts and any interest in the property created pursuant thereto;

(5) Within a development area, to clear any area by demolition or removal of existing buildings and structures;

(6) To install, repair, construct, reconstruct, or relocate streets, utilities, and site improvements as necessary or desirable for the preparation of a development area for use in accordance with a development plan;

(7) Within a development area, to fix, charge, and collect fees, rents, and other charges for the use of any real or personal property, or any portion thereof, in which the municipality or authority has any interest;

(8) To accept grants, guarantees, and donations of property, labor, or other things of value from any public or private source for purposes of implementing a development plan;

(9) In accordance with section 99.1021, to select one or more developers to implement a development plan, or one or more development projects, or any portion thereof;

(10) To charge as a development project cost the reasonable costs incurred by the municipality or authority, the department of economic development, the Missouri agricultural and small business development authority, or the department of revenue in evaluating, administering, or implementing the development plan or any development project;

(11) To borrow money and issue obligations in accordance with sections 99.1000 to 99.1060 and provide security for any such loans or obligations;

(12) To insure or provide for the insurance of any real or personal property or operations of the municipality or authority against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of sections 99.1000 to 99.1060;

(13) Within a development area, to renovate, rehabilitate, own, operate, construct, repair, or improve any improvements, buildings, parking garages, fixtures, structures, and other facilities;

(14) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to redeem obligations at the redemption price established therein or to purchase obligations at less than redemption price, all obligations so redeemed or purchased to be canceled;

(15) To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, state, county, municipality, or other public body or from any sources, public or private, for the purposes of implementing a development plan, to give such security as may be required and to enter into and carry out contracts in connection therewith. A municipality or authority, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government for a project such conditions imposed pursuant to federal law as the municipality or authority may deem reasonable and appropriate and which are not inconsistent with the purposes of sections 99.1000 to 99.1060;

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(16) To incur development project costs and make such expenditures as may be necessary to carry out the purposes of sections 99.1000 to 99.1060; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures;

(17) To loan the proceeds of obligations issued pursuant to sections 99.1000 to 99.1060 for the purpose of providing for the purchase, construction, extension, or improvement of public infrastructure related to a development project by a developer pursuant to a development contract approved by the municipality or authority in accordance with subdivision (2) of section 99.1021;

(18) To declare any funds, or any portion thereof, in the special allocation fund to be excess funds, so long as such excess funds have not been pledged to the payment of outstanding obligations or outstanding development project costs, are not necessary for the payment of development project costs incurred or anticipated to be incurred, and are not required to pay baseline state sales taxes and baseline state withholding taxes to the director of revenue. Any such funds deemed to be excess shall be disbursed in the manner of surplus funds as provided in section 99.1051;

(19) To pledge or otherwise expend funds deposited to the special allocation fund, or any portion thereof, for the payment or reimbursement of development project costs incurred by the authority, the municipality, a developer selected by the municipality or authority, or any other entity with the consent of the municipality or authority; to pledge or otherwise expend funds deposited to the special allocation fund, or any portion thereof, or to mortgage or otherwise encumber its property, or any portion thereof, for the payment of obligations issued to finance development project costs; provided, however, any such pledge or expenditure of economic activity taxes or other net new revenues shall be subject to annual appropriation by the municipality; and

(20) To exercise all powers or parts or combinations of powers necessary, convenient, or appropriate to undertake and carry out development plans and any development projects and all the powers granted pursuant to sections 99.1000 to 99.1060, excluding powers of eminent domain.

3. If any member of the governing body of the municipality, a commissioner of the authority, an employee or consultant of the municipality or authority, involved in the planning and preparation of a development project, owns or controls an interest, direct or indirect, in any property included in a development project area, the individual shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates, terms, and conditions of any disposition of such interest, which disclosures shall be acknowledged by the governing body of the municipality and entered upon the minutes books of the governing body of the municipality. If an individual holds such an interest, then that individual shall refrain from any further official involvement in regard to a development project and from voting on any matter pertaining to such development project or communicating with other commissioners or members of the authority or the municipality concerning any matter pertaining to such development project. Furthermore, subject to the succeeding sentence, no such member, commissioner, employee, or consultant shall acquire any interest, direct or indirect, in any property in a development project area or proposed development project area after either such individual obtains knowledge of a development project, or first public notice of such development project, or development project area pursuant to subsection 2 of section 99.1036, whichever first occurs. At any time after one year from the adoption of an ordinance designating a development project area, any commissioner may acquire an interest in real estate located in a development project area so long as any such commissioner discloses such acquisition and refrains from voting on any matter related to the development project area in which the property acquired by such commissioner is located.

4. An authority created pursuant to section 99.1006 shall have the following powers in addition to others granted pursuant to sections 99.1000 to 99.1060:

(1) To sue and to be sued; to have a seal and to alter the same at the authority’s pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal bylaws, rules, and regulations, not inconsistent with sections 99.1000 to 99.1060, to carry out the provisions of sections 99.1000 to 99.1060;

(2) To delegate to a municipality or other public body any of the powers or functions of the authority with respect to the planning or undertaking of a development project, and any such municipality or public body is hereby authorized to carry out or perform such powers or functions for the authority;

(3) To receive and exercise powers delegated by any authority, agency, or agent of a municipality created pursuant to this chapter or chapter 353, RSMo, excluding powers of eminent domain.


99.1021. Disposal of real property. Real property which is acquired by a municipality or authority in a development project area may be disposed of as follows:

(1) Within a development project area, the authority may sell, lease, exchange, or otherwise transfer real property, including land, improvements, and fixtures, or any interest therein, to any developer selected for a development project, or any portion thereof, in accordance with the development plan, subject to such covenants, conditions, and restrictions as may be deemed to be in the public interest or to carry out the purposes of sections 99.1000 to 99.1060. Such real property shall be sold, leased, or transferred at its fair market value for uses in accordance with the development plan; provided that such fair market value may be less than the cost of such property to the municipality or authority. In determining the fair market value of real property for uses in accordance with a development plan, the municipality or authority shall take into account and give consideration to the uses and purposes required by the development plan; the restrictions upon, and the covenants, conditions, and obligations assumed by the developer of such property; the objectives of the development plan; and such other matters as the municipality or authority shall specify as being appropriate. In fixing rental and sale prices, a municipality or authority shall give consideration to appraisals of the property for such uses made by experts employed by the municipality or authority;

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(2) The municipality or authority shall, by public notice published in a newspaper having a general circulation in a development area, prior to selecting one or more developers for any development project, or any portion thereof, invite proposals from, and make available all pertinent information to, private developers or any persons interested in undertaking the development of such development project, or any portion thereof. Such notice shall be published at least once each week during the two weeks preceding the selection of a developer, shall identify the area of the development project or development projects, or any portion thereof, for which one or more developers are to be selected, and shall state that such further information as it is available may be obtained at the office of the municipality or authority. The municipality or authority shall consider all proposals and the financial and legal ability of the prospective developers to carry out their proposals. The municipality or authority may negotiate and enter into one or more contracts with any developer selected for the development of any such area for the development of such area by such developer in accordance with a development plan or for the sale or lease of any real property to any such developer in any such area for the purpose of developing such property in accordance with the development plan. The municipality or authority may enter into any such contract as it deems to be in the public interest and in furtherance of the purposes of sections 99.1000 to 99.1060; provided that the municipality or authority has, not less than ten days prior thereto, notified the governing body in writing of its intention to enter into such contract. Thereafter, the municipality or authority may execute such contract in accordance with the provisions of subdivision (1) of this section and deliver deeds, leases, and other instruments and take all steps necessary to effectuate such contract. In its discretion, the municipality or authority may, in accordance with the provisions of this subdivision, dispose of any real property in an area selected for a development project, or any portion thereof, to private developers for development under such reasonable competitive bidding procedures as it shall prescribe, subject to the provisions of subdivision (1) of this section; and

(3) In carrying out a development project, the authority may:

(a) Convey to the municipality such real property as, in accordance with the development plan, is to be dedicated as public right-of-way for streets, sidewalks, alleys, or other public ways, this power being additional to and not limiting any and all other powers of conveyance of property to municipalities expressed, generally or otherwise, in sections 99.1000 to 99.1060;
(b) Grant servitudes, easements, and rights-of-way for public utilities, sewers, streets, and other similar facilities, in accordance with the development plan; and
(c) Convey to the municipality or other appropriate public body such real property as, in accordance with the development plan, is to be used for parks, schools, public buildings, facilities, or other public purposes;

(4) The municipality or authority may operate and maintain real property in the development area pending the disposition or development of the property in accordance with a development plan, without regard to the provisions of subdivisions (1) and (2) of this section, for such uses and purposes as may be deemed desirable even though not in conformity with the development plan.

(L. 2003 H.B. 289)


1. A development plan shall set forth in writing a general description of the program to be undertaken to accomplish the development projects and related objectives and shall include, but need not be limited to:

(1) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;
(2) The street address of the development site;
(3) The three-digit North American Industry Classification System number or numbers characterizing the development project;
(4) The estimated development project costs;
(5) The anticipated sources of funds to pay such development project costs;
(6) Evidence of the commitments to finance such development project costs;
(7) The anticipated type and term of the sources of funds to pay such development project costs;
(8) The anticipated type and terms of the obligations to be issued;
(9) The most recent equalized assessed valuation of the property within the development project area;
(10) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;
(11) The general land uses to apply in the development area;
(12) The total number of individuals employed in the development area, categorized by full-time, part-time, and temporary positions;
(13) The total number of full-time equivalent positions in the development area;
(14) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area;

(15) The total number of individuals employed in this state by the corporate parent of any business benefiting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty-first of the prior fiscal year, categorized by full-time, part-time, and temporary positions;

(16) The number of new jobs to be created by any business benefiting from public expenditures in the development area, categorized by full-time, part-time, and temporary positions;

(17) The average hourly wage to be paid to all current and new employees at the project site, categorized by full-time, part-time, and temporary positions;

(18) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;

(19) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;

(20) A list of other community and economic benefits to result from the project;

(21) A list of all development subsidies that any business benefiting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;

(22) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding pursuant to this act* is being sought;

(23) A statement as to whether the development project may reduce employment at any other site, within or without of the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;

(24) A statement as to whether or not the project involves the relocation of work from another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;

(25) A list of businesses that are competing with the business benefiting from the development plan in the county containing the development area and in each contiguous county;

(26) A market study for the development area; and

(27) A certification by the chief officer of the applicant as to the accuracy of the development plan.

2. The development plan may be adopted by a municipality in reliance on findings that a reasonable person would believe:

(1) The development area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the implementation of one or more development projects and the adoption of local and state development financing;

(2) The development plan conforms to the comprehensive plan for the development of the municipality as a whole;

(3) The estimated dates, which shall not be more than twenty-five years from the adoption of the ordinance approving any development project, of the completion of such development project and retirement of obligations incurred to finance development project costs have been stated, provided that no ordinance approving a development project shall be adopted later than fifteen years from the adoption of the ordinance approving the development plan and provided that no property for a development project shall be acquired by eminent domain later than ten years from the adoption of the ordinance approving such development plan;

(4) In the event any business or residence is to be relocated as a direct result of the implementation of the development plan, a plan has been developed for relocation assistance for businesses and residences;

(5) A cost-benefit analysis showing the economic impact of the development plan on the municipality and school districts that are at least partially within the boundaries of the development area. The analysis shall show the impact on the economy if the development projects are not built pursuant to the development plan under consideration. The cost-benefit analysis shall include a fiscal impact study on each municipality and school district which is at least partially within the boundaries of the development area, and sufficient information from the authority to evaluate whether each development project as proposed is financially feasible; and

(6) An economic feasibility analysis including a pro forma financial statement indicating the return on investment that may be expected without public assistance. The financial statement shall detail any assumptions made, a pro forma statement analysis demonstrating the amount of assistance required to bring the return into a range deemed attractive to private investors, which amount shall not exceed the estimated reimbursable project costs.

(L. 2003 H.B. 289)
99.1030. Permission needed for designation of development area outside boundaries of municipality. In the event a municipality desires to designate a development area located in whole or in part outside the incorporated boundaries of the municipality and within the boundaries of another municipality, such municipality shall first obtain the permission of the governing body of such other municipality.

(L. 2003 H.B. 289)

99.1033. Powers of municipality creating authority--powers authorized to authority--public hearings held, when.

1. A municipality which has created an authority pursuant to section 99.1006 may:

(1) Approve by ordinance the exercise by the authority of the powers, functions, and duties of the authority under sections 99.1000 to 99.1060; and

(2) After adopting an ordinance in accordance with subdivision (1) of this subsection and after receipt of recommendations from the authority in accordance with subsection 3 of this section, by ordinance, designate development areas, adopt the development plans, and development projects, designate a development project area for each development project adopted, and adopt development financing for each such development project area. No development plan may be adopted until the development area is designated. No development project shall be adopted until the development plan is adopted and the development project area for each development project shall be designated at the time of adopting the development project.

2. A municipality may authorize an authority created pursuant to section 99.1006 to exercise all powers and perform all functions of a transportation development district pursuant to sections 238.200 to 238.275, RSMo, within a development area.

3. The municipality or authority shall hold public hearings and provide notice pursuant to sections 99.1042 and 99.1045. Within ten days following the completion of any such public hearing, the authority shall vote on and shall make recommendation to the governing body of the municipality with regard to any development plan, development projects, designation of a development area or amendments thereto which were proposed at such public hearing.

(L. 2003 H.B. 289)

99.1036. Adoption of authorizing ordinance, public hearings to be held--notice for hearing, contents.

1. Prior to the adoption of the ordinance designating a development area, adopting a development plan, or approving a development project, the municipality or authority shall fix a time and place for a public hearing and notify each taxing district located wholly or partially within the boundaries of the proposed development area or development project area affected. Such notice shall comply with the provisions of subsection 2 of this section. At the public hearing any interested person or affected taxing district may file with the municipality or authority written objections to, or comments on, and may be heard orally in respect to, any issues regarding the plan or issues embodied in the notice. The municipality or authority shall hear and consider all protests, objections, comments, and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may be made in the development plan, development project, development area or development project area, provided that written notice of such changes is available at the public hearing. After the public hearing but prior to the adoption of an ordinance designating a development area, adopting a development plan or approving a development project, changes may be made to any such proposed development plan, development project, development area, or development project area without a further hearing, if such changes do not enlarge the exterior boundaries of the development area, and do not substantially affect the general land uses established in a development plan or development project, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the development area or development project area, as applicable, not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance designating the development area, adopting a development plan, approving a development project, or designating a development project area, no ordinance shall be adopted altering the exterior boundaries of the development area or a development project area affecting the general land uses established pursuant to the development plan or the general nature of a development project without holding a public hearing in accordance with this section. One public hearing may be held for the simultaneous consideration of a development area, development plan, development project, or development project area.

2. Notice of the public hearing required by this section shall be given by publication and mailing. Notice by publication shall be given by publication at least twice, the first publication to be not more than thirty days and the second publication to be not more than ten days prior to the hearing, in a newspaper of general circulation in the proposed development area or development project area, as applicable. Notice by mailing shall be given by depositing such notice in the United States mail by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the proposed development area or development project area, as applicable, which is to be subjected to the payment or payments in lieu of taxes and economic activity taxes pursuant to section 99.1042. Such notice shall be mailed not less than ten working days prior to the date set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall also be sent to the persons last listed on the tax rolls within the preceding three years as the owners of such property.

3. The notices issued pursuant to this section shall include the following:

(1) The time and place of the public hearing;

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2. Obligations issued pursuant to sections 99.1000 to 99.1060 may be issued in one or more series bearing interest at such rate or rates as the obligations.

Such obligations, when so issued, shall be retired in the manner provided in the ordinance or resolution authorizing the issuance of such obligations, or any other political subdivision authorized to issue bonds, but in no event by the state, to pay or reimburse development project costs, the issuing entity shall determine by ordinance or resolution. Such obligations shall bear such date or dates, be in such denomination, carry such terms, and conditions, and be subject to redemption as such ordinance or resolution shall provide. Obligations issued pursuant to sections 99.1000 to 99.1060 may be sold at public or private sale at such price as shall be determined by the issuing entity and shall state that obligations issued pursuant to sections 99.1000 to 99.1060 are special obligations payable solely from the funds specifically pledged.

No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to sections 99.1000 to 99.1060.

3. In the event the obligations contain a recital that they are issued pursuant to sections 99.1000 to 99.1060, such recital shall be conclusive evidence of their validity and of the regularity of their issuance.

4. Neither the municipality, the authority, or any other entity issuing such obligations, or the members, commissioners, directors, or the officers of any such entities nor any person executing any obligation shall be personally liable for such obligation by reason of the issuance thereof. The obligations issued pursuant to sections 99.1000 to 99.1060 shall not be a general obligation of the state, the municipality, or any political subdivision thereof, nor in any event shall such obligation be payable out of any funds or properties other than those specifically pledged as security for such obligations. The obligations shall not constitute indebtedness within the meaning of any constitutional, statutory, or charter debt limitation or restriction.

5. Obligations issued pursuant to sections 99.1000 to 99.1060 may be issued to refund, in whole or in part, obligations theretofore issued by such entity pursuant to the authority of sections 99.1000 to 99.1060, whether at or prior to maturity; provided, however, that the last maturity of the refunding obligations shall not be expressed to mature later than the last maturity date of the obligations to be refunded.

6. In the event a municipality or authority issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged for development project costs, the municipality may retire such obligations from funds in the special allocation fund in amounts and in such manner as if such obligations had been issued pursuant to the provisions of sections 99.1000 to 99.1060.

7. State supplemental rural development financing shall not be used for retiring or refinancing debt or obligations on a previously publicly financed redevelopment project without express approval from the director of the department of economic development and the agricultural and small business development authority created pursuant to section 348.020, RSMo. No approval shall be granted unless the application for state supplemental rural development financing contains development projects that are new projects which were not a part of the development projects for which there is existing public debt or obligations.

(L. 2003 H.B. 289)
1. A municipality, after designating a development area, adopting a development plan, and adopting any development project in conformance with the procedures of sections 99.1000 to 99.1060, may adopt development financing for the development project area selected for any such development project by passing an ordinance. Upon the adoption of the first of any such ordinances, the municipality shall establish, or shall direct the authority to establish, a special allocation fund for the development area.

2. Immediately upon the adoption of a resolution or ordinance adopting development financing for a development project area pursuant to subsection 1 of this section, the county assessor shall determine the total equalized assessed value of all taxable real property within such development project area by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such development project area as of the date of the adoption of such resolution or ordinance and shall provide to the clerk of the municipality written certification of such amount as the total initial equalized assessed value of the taxable real property within such development project area.

3. In each of the twenty-five calendar years following the adoption of an ordinance adopting development financing for a development project area pursuant to subsection 1 of this section unless and until development financing for such development project area is terminated by ordinance of the municipality, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such development project area by taxing districts at the tax rates determined in the manner provided in section 99.1054 shall be divided as follows:

(1) That portion of taxes, penalties, and interest levied upon each taxable lot, block, tract, or parcel of real property in such development project area which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area as certified by the county assessor in accordance with subsection 2 of this section shall be allocated to and, when collected, shall be paid by the collecting authority to the respective affected taxing districts in the manner required by law in the absence of the adoption of development financing;

(2) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the development project area and any applicable penalty and interest over and above the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area as certified by the county assessor in accordance with subsection 2 of this section shall be allocated to and, when collected, shall be paid by the collecting officer of the municipality who shall deposit such payment in lieu of taxes into a separate segregated account for payments in lieu of taxes within the special fund. Payments in lieu of taxes which are due and owing shall constitute a lien against the real property from which such payments in lieu of taxes are derived and shall be collected in the same manner as real property taxes, including the assessment of penalties and interest where applicable. The lien of payments in lieu of taxes may be foreclosed in the same manner as the lien of real property taxes. No part of the current equalized assessed valuation of each taxable lot, block, tract, or parcel of property in any such development project area attributable to any increase above the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area as certified by the county assessor in accordance with subsection 2 of this section shall be used in calculating the general state school aid formula provided for in section 163.031, RSMo, until development financing for such development project area expires or is terminated in accordance with sections 99.1000 to 99.1060;

(3) For purposes of this section, “levies upon taxable real property in such development area by taxing districts” shall not include the blind pension fund tax levied under the authority of section 38(b), article III, of the Missouri Constitution, the merchants’ and manufacturers’ inventory replacement tax levied under the authority of subsection 2 of section 6, article X of the Missouri Constitution, the desegregation sales tax, or the conservation taxes.

4. In each of the twenty-five calendar years following the adoption of an ordinance or resolution adopting development financing for a development project area pursuant to subsection 1 of this section unless and until development financing for such development project area is terminated in accordance with sections 99.1000 to 99.1060, fifty percent of the economic activity taxes from such development project area shall be allocated to, and paid by the collecting officer of any such economic activity tax to, the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account for economic activity taxes within the special allocation fund.

5. In no event shall a municipality collect and deposit economic activity taxes in the special allocation fund unless the developing project has been approved for state supplemental rural development financing pursuant to section 99.1045.

(L. 2003 H.B. 289)

99.1043. Endowment, Carnegie Research I University, private funds needed for one-half of endowment. If a development plan includes an endowment of positions at an institution of higher education which has a designation as a Carnegie Research I University, including any campus of such university system, such endowment must first be funded with a private donation to the institution of higher education in accordance with its endowment policy in an amount of at least one-half of the total amount of the endowment. Thereafter, the remaining portion of matching funds for such endowment may be made either from the local economic activity taxes or from a disbursement made from the state supplemental downtown development fund. Any disbursement from the state supplemental downtown development fund for purposes of funding an endowment pursuant to the provisions of this section shall be transferred to general revenue for appropriation of the endowment.

(L. 2003 H.B. 289)
99.1045. Disbursement of project costs, approval required by agriculture and small business development authority--application, contents--cap on disbursements--time limitations on disbursements--rulemaking authority.

1. A municipality shall submit an application to the Missouri agricultural and small business development authority created pursuant to section 348.020, RSMo, for approval of the disbursement of the project costs of one or more development projects from the state supplemental rural development fund. In no event shall any approval authorize a disbursement of one or more development projects from the state supplemental rural development fund which exceeds the allowable amount of other net new revenues derived from the development area. An application submitted to the Missouri agricultural and small business development authority shall contain the following, in addition to the items set forth in section 99.1027:

(1) An estimate that one hundred percent of the payments in lieu of taxes and economic activity taxes deposited to the special allocation fund must and will be used to pay development project costs or obligations issued to finance development project costs to achieve the objectives of the development plan. Contributions to the development project from any private not-for-profit organization or local contributions from tax abatement or other sources may be substituted on a dollar-for-dollar basis for the local match of one hundred percent of payments in lieu of taxes and economic activity taxes from the fund;

(2) Identification of the existing businesses located within the development project area and the development area;

(3) The aggregate baseline year amount of state sales tax revenues and the aggregate baseline year amount of state income tax withheld on behalf of existing employees, reported by existing businesses within the development project area. Provisions of section 32.057, RSMo, notwithstanding, municipalities will provide this information to the department of revenue for verification. The department of revenue will verify the information provided by the municipalities within forty-five days of receiving a request for such verification from a municipality;

(4) An estimate of the state sales tax increment and state income tax increment within the development project area after redevelopment;

(5) An affidavit that is signed by the developer or developers attesting that the provision of subdivision (2) of subsection 3 of section 99.1027 has been met and specifying that the development area would not be reasonably anticipated to be developed without the appropriation of the other net new revenues;

(6) The amounts and types of other net new revenues sought by the applicant to be disbursed from state supplemental rural development fund over the term of the development plan;

(7) The methodologies and underlying assumptions used in determining the estimate of the state sales tax increment and the state income tax increment;

(8) Any other information reasonably requested by the Missouri agricultural and small business development authority.

2. The Missouri agricultural and small business development authority shall make all reasonable efforts to process applications within sixty days of receipt of the application.

3. The Missouri agricultural and small business development authority shall make a determination regarding the application for a disbursement from the state supplemental rural development fund and shall forward such determination to the director of the department of economic development. In no event shall the amount of disbursements from the state supplemental rural development fund approved for a project, in addition to any other state economic development funding or other state incentives, exceed the projected state benefit of the development project, as determined by the department of economic development through a cost-benefit analysis. Any political subdivision located either wholly or partially within the development area shall be permitted to submit information to the department of economic development for consideration in its cost-benefit analysis. Upon approval of state supplemental rural development financing, a certificate of approval shall be issued by the department of economic development containing the terms and limitations of the disbursement.

4. At no time shall the annual amount of other net new revenues approved for disbursements from the state supplemental rural development fund exceed twelve million dollars.

5. Development projects receiving disbursements from the state supplemental rural development fund shall be limited to receiving such disbursements for fifteen years, unless specific approval for a longer term is given by the director of the department of economic development, as set forth in the certificate of approval; except that, in no case shall the duration exceed twenty-five years. The approved term notwithstanding, state supplemental rural development financing shall terminate when development financing for a development project is terminated by a municipality.

6. The municipality shall deposit payments received from the state supplemental rural development fund in a separate segregated account for other net new revenues within the special allocation fund.

7. Development project costs may include, at the prerogative of the state, the portion of salaries and expenses of the department of economic development, the Missouri agricultural and small business development authority, and the department of revenue reasonably allocable to each development project approved for disbursements from the state supplemental rural development fund for the ongoing administrative functions associated with such development project. Such amounts shall be recovered from other net new revenues into the state supplemental rural development fund created pursuant to section 99.1048.
8. A development project approved for state supplemental rural development financing may not thereafter elect to receive tax increment financing pursuant to the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, and continue to receive state supplemental rural development financing pursuant to sections 99.1000 to 99.1060.

9. The Missouri agricultural and small business development authority shall promulgate rules and regulations and publish forms to implement the provisions of this section and section 99.1048.

10. 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 and section 99.1048 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, section 99.1048, 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, 2003, shall be invalid and void.

(L. 2003 H.B. 289)

99.1048. State supplemental rural development fund established, moneys in fund, use of moneys, disbursements--rulemaking authority.

1. There is hereby established within the state treasury a special fund to be known as the “State Supplemental Rural Development Fund”, to be administered by the department of economic development. Any unexpended balance and any interest in the fund at the end of the biennium shall be exempt from the provisions of section 33.080, RSMo, relating to the transfer of unexpended balances to the general revenue fund. The fund shall consist of:

(1) The first twelve million dollars of other net new revenues generated annually by the development projects;

(2) Money received from fees charged pursuant to subsection 7 of section 99.1045; and

(3) Gifts, contributions, grants, or bequests received from federal, private, or other sources.

2. Notwithstanding the provisions of section 144.700, RSMo, to the contrary, the department of revenue shall annually submit the first twelve million of other net new revenues generated by the development projects to the treasurer for deposit in the state supplemental rural development fund.

3. The department of economic development shall annually disburse funds from the state supplemental rural development fund in amounts determined pursuant to the certificates of approval for projects, providing that the amounts of other net new revenues generated from the development area have been verified and all of the conditions of sections 99.1000 to 99.1060 are met. If the revenues appropriated from the state supplemental rural development fund are not sufficient to equal the amounts determined to be disbursed pursuant to such certificates of approval, the department of economic development shall disburse the revenues on a pro rata basis to all such projects and other costs approved pursuant to section 5 of this section.

4. In no event shall the amounts distributed to a project from the state supplemental rural development fund exceed the lesser of the amount of the certificates of approval for projects or the actual other net new revenues generated by the projects.

5. The department of economic development shall not disburse any moneys from the state supplemental rural development fund for any project which has not complied with the annual reporting requirements of section 99.1060.

6. Money in the state supplemental rural development fund may be spent for the reasonable and necessary costs associated with the administration of the program authorized under sections 99.1000 to 99.1060.

7. No municipality shall obligate or commit the expenditure of disbursements received from the state supplemental rural development fund prior to receiving a certificate of approval for the development project generating other net new revenues.

8. Taxpayers in any development area who are required to remit sales taxes pursuant to chapter 144, RSMo, or income tax withholdings pursuant to chapter 143, RSMo, shall provide additional information to the department of revenue in a form prescribed by the department by rule. Such information shall include but shall not be limited to information upon which other net new revenues can be calculated, and shall include the number of new jobs, the gross payroll for such jobs, and sales tax generated in the development area by such taxpayer in the baseline year and during the time period related to the withholding or sales tax remittance.

9. 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, 2003, shall be invalid and void.

(L. 2003 H.B. 289)
99.1051. Termination of development financing, when, procedure—dissolution of special fund and termination of designated area.

1. When all development project costs and all obligations issued to finance development project costs have been paid in full, the municipality shall adopt an ordinance terminating development financing for all development project areas. Immediately upon the adoption of such ordinance, all payments in lieu of taxes, all economic activity taxes, and other net new revenues then remaining in the special allocation fund shall be deemed to be surplus funds; and thereafter, the rates of the taxing districts shall be extended and taxes levied, collected, and distributed in the manner applicable in the absence of the adoption of development financing. Surplus payments in lieu of taxes shall be paid to the county collector who shall immediately thereafter pay such funds to the taxing districts in the development area selected in the same manner and proportion as the most recent distribution by the collector to the affected taxing districts of real property taxes from real property in the development area. Surplus economic activity taxes shall be paid to the taxing districts in the development area in proportion to the then current levy rates of such taxing districts that are attributable to economic activity taxes. Surplus other net new revenues shall be paid to the state. Any other funds remaining in the special allocation fund following the adoption of an ordinance terminating development financing in accordance with this section shall be deposited to the general fund of the municipality.

2. Upon the payment of all development project costs, retirement of obligations, and the distribution of any surplus funds pursuant to this section, the municipality shall adopt an ordinance dissolving the special allocation fund and terminating the designation of the development area as a development area.

3. Nothing in sections 99.1000 to 99.1060 shall be construed as relieving property in such areas from paying a uniform rate of taxes, as required by section 3, article X of the Missouri Constitution.

(L. 2003 H.B. 289)

99.1054. Debt service levies, computation of. In each of the twenty-five calendar years following the adoption of an ordinance adopting development financing for a development project area, unless and until development financing for such development project area is terminated by ordinance of the municipality, then, in respect to every taxing district containing such development project area, the county clerk, or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such development project area for the purpose of computing any debt service levies to be extended upon taxable property within such development project area, shall in every year that development financing is in effect ascertain the amount of value of taxable property in such development project area by including in such amount the certified total initial equalized assessed value of all taxable real property in such development project area in lieu of the equalized assessed value of all taxable real property in such development project area. For the purpose of measuring the size of payments in lieu of taxes under sections 99.1000 to 99.1060, all tax levies shall then be extended to the current equalized assessed value of all property in the development project area in the same manner as the tax rate percentage is extended to all other taxable property in the taxing district.

(L. 2003 H.B. 289)

99.1057. Joint committee of general assembly to review rural economic stimulus act, when--report to be submitted, when. Beginning in 2008, and every five years thereafter, a joint committee of the general assembly, comprised of five members appointed by the speaker of the house of representatives and five members appointed by the president pro tempore of the senate, shall review sections 99.1000 to 99.1060. A report based on such review, with any recommended legislative changes, shall be submitted to the speaker of the house of representatives and the president pro tempore of the senate no later than February first following the year in which the review is conducted.

(L. 2003 H.B. 289)

99.1060. Businesses relocating in development area, authority to report to department, when--status report submitted, contents--access to project sites--annual financial statements required.

1. By the last day of February each year, the municipality or authority shall report to the director of the department of economic development the name, address, phone number, and primary line of business of any business which relocates to the development area.

2. Each year the governing body of the municipality, or its designee, shall prepare a report concerning the status of the development plan, the development area, and the included development projects, and shall submit a copy of such report to the director of the department of economic development. The report shall include the following:

   (1) The name, street and mailing addresses, phone number, and chief officer of the granting body;
   (2) The name, street and mailing addresses, phone number, and chief officer of any business benefiting from public expenditures in such development plans and projects;
   (3) The amount and source of revenue in the special allocation fund;
   (4) The amount and purpose of expenditures from the special allocation fund;
   (5) The amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness;
   (6) The original equalized assessed value of the development area;
   (7) The amount of any pledging of revenues, including principal and interest on any outstanding bond indebtedness;
   (8) The amount of payments in lieu of taxes payable to the county collector;
   (9) The amount of economic activity taxes payable to the county collector;
   (10) The amount of any other net new revenue payable to the county collector;
   (11) The amount of expenditure of the special allocation fund.

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(7) The assessed valuation added to the development area;
(8) Payments made in lieu of taxes received and expended;
(9) The economic activity taxes generated within the development area in the baseline year;
(10) The economic activity taxes generated within the development area after the baseline year;
(11) Reports on contracts made incident to the implementation and furtherance of a development area, the development plan, and the included development projects;
(12) A copy of the development plan;
(13) The cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired, or remodeled;
(14) The number of parcels acquired by or through initiation of eminent domain proceedings;
(15) A summary of the number of net new jobs created, categorized by full-time, part-time, and temporary positions, and by wage groups;
(16) The comparison of the total employment in this state by any business, including any corporate parent, benefiting from public expenditures in the development area on the date of the application compared to such employment on the date of the report, categorized by full-time, part-time, and temporary positions;
(17) A statement as to whether public expenditures on any development project during the previous fiscal year have reduced employment at any other site controlled by any business benefiting from public expenditures in the development area or its corporate parent, within or without of this state as a result of automation, merger, acquisition, corporate restructuring, or other business activity;
(18) A summary of the other community and economic benefits resulting from the project, consistent with those identified in the application;
(19) A signed certification by the chief officer of the authority or municipality as to the accuracy of the progress report; and
(20) Any additional reasonable information the department of economic development deems necessary.

3. The department shall compile and publish all data from the progress reports in both written and electronic form, including the department’s Internet web site.

4. The department shall have access at all reasonable times to the project site and the records of any authority or municipality in order to monitor the development project or projects and to prepare progress reports.

5. Data contained in the report required pursuant to the provisions of subsection 1 of this section and any information regarding amounts disbursed to municipalities pursuant to the provisions of sections 99.1042 and 99.1048 shall be deemed a public record, as defined in section 610.010, RSMo.

6. Any municipality failing to file an annual report as required pursuant to this section shall be ineligible to receive any disbursements from the state supplemental rural development fund pursuant to section 99.1048.

7. The Missouri agricultural and small business development authority and the department of economic development shall annually review the reports provided pursuant to this section.

8. The director of the department of economic development shall submit a report to the governor, the speaker of the house of representatives, and the president pro tempore of the senate no later than April thirtieth of each year. The report shall contain a summary of all information received by the director of economic development pursuant to subsection 2 of this section.

9. An annual statement showing the payments made in lieu of taxes received and expended in that year, the status of the development area, the development plan, the development projects in the development plan, the amount of outstanding obligations, and any additional information that the municipality deems necessary shall be published in a newspaper of general circulation in the municipality.

10. Five years after the establishment of the development area and the development plan and every five years thereafter the governing body of the municipality or authority shall hold a public hearing regarding the development area and the development plan and the development projects adopted pursuant to sections 99.1000 to 99.1060. The purpose of the hearing shall be to determine if the development area, development plan, and the included development projects are making satisfactory progress under the proposed time schedule contained within the approved development plan for completion of such development projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the municipality or authority once each week for four weeks immediately prior to the hearing.

(L. 2003 H.B. 289)
99.1080. Citation of law. Sections 99.1080 to 99.1092 shall be known and may be cited as the "Downtown Revitalization Preservation Program".

(L. 2005 H.B. 58 merged with S.B. 210)

99.1082. Definitions. As used in sections 99.1080 to 99.1092, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Baseline year", the calendar year prior to the adoption of an ordinance by the municipality approving a redevelopment project; provided, however, if local sales tax revenues or state sales tax revenues, from businesses other than any out-of-state business or businesses locating in the redevelopment project area, decrease in the redevelopment project area in the year following the year in which the ordinance approving a redevelopment project is approved by a municipality, the baseline year may, at the option of the municipality approving the redevelopment project, be the year following the year of the adoption of the ordinance approving the redevelopment project. A redevelopment project area is located within a county for which public and individual assistance has been requested by the governor under Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121, et seq., for an emergency proclaimed by the governor under section 44.100, RSMo, due to a natural disaster of major proportions and the redevelopment project area is a central business district that sustained severe damage as a result of such natural disaster, as determined by the state emergency management agency, the baseline year may, at the option of the municipality approving the redevelopment project, be the calendar year in which the natural disaster occurred or the year following the year in which the natural disaster occurred, provided that the municipality adopts an ordinance approving the redevelopment project within one year after the occurrence of the natural disaster;

(2) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

(3) "Central business district", the area at or near the historic core that is locally known as the "downtown" of a municipality that has a median household income of sixty-two thousand dollars or less, according to the last decennial census. In addition, at least fifty percent of existing buildings in this area will have been built in excess of thirty-five years prior or vacant lots that had prior structures built in excess of thirty-five years prior to the adoption of the ordinance approving the redevelopment plan. The historical land use emphasis of a central business district prior to redevelopment will have been a mixed use of business, commercial, financial, transportation, government, and multifamily residential uses;

(4) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more, and such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning;

(5) "Gambling establishment", an excursion gambling boat as defined in section 313.800, RSMo, and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in sections 313.800 to 313.850, RSMo;

(6) "Local sales tax increment", at least fifty percent of the local sales tax revenue from taxes that are imposed by a municipality and its county, and that are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such a redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area while financing under sections 99.1080 to 99.1092 remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees, or special assessments; provided however, the governing body of any county may, by resolution, exclude any portion of any countywide sales tax of such county. For redevelopment projects or redevelopment plans approved after August 28, 2005, if a retail establishment relocates within one year from one facility within the same county and the governing body of the municipality finds that the retail establishment is a direct beneficiary of tax increment financing, then for the purposes of this subdivision, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes that are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area;

(7) "Local sales tax revenue", city sales tax revenues received under sections 94.500 to 94.550, RSMo, and county sales tax revenues received under sections 67.500 to 67.594, RSMo;

(8) "Major initiative", a development project within a central business district which promotes tourism, cultural activities, arts, entertainment, education, research, arenas, multipurpose facilities, libraries, ports, mass transit, museums, economic development, or conventions for the municipality, and where the capital investment within the redevelopment project area is:

(a) At least five million dollars for a project area within a city having a population of one hundred thousand to one hundred ninety-nine thousand nine hundred and ninety-nine inhabitants;
(b) At least one million dollars for a project area within a city having a population of fifty thousand to ninety-nine thousand nine hundred and ninety-nine inhabitants;

(c) At least five hundred thousand dollars for a project area within a city having a population of ten thousand to forty-nine thousand nine hundred and ninety-nine inhabitants; or

(d) At least two hundred fifty thousand dollars for a project area within a city having a population of one to nine thousand nine hundred and ninety-nine inhabitants;

(9) “Municipality”, any city or county of this state having fewer than two hundred thousand inhabitants;

(10) “Obligations”, bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the municipality or authority, or other public entity authorized to issue such obligations under sections 99.1080 to 99.1092 to carry out a redevelopment project or to refund outstanding obligations;

(11) “Ordinance”, an ordinance enacted by the governing body of any municipality;

(12) “Redevelopment area”, an area designated by a municipality in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, which area shall have the following characteristics:

(a) It can be renovated through one or more redevelopment projects;

(b) It is located in the central business district;

(c) The redevelopment area shall not exceed ten percent of the entire geographic area of the municipality.

Subject to the limitation set forth in this subdivision, the redevelopment area can be enlarged or modified as provided in section 99.1088;

(13) “Redevelopment plan”, the comprehensive program of a municipality to reduce or eliminate those conditions which qualify a redevelopment area as a blighted area or a conservation area, and to thereby enhance the tax bases of the taxing districts which extend into the redevelopment area through the reimbursement, payment, or other financing of redevelopment project costs in accordance with sections 99.1080 to 99.1092 and through application for and administration of downtown revitalization preservation program financing under sections 99.1080 to 99.1092;

(14) “Redevelopment project”, any redevelopment project within a redevelopment area which constitutes a major initiative in furtherance of the objectives of the redevelopment plan, and any such redevelopment project shall include a legal description of the area selected for such redevelopment project;

(15) “Redevelopment project area”, the area located within a redevelopment area selected for a redevelopment project;

(16) “Redevelopment project costs” include such costs to the redevelopment plan or a redevelopment project, as applicable, which are expended on public property, buildings, or rights-of-way for public purposes to provide infrastructure to support a redevelopment project, including facades. Such costs shall only be allowed as an initial expense which, to be recoverable, must be included in the costs of a redevelopment plan or redevelopment project, except in circumstances of plan amendments approved by the department of economic development. Such infrastructure costs include, but are not limited to, the following:

(a) Costs of studies, appraisals, surveys, plans, and specifications;

(b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services;

(c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

(d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public buildings and fixtures;

(e) Costs of construction of public works or improvements;

(f) Financing costs, including, but not limited to, all necessary expenses related to the issuance of obligations issued to finance all or any portion of the infrastructure costs of one or more redevelopment projects, and which may include capitalized interest on any such obligations and reasonable reserves related to any such obligations;

(g) All or a portion of a taxing district’s capital costs resulting from any redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan, to the extent the municipality by written agreement accepts and approves such infrastructure costs;

(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes diverted by approval of a redevelopment project when all debt is retired;
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99.1086. Redevelopment plan, contents—adoption of plan, when.

1. A redevelopment plan shall set forth in writing a general description of the program to be undertaken to accomplish the redevelopment projects and related objectives and shall include, but need not be limited to:

   (1) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;
   
   (2) The street address of the redevelopment site;
   
   (3) The estimated redevelopment project costs;
   
   (4) The anticipated sources of funds to pay such redevelopment project costs;
   
   (5) Evidence of the commitments to finance such redevelopment project costs;
   
   (6) The anticipated type and term of the sources of funds to pay such redevelopment project costs;
   
   (7) The anticipated type and terms of the obligations to be issued;
   
   (8) The general land uses to apply in the redevelopment area;
   
   (9) A list of other community and economic benefits to result from the project;
   
   (10) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding under sections 99.1080 to 99.1092 is being sought;
   
   (11) A certification by the chief officer of the applicant as to the accuracy of the redevelopment plan;
   
   (12) A study analyzing the revenues that are being displaced as a result of the project that otherwise would have occurred in the market area. The department of economic development shall have discretion to exempt smaller projects from this requirement;
   
   (13) An economic feasibility analysis including a pro forma financial statement indicating the return on investment that may be expected without public assistance. The financial statement shall detail any assumptions made including a pro forma statement analysis that demonstrates the amount of assistance required to bring the return into a range deemed attractive to private investors. That amount shall not exceed the estimated reimbursable project costs.

2. The redevelopment plan may be adopted by a municipality in reliance on findings that a reasonable person would believe:

   (1) The redevelopment area on the whole is a blighted area or a conservation area as determined by an independent third party. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the redevelopment area or project under this subsection;
   
   (2) The redevelopment area has not been subject to growth and redevelopment through investment by private enterprise or would not reasonably be anticipated to develop or continue to be developed without the implementation of one or more redevelopment projects and the adoption of local and state redevelopment financing;
(3) The redevelopment plan conforms to the comprehensive plan for the redevelopment of the municipality as a whole;

(4) The estimated dates, which shall not be more than twenty-five years from the adoption of the ordinance approving any redevelopment project, of the completion of such redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than fifteen years from the adoption of the ordinance approving the redevelopment plan and provided that no property for a redevelopment project shall be acquired by eminent domain later than ten years from the adoption of the ordinance approving such redevelopment plan;

(5) In the event any business or residence is to be relocated as a direct result of the implementation of the redevelopment plan, a plan has been developed for relocation assistance for businesses and residences; and

(6) The redevelopment plan does not include the initial development or redevelopment of any gambling establishment.

(L. 2005 H.B. 58 merged with S.B. 210)

99.1088. Public hearing required, notice requirements--changes to a plan without further hearing, when--boundaries of redevelopment area not to be changed after adoption.

1. Prior to the adoption of the ordinance designating a redevelopment area, adopting a redevelopment plan, or approving a redevelopment project, the municipality or authority shall fix a time and place for a public hearing and notify each taxing district located wholly or partially within the boundaries of the proposed redevelopment area or redevelopment project area affected. Such notice shall comply with the provisions of subsections 2 and 3 of this section. At the public hearing any interested person or affected taxing district may file with the municipality or authority written objections to, or comments on, and may be heard orally in respect to any issues regarding the plan or issues embodied in the notice. The municipality or authority shall hear and consider all protests, objections, comments, and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may be made in the redevelopment plan, redevelopment project area, redevelopment area or redevelopment project area, provided that written notice of such changes is available at the public hearing. After the public hearing but prior to the adoption of an ordinance designating a redevelopment area, adopting a redevelopment plan or approving a redevelopment project, changes may be made to any such proposed redevelopment plan, redevelopment project, redevelopment area, or redevelopment project area without a further hearing, if such changes do not enlarge the exterior boundaries of the redevelopment area, and do not substantially affect the general land uses established in a redevelopment plan or redevelopment project, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the redevelopment area or redevelopment project area, as applicable, not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance designating the redevelopment area, adopting a redevelopment plan, approving a redevelopment project, or designating a redevelopment project area, no ordinance shall be adopted altering the exterior boundaries of the redevelopment area or a redevelopment project area affecting the general land uses established under the redevelopment plan or the general nature of a redevelopment project without holding a public hearing in accordance with this section. One public hearing may be held for the simultaneous consideration of a redevelopment area, redevelopment plan, redevelopment project, or redevelopment project area.

2. Notice of the public hearing required by this section shall be given by publication and mailing. Notice by publication shall be given by publication at least twice, the first publication to be not more than thirty days and the second publication to be not more than ten days prior to the hearing, in a newspaper of general circulation in the proposed redevelopment area or redevelopment project area, as applicable. Notice by mailing shall be given by depositing such notice in the United States mail by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the proposed redevelopment area or redevelopment project area, as applicable. Such notice shall be mailed not less than ten working days prior to the date set for the public hearing.

3. The notices issued under this section shall include the following:

(1) The time and place of the public hearing;

(2) The general boundaries of the proposed redevelopment area or redevelopment project area, as applicable, by street location, where possible;

(3) A statement that all interested persons shall be given an opportunity to be heard at the public hearing;

(4) A description of the redevelopment plan and the proposed redevelopment projects and a location and time where the entire redevelopment plan or redevelopment projects proposed may be reviewed by any interested party;

(5) A statement that redevelopment financing involving tax revenues is being sought for the project and an estimate of the amount of local redevelopment financing that will be requested, if applicable; and

(6) Such other matters as the municipality or authority may deem appropriate.

4. Not less than forty-five days prior to the date set for the public hearing, the municipality or authority shall give notice by mail as provided in subsection 2 of this section to all taxing districts whose taxes are affected in the redevelopment area or redevelopment project area, as applicable, and in addition to the other requirements under subsection 3 of this section, the notice shall include an invitation to each taxing district to submit comments to the municipality or authority concerning the subject matter of the hearing prior to the date of the hearing.
5. A copy of any and all hearing notices required by this section shall be submitted by the municipality or authority to the director of the department of economic development and the date such notices were mailed or published, as applicable.

(L. 2005 H.B. 58 merged with S.B. 210)

99.1090. Application to department for approval of project costs, approval procedure—rulemaking authority.

1. A municipality shall submit an application to the department of economic development for review and determination as to approval of the disbursement of the project costs of one or more redevelopment projects from the downtown revitalization preservation fund. The department of economic development shall forward the application to the commissioner of the office of administration for approval. In no event shall any approval authorize a disbursement of one or more redevelopment projects from the downtown revitalization preservation fund which exceeds the allowable amount of other net new revenues derived from the redevelopment area. An application submitted to the department of economic development shall contain the following, in addition to the items set forth in section 99.1086:

(1) An estimate that one hundred percent of the local sales tax increment deposited to the special allocation fund must and will be used to pay redevelopment project costs or obligations issued to finance redevelopment project costs to achieve the objectives of the redevelopment plan;

(2) Identification of the existing businesses located within the redevelopment project area and the redevelopment area;

(3) The aggregate baseline year amount of state sales tax revenues reported by existing businesses within the redevelopment project area. Provisions of section 32.057, RSMo, notwithstanding, municipalities will provide this information to the department of revenue for verification. The department of revenue will verify the information provided by the municipalities within forty-five days of receiving a request for such verification from a municipality;

(4) An estimate of the state sales tax increment within the redevelopment project area after redevelopment. The department of economic development shall have the discretion to exempt smaller projects from this requirement;

(5) An affidavit that is signed by the developer or developers attesting that the provision of subdivision (2) of subsection 2 of section 99.1086 has been met;

(6) The amounts and types of other net new revenues sought by the applicant to be disbursed from the downtown revitalization preservation fund over the term of the redevelopment plan;

(7) The methodologies and underlying assumptions used in determining the estimate of the state sales tax increment; and

(8) Any other information reasonably requested by the department of economic development.

2. The department of economic development shall make all reasonable efforts to process applications within a reasonable amount of time.

3. The department of economic development shall make a determination regarding the application for a certificate allowing disbursements from the downtown revitalization preservation fund and shall forward such determination to the commissioner of the office of administration. In no event shall the amount of disbursements from the downtown revitalization preservation fund approved for a project, in addition to any other state economic redevelopment funding or other state incentives, exceed the projected state benefit of the redevelopment project, as determined by the department of economic development through a cost-benefit analysis. Any political subdivision located either wholly or partially within the redevelopment area shall be permitted to submit information to the department of economic development for consideration in its cost-benefit analysis. Upon approval of downtown revitalization preservation financing, a certificate of approval shall be issued by the department of economic development containing the terms and limitations of the disbursement.

4. At no time shall the annual amount of other net new revenues approved for disbursements from the downtown revitalization preservation fund exceed fifteen million dollars.

5. Redevelopment projects receiving disbursements from the downtown revitalization preservation fund shall be limited to receiving such disbursements for twenty-five years. The approved term notwithstanding, downtown revitalization preservation financing shall terminate when redevelopment financing for a redevelopment project is terminated by a municipality.

6. The municipality shall deposit payments received from the downtown revitalization preservation redevelopment fund in a separate segregated account for other net new revenues within the special allocation fund.

7. Redevelopment project costs may include, at the prerogative of the state, the portion of salaries and expenses of the department of economic development and the department of revenue reasonably allocable to each redevelopment project approved for disbursements from the downtown revitalization preservation fund for the ongoing administrative functions associated with such redevelopment project. Such amounts shall be recovered from new state revenues deposited into the downtown revitalization preservation fund created under section 99.1092.

8. A redevelopment project approved for downtown revitalization preservation financing shall not thereafter elect to receive tax increment financing under the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, and continue to receive downtown revitalization financing under sections 99.1080 to 99.1092.

9. The department of economic development may establish the procedures and standards for the determination and approval of applications by the promulgation of rules and publish forms to implement the provisions of this section and section 99.1092.

As of August 28, 2005
10. 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 and section 99.1092 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, section 99.1092, and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly under 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, 2005, shall be invalid and void.

(L. 2005 H.B. 58 merged with S.B. 210)

99.1092. Fund established, allocation of moneys--rulemaking authority.

1. There is hereby established within the state treasury a special fund to be known as the “Downtown Revitalization Preservation Fund”, to be administered by the department of economic development. Any unexpended balance and any interest in the fund at the end of the biennium shall be exempt from the provisions of section 33.080, RSMo, relating to the transfer of unexpended balances to the general revenue fund. The fund shall consist of:

(1) The first fifteen million dollars of other net new revenues generated annually by the redevelopment projects;

(2) Money received from costs charged under subsection 7 of section 99.1090; and

(3) Gifts, contributions, grants, or bequests received from federal, private, or other sources.

2. Notwithstanding the provisions of section 144.700, RSMo, to the contrary, the department of revenue shall annually submit the first fifteen million dollars of other net new revenues generated by the redevelopment projects to the treasurer for deposit in the downtown revitalization preservation fund.

3. The department of economic development shall annually disburse funds from the downtown revitalization preservation fund in amounts determined under the certificates of approval for projects, providing that the amounts of other net new revenues generated from the redevelopment area have been verified and all of the conditions of sections 99.1080 to 99.1092 are met. If the revenues appropriated from the downtown revitalization preservation fund are not sufficient to equal the amounts determined to be disbursed under such certificates of approval, the department of economic development shall disburse the revenues on a pro rata basis to all such projects and other costs approved under section 99.1090.

4. In no event shall the amounts distributed to a project from the downtown revitalization preservation fund exceed the lesser of the amount of the certificates of approval for projects or the actual other net new revenues generated by the projects.

5. The department of economic development shall not disburse any moneys from the downtown revitalization preservation fund for any project which has not complied with the annual reporting requirements determined by the department of economic development.

6. Money in the downtown revitalization preservation fund may be spent for the reasonable and necessary costs associated with the administration of the program authorized under sections 99.1080 to 99.1092.

7. No municipality shall obligate or commit the expenditure of disbursements received from the downtown revitalization preservation fund prior to receiving a certificate of approval for the redevelopment project generating other net new revenues. In addition, no municipality shall commence work on a redevelopment project prior to receiving a certificate of approval for the redevelopment project.

8. Taxpayers in any redevelopment area who are required to remit sales taxes under chapter 144, RSMo, shall provide additional information to the department of revenue in a form prescribed by the department by rule. Such information shall include, but shall not be limited to, information upon which other net new revenues can be calculated and sales tax generated in the redevelopment area by such taxpayer in the baseline year and during the time period related to the sales tax remittance.

9. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, that is created pursuant to 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, 2003, shall be invalid and void.

(L. 2005 H.B. 58 merged with S.B. 210)
URBAN REDEVELOPMENT CORPORATIONS LAW

[Chapter 353 RSMo]

353.010. Citation of chapter. This chapter shall be known and may be cited and referred to as “The Urban Redevelopment Corporations Law”.

353.020. Definitions. The following terms, whenever used or referred to in this chapter, mean:

1. “Area”, that portion of the city which the legislative authority of each city has found or shall find to be blighted so that the clearance, replanning, rehabilitation, or reconstruction thereof is necessary to effectuate the purposes of this law. Any such area may include buildings or improvements not in themselves blighted, and any real property, whether improved or unimproved, the inclusion of which is deemed necessary for the effective clearance, replanning, reconstruction or rehabilitation of the area of which such buildings, improvements or real property form a part;

2. “Blighted area”, that portion of the city within which the legislative authority of such city determines that by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and social liabilities, and that such conditions are conducive to ill health, transmission of disease, crime or inability to pay reasonable taxes;

3. “City” or “such cities”, any city within this state and any county of the first classification with a charter form of government and a population of at least nine hundred thousand inhabitants or any county with a charter form of government and with more than six hundred thousand but less than seven hundred thousand inhabitants. The county’s authority pursuant to this chapter shall be restricted to the unincorporated areas of such county;

4. “Development plan”, a plan, together with any amendments thereto, for the development of all or any part of a blighted area, which is authorized by the legislative authority of any such city;

5. “Legislative authority”, the city council or board of aldermen of the cities affected by this chapter;

6. “Mortgage”, a mortgage, trust indenture, deed of trust, building and loan contract, or other instrument creating a lien on real property, to secure the payment of an indebtedness, and the indebtedness secured by any of them;

7. “Real property” includes lands, buildings, improvements, land under water, waterfront property, and any and all easements, franchises and hereditaments, corporeal or incorporeal, and every estate, interest, privilege, easement, franchise and right therein, or appurtenant thereto, legal or equitable, including restrictions of record, created by plat, covenant or otherwise, rights-of-way and terms for years;

8. “Redevelopment”, the clearance, replanning, reconstruction or rehabilitation of any blighted area, and the provision for such industrial, commercial, residential or public structures and spaces as may be appropriate, including recreational and other facilities incidental or appurtenant thereto;

9. “Redevelopment project”, a specific work or improvement to effectuate all or any part of a development plan;

10. “Urban redevelopment corporation”, a corporation organized pursuant to this chapter; except that any life insurance company organized pursuant to the laws of, or admitted to do business in, the state of Missouri may from time to time within five years after April 23, 1946, undertake, alone or in conjunction with, or as a lessee of any such life insurance company or urban redevelopment corporation, a redevelopment project pursuant to this chapter, and shall, in its operations with respect to any such redevelopment project, but not otherwise, be deemed to be an urban redevelopment corporation for the purposes of this section and sections 353.010, 353.040, 353.060 and 353.110 to 353.160.

353.030. Organization of corporation—contents of articles of agreement. Corporations referred to in this chapter as urban redevelopment corporations may be organized in the following manner: The articles of agreement or association shall be prepared, subscribed and acknowledged, and filed in the office of the secretary of state pursuant to the general corporations laws of the state and shall contain:

1. The name of the proposed corporation, which must have the words “redemption corporation” as a part thereof.

2. The purposes for which it is formed which shall be as follows: To acquire, construct, maintain and operate a redevelopment project or redevelopment projects in accordance with the provisions of this law.

3. The amount of the capital stock, and if any be preferred stock the preference thereof.

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(4) The number of shares of which the capital shall consist all of which shall have a par value.

(5) The city in which its principal business office is to be located.

(6) Its duration, which shall not exceed ninety-nine years.

(7) The number of directors, which shall not be less than three, nor more than thirteen.

(8) The names and post-office addresses of the directors for the first year, at least one of whom shall be a resident of the state of Missouri.

(9) The names and post-office addresses of the subscribers to the articles of association or agreement.

(10) A provision that in the event that income debenture certificates are issued by the corporation, the owners thereof shall have the same right to vote as they would have if possessed of certificates of stock of the amount and par value of the income debenture certificates held by them. The articles may provide for the retirement of income debenture certificates or preferred stock of the corporation as and when there shall be funds available in the treasury of the corporation from the receipt of amortization or sinking fund in installments for the purpose. Interest shall not be paid by the corporation upon such income debenture certificates in excess of nine percent per annum. Provided, however, that this limitation shall not apply to other debt of the corporation.

(11) A declaration that the corporation has been organized to serve a public purpose; that all real estate acquired by it and all structures erected by it are to be acquired for the purpose of promoting the public health, safety and welfare, and that the stockholders of the corporation shall when they subscribe to and receive the stock thereof, agree that the net earnings of the corporation shall be limited to an amount not to exceed eight percent per annum upon the entire cost thereof. Such net earnings shall be computed after deducting from gross earnings the following:

(a) All costs and expenses of maintenance and operation;

(b) Amounts paid for taxes, assessments, insurance premiums and other similar charges;

(c) An annual amount sufficient to amortize the cost of the entire project at the end of the period, which shall not be more than sixty years from the date of completion of the project. The development plan may contain provisions satisfactory to the legislative authority authorizing such plan that any surplus earnings in excess of the rate of net earnings provided in this chapter may be held by the corporation as a reserve for maintenance of such rate of return in the future and may be used by the corporation to offset any deficiency in such rate of return which may have occurred in prior years; or may be used to accelerate the amortization payments; or for the enlargement of the project; or for reduction in rentals therein; provided, that any excess of such surplus earnings remaining at the termination of the tax relief granted pursuant to section 353.110 shall be turned over by the corporation to the city.

(12) A declaration that such corporations are organized* for the purpose of the clearance, replanning, reconstruction or rehabilitation of blighted areas, and the construction of such industrial, commercial, residential or public structures as may be appropriate, including provisions for recreational and other facilities incidental or appurtenant thereto.

Effective 1-9-75

*Word “recognized” appears in original rolls, probably a typographical error.

(1969) Under the provisions of Chapter 353, RSMo, an urban development corporation cannot pay interest on any of its obligations at an annual rate exceeding six percent. Council Plaza Redevelopment Corporation v. Duffey (Mo.), 439 S.W.2d 526.

353.040. Life insurance company operating as urban redevelopment corporation—limitation on earnings—disposition of surplus.

1. Any life insurance company operating as an urban redevelopment corporation under this chapter shall be limited in its net earnings derived exclusively from the ownership or operation of any redevelopment project on real property owned by, or leased to, any such life insurance company, and constructed pursuant to a redevelopment plan to an amount not to exceed eight percent per annum of the cost to such company of the redevelopment project including the cost of the land, or the balances of such cost as reduced by amortization payments; provided, that the net earnings derived from any redevelopment project shall in no event exceed a sum equal to eight percent per annum upon the entire cost thereof. Such net earnings shall be computed after deducting from gross earnings the following:

(1) All costs and expenses of maintenance and operation;

(2) Amounts paid for taxes, assessments, insurance premiums and other similar charges;

(3) An annual amount sufficient to amortize the cost of the entire project at the end of the period, which shall be not more than sixty years from the date of completion of the project.

2. The development plan may contain provisions satisfactory to the legislative authority authorizing such plan that any surplus earnings in excess of the rate of net earnings provided in this chapter may be held by the company as a reserve for maintenance of such rate of return in the future.
and may be used by the company to offset any deficiency in such rate of return which may have occurred in prior years; or may be used to accelerate the amortization payments; or for the enlargement of the project; or for reduction in rentals therein; provided, that any excess of such surplus earnings remaining at the termination of the tax relief granted pursuant to section 353.110 shall be turned over by the company to the city.

(L. 1945 p. 1242 § 4, A.L. 1947 V. I p. 393)

353.050. **Use of word “redevelopment” prohibited--exceptions.** No corporation now organized under the laws of this state shall change its name to a name, and no such corporation hereafter organized shall have a name, containing the word “redevelopment” as a part thereof except as provided in this chapter. No foreign corporation now authorized to do business in this state shall change its name to a name, and no such corporation shall hereafter be authorized to do business in the state with a name, containing the word “redevelopment” as a part thereof.

(L. 1943 p. 751 § 10, A.L. 1945 p. 1242 § 5)

353.060. **Urban redevelopment corporation may operate one or more development projects--powers, public hearing required, when.** An urban redevelopment corporation shall operate under this chapter on one or more redevelopment projects pursuant to an authorized development plan, and with respect to each such project shall have such rights, powers, duties, immunities and obligations, not inconsistent with the provisions of this law, as may be conferred upon it by city ordinance duly enacted by the legislative authority of a city affected by this chapter which is authorizing or has authorized such plan; provided, however, that no such rights or powers, except those previously granted, shall be granted by any governing authority to any urban redevelopment corporation after August 13, 1982, unless the governing authority shall hold a public hearing for the stimulation of comment by those to be affected by any such grant and shall determine thereafter that the area covered by the plan is blighted; provided, however, that notwithstanding the provisions of this section, such urban redevelopment corporation may, as a redeveloper under the provisions of this chapter, acquire property, by purchase or lease, from a land clearance for redevelopment authority as defined in said law, in the manner and under the terms and conditions specified in said law.


353.070. **General corporation laws unless conflicting apply.** The provisions of the general corporation laws, as presently in effect and as hereafter from time to time amended, shall apply to urban redevelopment corporations, except where such provisions are in conflict with the provisions of this law.

(L. 1945 p. 1242 § 7)

353.080. **Notice of meetings to holders of income debentures.** In the event that any action with respect to which the holders of income debentures shall have the right to vote is proposed to be taken, notice of any meeting at which such action is proposed to be taken shall be given to such holders in the same manner and to the same extent as if they were stockholders entitled to notice of and to vote at such meeting, and any affidavit required by law to be annexed to such articles shall contain the same statements or recitals, and such articles shall be subscribed and acknowledged, and such affidavit shall be made, in the same manner as if such debenture holders were stockholders holding shares of an additional class of stock entitled to vote on such action, or with respect to the proceedings provided for in such document.

(L. 1945 p. 1242 § 7)

353.090. **Maintain reserves for specific purposes.** An urban redevelopment corporation shall establish and maintain depreciation, obsolescence, and other reserves, also surplus and other accounts, including, among others, a reserve for the payment of taxes according to recognized standard accounting practices.

(L. 1945 p. 1242 § 8)

353.100. **When corporation may pay interest on its income debentures or dividends on its stock.** No urban redevelopment corporation shall pay any interest on its income debentures or dividends on its stock during any dividend year unless there shall exist at the time of such payment no default under any amortization requirements with respect to its indebtedness, nor unless all accrued interest, taxes and other public charges shall have been duly paid or reserves set up for the payment thereof, and adequate reserves provided for depreciation, obsolescence and other proper reserves.

(L. 1945 p. 1242 § 9)

353.110. **Real property exempt from taxation--limitation.**

1. Once the requirements of this section have been complied with, the real property of urban redevelopment corporations acquired pursuant to this chapter shall not be subject to assessment or payment of general ad valorem taxes imposed by the cities affected by this law, or by the state or any political subdivision thereof, for a period not in excess of ten years after the date upon which such corporations become owners of such real property, except to such extent and in such amount as may be imposed upon such real property during such period measured solely by the amount of the assessed valuation of the land, exclusive of improvements, acquired pursuant to this chapter and owned by such urban redevelopment
corporation, as was determined by the assessor of the county in which such real property is located, or, if not located within a county, then by the assessor of such city, for taxes due and payable thereon during the calendar year preceding the calendar year during which the corporation acquired title to such real property. The amounts of such tax assessments shall not be increased during such period so long as the real property is owned by an urban redevelopment corporation and used in accordance with a development plan authorized by the legislative authority of such cities.

2. In the event, however, that any such real property was tax exempt immediately prior to ownership by any urban redevelopment corporation, such assessor or assessors shall, upon acquisition of title thereto by the urban redevelopment corporation, promptly assess such land, exclusive of improvements, at such valuation as shall conform to but not exceed the assessed valuation made during the preceding calendar year of other land, exclusive of improvements, adjacent thereto or in the same general neighborhood, and the amount of such assessed valuation shall not be increased during the period set pursuant to subsection 1 of this section so long as the real property is owned by an urban redevelopment corporation and used in accordance with a development plan authorized by the legislative authority of such cities. For the next ensuing period not in excess of fifteen years, ad valorem taxes upon such real property shall be measured by the assessed valuation thereof as determined by such assessor or assessors upon the basis of not to exceed fifty percent of the true value of such real property, including any improvements thereon, nor shall such valuations * be increased above fifty percent of the true value of such real property from year to year during such next ensuing period so long as the real property is owned by an urban redevelopment corporation and used in accordance with an authorized development plan. After a period totaling not more than twenty-five years, such real property shall be subject to assessment and payment of all ad valorem taxes, based on the full true value of the real property; provided, that after the completion of the redevelopment project, as authorized by law or ordinance whenever any urban redevelopment corporation shall elect to pay full taxes, or at the expiration of the period, such real property shall be owned and operated free from any of the conditions, restrictions or provisions of this chapter, and of any ordinance, rule or regulation adopted pursuant thereto, any other law limiting the right of domestic and foreign insurance companies to own and operate real estate to the contrary notwithstanding.

3. No tax abatement or exemption authorized by this section shall become effective unless and until the governing body of the city:

(1) Furnishes each political subdivision whose boundaries for ad valorem taxation purposes include any portion of the real property to be affected by such tax abatement or exemption with a written statement of the impact on ad valorem taxes such tax abatement or exemption will have on such political subdivisions and written notice of the hearing to be held in accordance with subdivision (2) of this subsection. The written statement and notice required by this subdivision shall be furnished as provided by local ordinance before the hearing and shall include, but need not be limited to, an estimate of the amount of ad valorem tax revenues of each political subdivision which will be affected by the proposed tax abatement or exemption, based on the estimated assessed valuation of the real property involved as such property would exist before and after it is redeveloped;

(2) Conducts a public hearing regarding such tax abatement or exemption, at which hearing all political subdivisions described in subdivision (1) of this subsection shall have the right to be heard on such grant of tax abatement or exemption;

(3) Enacts an ordinance which provides for expiration of development rights, including the rights of eminent domain and tax abatement, in the event of failure of the urban redevelopment corporation to acquire ownership of property within the area of the development plan. Such ordinance shall provide for a duration of time within which such property must be acquired, and may allow for acquisition of property under the plan in phases.

4. Notwithstanding any other provision of law to the contrary, payments in lieu of taxes may be imposed by contract between a city and an urban redevelopment corporation which receives tax abatement or exemption on property pursuant to this section. Such payments shall be made to the collector of revenue of the county or city not within a county by December thirty-first of each year payments are due. The governing body of the city shall furnish the collector a copy of any such contract requiring payment in lieu of taxes. The collector shall allocate all revenues received from such payment in lieu of taxes among all taxing authorities whose property tax revenues are affected by the exemption or abatement on the same pro rata basis and in the same manner as the ad valorem property tax revenues received by each taxing authority from such property in the year such payments are due.

5. The provisions of subsection 3 of this section shall not apply to any amendment or future amendment to a phased development plan approved by the governing body of the city prior to the effective date of the provisions of subsection 3 of this section and upon which construction has been in progress pursuant to such phased plan.


*Words “shall not” appear in original rolls.

353.120. Transfer by fiduciaries and public agencies of real property to a redevelopment corporation. Notwithstanding any requirement of law to the contrary, or the absence of direct provision therefor in the instrument under which a fiduciary is acting, every executor, administrator, trustee, guardian or any other person, holding trust funds or acting in a fiduciary capacity, unless the instrument under which such fiduciary is acting expressly forbids, also the state, its subdivisions, cities, all other public bodies, all public officers, corporations, organized under or subject to the provisions of the banking law (including savings banks, savings and loan associations, trust companies, private bankers and private banking corporations), the state director of finance as conservator, liquidator or rehabilitator of any such person, partnership or corporation, person, partnership and corporations organized under or subject to the provisions of the insurance law, the director of the department of insurance as conservator, liquidator, or rehabilitator of any such person, partnership or corporation, any of which owns or holds any real property within any blighted area proposed to be cleared or redeveloped by an urban redevelopment corporation, may grant, sell, lease or otherwise transfer any such real property to an urban redevelopment corporation, and receive and hold any cash, mortgages, or other securities or obligations exchanged therefor by such urban redevelopment corporations, and may execute such instruments and do such acts as may be deemed necessary or desirable by them or it and by the urban redevelopment corporations in connection with the development and any development plan.
353.130. Redevelopment corporation may acquire property.

1. An urban redevelopment corporation may acquire real property or secure options in its own name or, in the name of nominees, it may acquire real property by gift, grant, lease, purchase, or otherwise.

2. An urban redevelopment corporation shall have the right to acquire by the exercise of the power of eminent domain any real property in fee simple or other estate which is necessary to accomplish the purpose of this chapter, under such conditions and only when so empowered by the legislative authority of the cities affected by this chapter.

3. An urban redevelopment corporation may exercise the power of eminent domain in the manner provided for corporations in chapter 523, RSMo; or it may exercise the power of eminent domain in the manner provided by any other applicable statutory provision for the exercise of the power of eminent domain. Property already devoted to a public use may be acquired in like manner, provided that no real property belonging to any city, county, or the state, or any political subdivision thereof may be acquired without its consent.

353.140. Occupancy of property acquired by corporation by previous owners —conditions. When title to real property has been vested in an urban redevelopment corporation by gift, grant, devise, purchase, or by condemnation proceedings or otherwise, the urban redevelopment corporation may agree with the previous owners of such property, or any tenants continuing to occupy or use it, or any other persons who may occupy or use or seek to occupy or use such property, that such former owner, tenant or other persons may occupy or use such property upon the payment of a fixed sum of money for a definite term or upon the payment periodically of an agreed sum of money. Such occupation or use shall not be construed as a tenancy from month to month, nor require the giving of notice by the urban redevelopment corporation for the termination of such occupation or use or the right to such occupation or use, but immediately upon the expiration of the term for which payment has been made the urban redevelopment corporation shall be entitled to possession of the real property and may maintain an action for either unlawful detainer or ejectment for the purpose of recovering immediate possession thereof.

353.150. Borrowing of money and giving of security by corporation.

1. Any urban redevelopment corporation may borrow funds and secure the repayment thereof by mortgage which shall contain reasonable amortization provisions and shall be a lien upon no other real property except that forming the whole or a part of a single development area.

2. Certificates, bonds and notes, or part interest therein, or any part of an issue thereof, which are secured by a first mortgage on the real property in a development area, or any part thereof, shall be securities in which all the following persons, partnerships, or corporations and public bodies or public officers may legally invest the funds within their control:

   (1) Every executor, administrator, trustee, guardian, committee or other person or corporation holding trust funds or acting in a fiduciary capacity;

   (2) Persons, partnerships and corporations organized under or subject to the provisions of the banking law (including savings banks, savings and loan associations and trust companies);

   (3) The state director of finance as conservator, liquidator or rehabilitator of any such person, partnership or corporation;

   (4) Persons, partnerships or corporations organized under or subject to the provisions of the insurance law; fraternal benefit societies; and

   (5) The state director of the department of insurance as conservator, liquidator or rehabilitator of any such person, partnership or corporation.

3. Any mortgage on the real property in a development area, or any part thereof, may create a first lien, or a second or other junior lien, upon such property, that such former owner, tenant or other persons may occupy or use such property upon the payment of a fixed sum of money for a definite term or upon the payment periodically of an agreed sum of money. Such occupation or use shall not be construed as a tenancy from month to month, nor require the giving of notice by the urban redevelopment corporation for the termination of such occupation or use or the right to such occupation or use, but immediately upon the expiration of the term for which payment has been made the urban redevelopment corporation shall be entitled to possession of the real property and may maintain an action for either unlawful detainer or ejectment for the purpose of recovering immediate possession thereof.

   (L. 1943 p. 751 § 19, A.L. 1945 p. 1242 § 12)

   (1975) This section and chapter 353 held not to violate constitution of this state or of the United States. Parking Systems, Inc. v. Kansas City Downtown Redevelopment Corp. (Mo.), 518 S.W.2d 11.

353.160. **May accept grants or loans from the United States government.** Any urban redevelopment corporation may accept grants or loans of money from the government of the United States or any department or agency thereof.  


353.170. **City may acquire, clear, convey or lease property for use in redevelopment project.** Any city subject to this chapter shall have power:  

1. To acquire by the exercise of the power of eminent domain, or otherwise, an area designated on a master plan under the authority of the legislative authority of the city as a redevelopment area;  
2. To clear any such real property and install, construct, and reconstruct streets, utilities and any and all other city improvements necessary for the preparation of such area for use in accordance with the provisions of this chapter; and  
3. To sell or lease such real property for use in accordance with the provisions of this chapter.  

(L. 1945 p. 1242 § 16)

353.180. **Any corporation may purchase shares of stock of urban redevelopment corporation.** Any corporation organized under the laws of the state of Missouri, or admitted to do business in the state of Missouri, shall have power to purchase any or all of the shares of stock of an urban redevelopment corporation organized under the provisions of this chapter.  

(L. 1945 p. 1242 § 17)

353.190. **Real property tax abatement not to apply, excursion gambling boats.** For projects related to any riverfront development designed to enhance the location of an excursion gambling boat licensed under the provisions of section 313.800 to 313.850, RSMo, real property tax abatement under chapter 353, RSMo, shall not apply for each year of the redevelopment project to the assessed value of the real property for taxes due and payable during the calendar year preceding the calendar year during which a redevelopment corporation acquires title to such real property, but shall apply to any increase in the assessed value of such property after the acquisition of the real property by a redevelopment corporation.  

(L. 1994 H.B. 1248 & 1048 § 16)
HISTORIC PRESERVATION CREDIT

[§§ 253.545 - 253.561 RSMo]

253.545. Definitions. As used in sections 253.545 to 253.559, the following terms mean, unless the context requires otherwise:

(1) “Certified historic structure”, a property located in Missouri and listed individually on the National Register of Historic Places;

(2) “Eligible property”, property located in Missouri and offered or used for residential or business purposes;

(3) “Structure in a certified historic district”, a structure located in Missouri which is certified by the department of natural resources as contributing to the historic significance of a certified historic district listed on the National Register of Historic Places, or a local district that has been certified by the United States Department of the Interior.

(L. 1997 2d Ex. Sess. S.B. 1)

Effective 1-1-98

253.550. Tax credits, qualified persons or entities, maximum amount, limitations. Any person, firm, partnership, trust, estate, or corporation incurring costs and expenses for the rehabilitation of eligible property, which is a certified historic structure or structure in a certified historic district, shall be entitled to a credit against the taxes imposed pursuant to chapters 143 and 148, RSMo, except for sections 143.191 to 143.265, RSMo, on that person or entity in an amount equal to twenty-five percent of the total costs and expenses of rehabilitation incurred after January 1, 1998, which costs and expenses exceed fifty percent of the total basis in the property and the rehabilitation meets standards consistent with the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources.

(L. 1997 2d Ex. Sess. S.B. 1)

Effective 1-1-98

253.557. Credits exceeding tax liability--distribution--assignment.

1. If the amount of such credit exceeds the total tax liability for the year in which the rehabilitated property is placed in service, the amount that exceeds the state tax liability may be carried back to any of the three preceding years and carried forward for credit against the taxes imposed pursuant to chapter 143, RSMo, and chapter 148, RSMo, except for sections 143.191 to 143.265, RSMo, for the succeeding ten years, or until the full credit is used, whichever occurs first. Not-for-profit entities, including but not limited to corporations organized as not-for-profit corporations pursuant to chapter 355, RSMo, shall be ineligible for the tax credits authorized under sections 253.545 through 253.561. Taxpayers eligible for such tax credits may transfer, sell or assign the credits. Credits granted to a partnership, a limited liability company taxed as a partnership or multiple owners of property shall be passed through to the partners, members or owners respectively pro rata or pursuant to an executed agreement among the partners, members or owners documenting an alternate distribution method.

2. The assignee of the tax credits, hereinafter the assignee for purposes of this subsection, may use acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed pursuant to chapter 143, RSMo, and chapter 148, RSMo, except for sections 143.191 to 143.265, RSMo. The assignor shall perfect such transfer by notifying the department of economic development in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the department of economic development to administer and carry out the provisions of this section.


253.559. Procedure to claim tax credit--eligibility, how determined--certificate required.

1. To claim the credit authorized pursuant to sections 253.550 to 253.561 of senate bill no. 1 of the second extraordinary session of the eighty-ninth general assembly and section 253.557 of this act, the taxpayer shall apply to the department of economic development which, in consultation with the department of natural resources, shall determine the amount of eligible rehabilitation costs and expenses and whether the rehabilitation meets the standards of the Secretary of the United States Department of the Interior for rehabilitation as determined by the state historic preservation officer of the Missouri department of natural resources. For financial institutions credits authorized pursuant to sections 253.550 to 253.561 shall be deemed to be “economic development credits” for purposes of section 148.064, RSMo. The issuing of certificates of eligible credits to taxpayers shall be performed by the department of economic development. The taxpayer shall attach the certificate to all Missouri income tax returns on which the credit is claimed.

2. The department of economic development shall determine, on an annual basis, the overall economic impact to the state from the rehabilitation of eligible property.

"This act" (S.B. 827, 1998) contained numerous sections. Consult Disposition of Sections table for a definitive listing.

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830


(L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97
447.700. Definitions. As used in sections 447.700 to 447.718, the following terms mean:

(1) “Abandoned property”, real property previously used for, or which has the potential to be used for, commercial or industrial purposes which reverted to the ownership of the state, a county, or municipal government, or an agency thereof, through donation, purchase, tax delinquency, foreclosure, default or settlement, including conveyance by deed in lieu of foreclosure; or a privately owned property endorsed by the city, or county if the property is not in a city, for inclusion in the program which will be transferred to a person other than the potentially responsible party as defined in chapter 260, RSMo, and has been vacant for a period of not less than three years from the time an application is made to the department of economic development;

(2) “Allowable cost”, all or part of the costs of project facilities, including the costs of acquiring the property, relocating any remaining occupants, constructing, reconstructing, rehabilitating, renovating, enlarging, improving, equipping or furnishing project facilities, demolition, site clearance and preparation, backfill, supplementing and relocating public capital improvements or utility facilities, designs, plans, specifications, surveys, studies and estimates of costs, expenses necessary or incident to determining the feasibility or practicability of assisting an eligible project or providing project facilities, architectural, engineering and legal service fees and expenses, the costs of conducting any other activities as part of a voluntary remediation and such other expenses as may be necessary or incidental to the establishment or development of an eligible project and reimbursement of moneys advanced or applied by any governmental agency or other person for allowable costs. Allowable costs shall also include the demolition and reconstruction of any building or structure which is not the object of remediation as defined in section 260.565, RSMo, but which is located on the site of an abandoned or underutilized property approved for financial assistance pursuant to sections 447.702 to 447.708, provided that any such demolition is contained in a redevelopment plan approved by the director of the department of economic development and the municipal or county government having jurisdiction in the area in which the project is located;

(3) “Applicant”, the person that submits an application for consideration of a project or location or real property for financial, tax credit or other assistance pursuant to sections 447.700 to 447.718; an applicant may not be any party who intentionally or negligently caused the release or potential release of hazardous substances at the eligible project as that term is defined pursuant to chapter 260, RSMo;

(4) “Eligible project”, abandoned or underutilized property to be acquired, established, expanded, remodeled, rehabilitated or modernized for industry, commerce, distribution or research, or any combination thereof; the operation of which, alone or in conjunction with other facilities, will create new jobs or preserve existing jobs and employment opportunities, attract new businesses to the state, prevent existing businesses from leaving the state and improve the economic welfare of the people of the state. The term “eligible project”, without limitation, includes voluntary remediation conducted pursuant to sections 260.565 to 260.575, RSMo. To be an “eligible project” pursuant to sections 447.700 to 447.718, the obligations of the prospective applicant and the governmental agency shall be defined in a written agreement signed by both parties. The facility, when completed, shall be operated in compliance with applicable federal, state and local environmental statutes, regulations and ordinances. An “eligible project” shall be determined by consideration of the entire project. The definition or identification of an “eligible project” shall not be segmented into separate commercial and industrial uses from residential uses. Any property immediately adjacent to any abandoned or underutilized property may also be an “eligible project” pursuant to sections 447.700 to 447.718, provided that the abandoned or underutilized property otherwise meets the qualifications of this subdivision;

(5) “Financial assistance”, direct loans, loan guarantees, and grants pursuant to sections 447.702 to 447.706; and tax credits, inducements and abatements pursuant to section 447.708;

(6) “Governmental action”, any action by a state, county or municipal agency relating to the establishment, development or operation of an eligible project and project facilities that the governmental agency has authority to take or provide for the purpose under law, charter or ordinance, including but not limited to, actions relating to contracts and agreements, zoning, building, permits, acquisition and disposition of property, public capital improvements, utility and transportation service, taxation, employee recruitment and training, and liaison and coordination with and among governmental agencies;

(7) “Governmental agency”, the state, county and municipality and any department, division, commission, agency, institution or authority, including a municipal corporation, township, and any agency thereof and any other political subdivision or public corporation; the United States or any agency thereof; any agency, commission or authority established pursuant to an interstate compact or agreement and any combination of the above;

(8) “Person”, any individual, firm, partnership, association, limited liability company, corporation or governmental agency, and any combination thereof;

(9) “Project facilities”, buildings, structures and other improvements and equipment and other property or fixtures, excluding small tools, supplies and inventory, and public capital improvements;

(10) “Public capital improvements”, capital improvements or facilities owned by a governmental agency and which such agency has authority to acquire, pay the costs of; maintain, relocate or operate, or to contract with other persons to have the same done, including but not limited to, highways, roads, streets, electrical, gas, water and sewer facilities, railroad and other transportation facilities, and air and water pollution control and solid waste disposal facilities;

(11) “Underutilized”, real property of which less than thirty-five percent of the commercially usable space of the property and improvements thereon, are used for their most commercially profitable and economically productive use; or property that was used by the state of Missouri as a
correctional center for a period of at least one hundred years and which requires environmental remediation before redevelopment can occur, if
approval from the general assembly has been given for any improvements to, or remediation, lease or sale of, said property;

(12) “Voluntary remediation”, an action to remediate hazardous substances and hazardous waste pursuant to sections 260.565 to 260.575, RSMo.


447.701. Eligible projects, director’s duties—owner to repay, when.

1. The director of the department of economic development may consider the direct and indirect economic benefits projected to be provided by
the eligible project. An applicant for funding or tax credit and exemption assistance pursuant to sections 447.702 to 447.708 may prepare and
submit an estimate of the direct and indirect economic benefits in accordance with this section. The department of economic development may
accept the applicant’s projection of the economic benefit of the eligible project. The total amount of state funding, tax credits or tax exemptions
for each eligible project shall be limited to the projected state economic benefit, as determined by the department of economic development.

2. In the event the owner sells the abandoned or underutilized property within a five-year period after the receipt of remediation tax credits,
grants, loans or loan guarantee, subject to sections 447.700 to 447.718, the owner shall repay a portion of the tax credits and grant funds provided
based on the percentage of the owner’s investment for the project to the department of economic development’s total financial assistance, upon
achieving an annual internal rate of return of twenty-five percent. The internal rate of return calculation shall be documented by the owner’s
capital gains tax calculation. Owner investment is equity and debt for the eligible project.

(L. 1998 S.B. 827)

447.702. Department loans to eligible projects, guidelines, conditions.

1. The director of economic development, with the approval of the director of the department of natural resources, subject to the other provisions
of sections 447.700 to 447.718, may lend moneys in the property reuse fund to persons for the purpose of paying allowable costs of an eligible
project if the director determines that:

(1) The project is an eligible project and is economically sound; except that, the costs of remediation may exceed the fair market value of the
property prior to redevelopment;

(2) The borrower is unable to finance necessary allowable costs through ordinary financial channels, and that the loan is the least amount
necessary to cause the project to occur;

(3) The amount to be lent from the property reuse fund will not exceed one million dollars of the total allowable costs of the eligible project;

(4) When completed, the eligible project is projected to create not less than ten new jobs, or shall retain a business which supplies not less than
twenty-five existing jobs, or a combination thereof, providing not less than an average of thirty-five hours of employment per week per job. Such
projection shall be made by the department of economic development;

(5) The eligible project could not be achieved in the local area in which it is to be located if the portion of the project to be financed by the loan
instead were to be financed by a loan guarantee pursuant to section 447.704; and

(6) The amount of the loan from the property reuse fund to be repaid will be adequately secured by a mortgage, lien, assignment or pledge at such
amount and level of priority as the director may require.

2. The determinations of the director of economic development pursuant to subsection 1 of this section shall be conclusive for purposes of the
validity of a loan commitment evidenced by a loan agreement signed by the director.

3. Fees, charges, rates of interest, times of payment of interest and principal and other terms, conditions and provisions of, and security for, loans
made from the property reuse fund pursuant to this section shall be such as the director of economic development determines to be appropriate
and in furtherance of the purpose for which the loans are made. The moneys used in making such loans shall be disbursed from the property reuse
fund upon the written order of the director. The director shall give special consideration in setting the required job creation ratios and interest
rates for loans that are for voluntary remediation actions.

4. The director of economic development may take all actions necessary or appropriate to collect or otherwise deal with any loan made under this
section.

5. The director of economic development may fix service charges for the* making of a loan. Such charges shall be payable at such times and
place and in such amounts and manner as may be prescribed by the director.


*Word “the” does not appear in original rolls.
447.704. Loan guarantees, guidelines, conditions--private lender immune from liability, when.

1. The director of economic development, with the approval of the director of the department of natural resources, subject to other applicable provisions of sections 447.700 to 447.718, may guarantee loans issued by private financial institutions to persons for the purpose of paying the allowable costs of an eligible project if:

   (1) The project otherwise qualifies as an eligible project and is economically sound, except that the costs of remediation may exceed the fair market value of the property prior to redevelopment;

   (2) The private lender is unwilling to make the loan without the guarantee, and that the guarantee is the minimum necessary to cause the loan;

   (3) The amount to be guaranteed will not exceed one million dollars of the total allowable costs of the eligible project;

   (4) The loan will be adequately secured by a mortgage, lien, assignment or pledge, at such a level of priority as is acceptable to the lender and the director of economic development; and

   (5) When completed, the eligible project is projected to create not less than ten new jobs, or shall retain a business which supplies not less than twenty-five existing jobs, or a combination thereof, providing not less than an average of thirty-five hours of employment per week per job. Such projection shall be made by the department of economic development.

2. The determinations of the director of economic development pursuant to subsection 1 of this section shall be conclusive for purposes of the validity of a guarantee agreement signed by the director.

3. Fees, charges, rates of interest, times of payment of interest and principal and other terms, conditions and provisions of, and security for, loans guaranteed from the property reuse fund pursuant to this section shall be such as the director of economic development determines to be appropriate and in furtherance of the purpose for which the guarantees are made. The director shall give special consideration in setting the required job creation ratios and project locations for loan guarantees that are for voluntary remediation actions. Interest rates on such guaranteed loans shall not exceed three percentage points above the prime interest rate and the director may require a lower rate be used as is appropriate based upon the financial merits of the application and financial statement of the borrower. Nor may the term of the underlying loan exceed twenty years.

4. The director of economic development may take all actions necessary or appropriate to collect on loan defaults and deficiencies or otherwise deal with the borrower for any loan guarantee made pursuant to this section. The director of economic development shall enact appropriate regulations establishing guidelines for the property reuse fund guarantee program, including guidelines regarding the manner and timing of payouts of guarantee moneys, the order and manner in which security, other than the underlying abandoned or underutilized property, provided by the borrower will be valued, and in the event of default or breach of this program, applied to the reduction of the borrower’s debt prior to payment of guarantee moneys to the private lender.

5. The director of economic development may fix service charges for making of a loan guarantee. Such charges shall be payable at such times and place and in such amounts and manner as may be prescribed by the director.

6. The private lender shall be immune from any liability arising out of the performance of the project, including potential liability from the incomplete or unsuccessful remediation of the facility; its lender status by which it holds indicia of ownership primarily to protect its security interest; and any potential liability arising out of or under the environmental laws of this state pursuant to the protections of sections 427.011 to 427.041, RSMo. Upon written request from a private lender who has foreclosed upon the property of an eligible project and has held the abandoned or underutilized property for a period of at least two years, or longer, the director of the department of economic development shall use the guarantee moneys from the property reuse fund to repay the lender the unpaid amount of the defaulted loan. Such written request by the private lender shall describe the efforts made to sell the property and, to the extent known, the reasons the property is unable to be sold to a new buyer.


447.706. Grants, guidelines, conditions.

1. The director of economic development, with the approval of the director of the department of natural resources, subject to other applicable provisions of sections 447.700 to 447.718, may issue a grant to a governmental* agency for the purpose of paying the allowable costs of public capital improvements needed to cause an eligible project if:

   (1) The project otherwise qualifies as an eligible project and is economically sound;

   (2) The project proposed is a cooperative venture between a municipal or county government and a prospective private purchaser of the facility;

   (3) The prospective purchaser is unable to finance the entire cost of the project through ordinary financial channels upon comparable terms and, further, a lender is unwilling to make the loan even with a loan guarantee pursuant to section 447.704. When completed, the eligible project is projected to create not less than ten new jobs, or shall retain a business which supplies not less than twenty-five existing jobs, or a combination thereof, providing not less than an average of thirty-five hours of employment per week per job. Such projection shall be made by the department of economic development; and

As of August 28, 2005
(4) The amount to be issued in a grant shall not exceed one million dollars.

2. The determinations of the director of economic development pursuant to subsection 1 of this section shall be conclusive for purposes of the validity of a grant agreement signed by the director.

3. Grants from the property reuse fund pursuant to this subsection shall be such as the director of economic development determines to be appropriate and in furtherance of the purpose for which the grants are made. The moneys used in making such grants shall be disbursed from the property reuse fund upon written order of the director of economic development. The director shall give special consideration in setting the required job creation ratios and project locations for project grants that are for voluntary remediation actions.

4. The director of economic development shall issue such grants to a governmental agency to administer and direct the expenditure of the funds for public capital improvements. Such grant money shall not be used to hire or pay additional employees of the recipient governmental agency.

5. The director of economic development may fix service charges for the making of a property reuse grant. Such charges shall be payable at such times and place and in such amounts and manner as may be prescribed by the director.


*Word “government” appears in original rolls.

**Word “the” does not appear in original rolls.

447.708. Tax credits, criteria, conditions—definitions.

1. For eligible projects, the director of the department of economic development, with notice to the directors of the departments of natural resources and revenue, and subject to the other provisions of sections 447.700 to 447.718, may not create a new enterprise zone but may decide that a prospective operator of a facility being remedied and renovated pursuant to sections 447.700 to 447.718 may receive the tax credits and exemptions pursuant to sections 135.100 to 135.150, RSMo, and sections 135.200 to 135.257, RSMo. The tax credits allowed pursuant to this subsection shall be used to offset the tax imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax otherwise imposed by chapter 147, RSMo, or the tax otherwise imposed by chapter 148, RSMo. For purposes of this subsection:

(1) For receipt of the ad valorem tax abatement pursuant to section 135.215, RSMo, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs. The city, or county if the eligible project is not located in a city, must provide ad valorem tax abatement of at least fifty percent for a period not less than ten years and not more than twenty-five years;

(2) For receipt of the income tax exemption pursuant to section 135.220, RSMo, and tax credit for new or expanded business facilities pursuant to sections 135.100 to 135.150, and 135.225, RSMo, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof. For purposes of sections 447.700 to 447.718, the tax credits described in section 135.225, RSMo, are modified as follows: the tax credit shall be four hundred dollars per employee per year, an additional four hundred dollars per year for each employee exceeding the minimum employment thresholds of ten and twenty-five jobs for new and existing businesses, respectively, an additional four hundred dollars per year for each person who is “a person difficult to employ” as defined by section 135.240, RSMo, and investment tax credits at the same amounts and levels as provided in subdivision (4) of subsection 1 of section 135.225, RSMo;

(3) For eligibility to receive the income tax refund pursuant to section 135.245, RSMo, the eligible project must create at least ten new jobs or retain businesses which supply at least twenty-five existing jobs, or combination thereof, and otherwise comply with the provisions of section 135.245, RSMo, for application and use of the refund and the eligibility requirements of this section;

(4) The eligible project operates in compliance with applicable environmental laws and regulations, including permitting and registration requirements, of this state as well as the federal and local requirements;

(5) The eligible project operator shall file such reports as may be required by the director of economic development or the director’s designee;

(6) The taxpayer may claim the state tax credits authorized by this subsection and the state income exemption for a period not in excess of ten consecutive tax years. For the purpose of this section, “taxpayer” means an individual proprietorship, partnership or corporation described in section 143.441 or 143.471, RSMo, who operates an eligible project. The director shall determine the number of years the taxpayer may claim the state tax credits and the state income exemption based on the projected net state economic benefits attributed to the eligible project;

(7) For the purpose of meeting the new job requirement prescribed in subdivisions (1), (2) and (3) of this subsection, it shall be required that at least ten new jobs be created and maintained during the taxpayer’s tax period for which the credits are earned, in the case of an eligible project that does not replace a similar facility in Missouri. “New job” means a person who was not previously employed by the taxpayer or related taxpayer within the twelve-month period immediately preceding the time the person was employed by that taxpayer to work at, or in connection with, the eligible project on a full-time basis. “Full-time basis” means the employee works an average of at least thirty-five hours per week during the taxpayer’s tax period for which the tax credits are earned. For the purposes of this section, “related taxpayer” has the same meaning as defined in subdivision (9) of section 135.100, RSMo;

(8) For the purpose of meeting the existing job retention requirement, if the eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer’s tax period in which the tax credits are earned, it shall be required that at least twenty-five existing jobs be retained at, and in connection with the eligible project, on a full-time basis during the taxpayer’s tax period for which the credits are earned.
“Retained job” means a person who was previously employed by the taxpayer or related taxpayer, at a facility similar to the eligible project that closed elsewhere in Missouri prior to the end of the taxpayer’s tax period in which the tax credits are earned, within the tax period immediately preceding the time the person was employed by the taxpayer to work at, or in connection with, the eligible project on a full-time basis. “Full-time basis” means the employee works an average of at least thirty-five hours per week during the taxpayer’s tax period for which the tax credits are earned;

(9) In the case where an eligible project replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer’s tax period in which the tax credits are earned, the owner and operator of the eligible project shall provide the director with a written statement explaining the reason for discontinuing operations at the closed facility. The statement shall include a comparison of the activities performed at the closed facility prior to the date the facility ceased operating, to the activities performed at the eligible project, and a detailed account describing the need and rationale for relocating to the eligible project. If the director finds the relocation to the eligible project significantly impaired the economic stability of the area in which the closed facility was located, and that such move was detrimental to the overall economic development efforts of the state, the director may deny the taxpayer’s request to claim tax benefits;

(10) Notwithstanding any provision of law to the contrary, for the purpose of this section, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment used at the eligible project during any tax year shall be determined by dividing by twelve, in the case of jobs, the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month of the tax year. If the eligible project is in operation for less than the entire tax year, the number of new jobs created and maintained, the number of existing jobs retained, and the value of new qualified investment created at the eligible project during any tax year shall be determined by dividing the sum of the number of individuals employed at the eligible project, or in the case of new qualified investment, the value of new qualified investment used at the eligible project, on the last business day of each full calendar month during the portion of the tax year during which the eligible project was in operation, by the number of full calendar months during such period;

(11) For the purpose of this section, “new qualified investment” means new business facility investment as defined and as determined in subdivision (7) of section 135.100, RSMo, which is used at and in connection with the eligible project. “New qualified investment” shall not include small tools, supplies and inventory. “Small tools” means tools that are portable and can be hand held.

2. The determination of the director of economic development pursuant to subsection 1 of this section, shall not affect requirements for the prospective purchaser to obtain the approval of the granting of real property tax abatement by the municipal or county government where the eligible project is located.

3. (1) The director of the department of economic development, with the approval of the director of the department of natural resources, may, in addition to the tax credits allowed in subsection 1 of this section, grant a remediation tax credit to the applicant for up to one hundred percent of the costs of materials, supplies, equipment, labor, professional engineering, consulting and architectural fees, permitting fees and expenses, demolition, asbestos abatement, and direct utility charges for performing the voluntary remediation activities for the preexisting hazardous substance contamination and releases, including, but not limited to, the costs of performing operation and maintenance of the remediation equipment at the property beyond the year in which the systems and equipment are built and installed at the eligible project and the costs of performing the voluntary remediation activities over a period of not more than five years following the taxpayer’s tax year in which the remediation and demolition activities were first put into use at the eligible project, provided the remediation activities are the subject of a plan submitted to, and approved by, the director of natural resources pursuant to sections 260.565 to 260.575, RSMo.

(2) The director of the department of economic development, with the approval of the director of the department of natural resources, may, in addition to the tax credits otherwise allowed in this section, grant a demolition tax credit to the applicant for up to one hundred percent of the costs of demolition that are not part of the voluntary remediation activities, provided that the demolition is either on the property where the voluntary remediation activities are occurring or on any adjacent property, and that the demolition is part of a redevelopment plan approved by the municipal or county government and the department of economic development.

(3) The amount of remediation and demolition tax credits issued shall be limited to the least amount necessary to cause the project to occur, as determined by the director of the department of economic development.

(4) The director may, with the approval of the director of natural resources, extend the tax credits allowed for performing voluntary remediation maintenance activities, in increments of three-year periods, not to exceed five consecutive three-year periods. The tax credits allowed in this subsection shall be used to offset the tax imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, or the tax otherwise imposed by chapter 147, RSMo, or the tax otherwise imposed by chapter 148, RSMo. The remediation and demolition tax credit may be taken in the same tax year in which the tax credits are received or may be taken over a period not to exceed twenty years.

(5) The project facility shall be projected to create at least ten new jobs or at least twenty-five retained jobs, or a combination thereof, as determined by the department of economic development, to be eligible for tax credits pursuant to this section.

(6) No more than seventy-five percent of earned remediation tax credits may be issued when the remediation costs were paid, and the remaining percentage may be issued when the department of natural resources issues a “Letter of Completion” letter or covenant not to sue following completion of the voluntary remediation activities. It shall not include any costs associated with ongoing operational environmental compliance of the facility or remediation costs arising out of spills, leaks, or other releases arising out of the ongoing business operations of the facility.

4. In the exercise of the sound discretion of the director of the department of economic development or the director’s designee, the tax credits and exemptions described in this section may be terminated, suspended or revoked, if the eligible project fails to continue to meet the conditions set forth in this section. In making such a determination, the director shall consider the severity of the condition violation, actions taken to correct the violation, the frequency of any condition violations and whether the actions exhibit a pattern of conduct by the eligible facility owner and
operator. The director shall also consider changes in general economic conditions and the recommendation of the director of the department of natural resources, or his or her designee, concerning the severity, scope, nature, frequency and extent of any violations of the environmental compliance conditions. The taxpayer or person claiming the tax credits or exemptions may appeal the decision regarding termination, suspension or revocation of any tax credit or exemption in accordance with the procedures outlined in subsections 4 to 6 of section 135.250, RSMo. The director of the department of economic development shall notify the directors of the departments of natural resources and revenue of the termination, suspension or revocation of any tax credits as determined in this section or pursuant to the provisions of section 447.716.

5. Notwithstanding any provision of law to the contrary, no taxpayer shall earn the tax credits, exemptions or refund otherwise allowed in subdivisions (2), (3) and (4) of subsection 1 of this section and the tax credits otherwise allowed in section 135.110, RSMo, or the tax credits, exemptions and refund otherwise allowed in sections 135.215, 135.220, 135.225 and 135.245, RSMo, respectively, for the same facility for the same tax period.

6. The total amount of the tax credits allowed in subsection 1 of this section may not exceed the greater of:

(1) That portion of the taxpayer’s income attributed to the eligible project; or

(2) One hundred percent of the total business’ income tax if the eligible facility does not replace a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer’s tax period in which the tax credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; fifty percent of the total business’ income tax if the eligible facility replaces a similar facility that closed elsewhere in Missouri prior to the end of the taxpayer’s tax period in which the credits are earned, and further provided the taxpayer does not operate any other facilities besides the eligible project in Missouri; or twenty-five percent of the total business income if the taxpayer operates, in addition to the eligible facility, any other facilities in Missouri. In no case shall a taxpayer operating more than one eligible project in Missouri be allowed to offset more than twenty-five percent of the taxpayer’s business income in any tax period. That portion of the taxpayer’s income attributed to the eligible project for which the credits are earned, may apply, shall be determined in the same manner as prescribed in subdivision (6) of section 135.100, RSMo. That portion of the taxpayer’s franchise tax attributed to the eligible project for which the remediation tax credit may offset, shall be determined in the same manner as prescribed in paragraph (a) of subdivision (6) of section 135.100, RSMo.

7. Taxpayers claiming the state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer’s tax period immediately after the tax period in which the eligible project was first put into use. Otherwise, the taxpayer’s right to claim such state tax benefits shall be forfeited. Unused business facility and enterprise zone tax credits shall not be carried forward but shall be initially claimed for the tax period during which the eligible project was first capable of being used, and during any applicable subsequent tax periods.

8. Taxpayers claiming the remediation tax credit allowed in subsection 3 of this section shall be required to file all applicable tax credit applications, forms and schedules prescribed by the director during the taxpayer’s tax period immediately after the tax period in which the eligible project was first put into use, or during the taxpayer’s tax period immediately after the tax period in which the voluntary remediation activities were performed.

9. The recipient of remediation tax credits, for the purpose of this subsection referred to as assignor, may assign, sell or transfer, in whole or in part, the remediation tax credit allowed in subsection 3 of this section, to any other person, for the purpose of this subsection referred to as assignee. To perfect the transfer, the assignor shall provide written notice to the director of the assignor’s intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee’s name, address, and the assignee’s tax period and the amount of tax credits to be transferred. The number of tax periods during which the assignee may subsequently claim the tax credits shall not exceed twenty tax periods, less the number of tax periods the assignor previously claimed the credits before the transfer occurred.

10. In the case where an operator and assignor of an eligible project has been certified to claim state tax benefits allowed in subdivisions (2) and (3) of subsection 1 of this section, and sells or otherwise transfers title of the eligible project to another taxpayer or assignee who continues the same or substantially similar operations at the eligible project, the director shall allow the assignee to claim the credits for a period of time to be determined by the director; except that, the total number of tax periods the tax credits may be earned by the assignor and the assignee shall not exceed ten. To perfect the transfer, the assignor shall provide written notice to the director of the assignor’s intent to transfer the tax credits to the assignee, the date the transfer is effective, the assignee’s name, address, and the assignee’s tax period, and the amount of tax credits to be transferred.

11. For the purpose of the state tax benefits described in this section, in the case of a corporation described in section 143.471, RSMo, or partnership, in computing Missouri’s tax liability, such state benefits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471, RSMo;

(2) The partners of the partnership.

The credit provided in this subsection shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer’s tax period.


CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

As of August 28, 2005
447.710. Property reuse revolving fund—lapse into general revenue prohibited—investment of fund.

1. There is hereby created in the state treasury a fund to be known as the “Property Reuse Revolving Fund”. The property reuse fund is intended to provide ten million dollars annually in uncommitted funds for direct loans, loan guarantees and grants. The revolving fund shall consist of all moneys which may be appropriated to it by the general assembly any gifts, contributions, grants or bequests received from federal, private or other sources, and moneys from the repayment of any loans or loan guarantees. Notwithstanding the provisions of section 33.080, RSMo, no portion of the revolving fund shall be transferred to the general revenue fund at the end of any biennium.

2. At least annually, the state treasurer shall certify the amount deposited in the fund to the departments of economic development, natural resources and revenue.

3. Any portion of the property reuse revolving fund not immediately needed for the purposes authorized shall be invested by the state treasurer as provided by the constitution and laws of this state. All income from such investments shall be credited to the property reuse revolving fund.


Effective 12-23-97

447.712. Tort immunity.

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

   (1) “Harm”, injury, damage, restitution, death or loss to persons or property, including equitable damages or injunctive relief, caused by or arising out of exposure to a hazardous substance or petroleum at the location of the eligible project, but shall not include harms arising from other causes even if the harm occurs on the remediation site;

   (2) “Tort action”, a civil action for harm, as defined in this subsection, including an action for recovery for costs of conducting a voluntary remediation as part of a qualified eligible project, but does not include a civil action for damages for a breach of contract or another agreement between a government agency and one or more persons, or for breach of an express warranty contained in such agreement.

2. A government agency, as that term is used in sections 447.700 to 447.718, and any officer or employee thereof and the prospective purchaser are immune from liability and are not liable in a tort action resulting from, or arising out of, performance of an eligible project, including harm inflicted in the performance of any voluntary remediation associated with the eligible project. This immunity shall extend to acts, and failures to act, of the governmental agency and its officers and employees which are required by law or authorized by law as necessary or essential to the exercise of the powers and duties described in sections 447.700 to 447.718. This immunity shall also include the actions or failures to act which were within the discretion of an officer or employee of the government agency with respect to policy-making, planning, implementation or enforcement responsibilities under sections 447.700 to 447.718. This immunity of the government agency and its employees and the prospective purchaser shall also include any actions and failures to act by the project contractors, subcontractors, suppliers or materialmen as it may apply to performance of the voluntary remediation. The tort immunity described in this subsection shall cease upon issuance by the department of natural resources of written approval of the completed voluntary remediation.

3. The immunity described in subsection 2 of this section shall not apply to acts or failures to act of a government agency or its officers and employees which were:

   (1) Manifestly outside the scope of employment, duties or responsibilities; or

   (2) Committed maliciously, in bad faith, or in a wanton and reckless manner.

4. No state, county or municipal government or any agency, officer or employee thereof shall be liable in tort or under the state’s environmental laws for the ownership of real or personal property acquired by foreclosure upon or acceptance of a deed in lieu of foreclosure pursuant to a defaulted loan issued under section 447.702 or repurchase and reversion of the property to the original governmental agency owner under subsection 6 of section 447.704, provided the agency did not directly cause or contribute to the cause of the new contamination. Such state, county or municipal governments or agencies thereof shall receive the creditor protections afforded financial institutions under sections 427.011 to 427.041, RSMo.

(L. 1995 H.B. 414)

447.714. Hazardous substances on property, duties of purchaser—department of natural resources, duties.

1. For any eligible project, the purchaser of the abandoned property shall be released from further liability to the extent described in subsection 2 of this section based upon the voluntary remediation work actually performed and consistent with the level of risk to human health and the environment remaining after performance of the voluntary remediation activities to remedy the existence of hazardous substances on the property, the release of which occurred prior to the date of acquisition.

2. For any eligible project, the department of natural resources shall:
(1) Issue a letter requiring no further action from a purchaser who has performed a Phase I and Phase II environmental site assessments, as defined at 10 C.S.R. 25-15.010 (2)(A)(7) and 8, which demonstrate that no remedial action is necessary to protect the public health and welfare and the environment;

(2) Issue a letter requiring no further action from a purchaser who has performed voluntary remediation action, as part of an eligible project, pursuant to the requirements of sections 260.565 to 260.575, RSMo, the purchaser certifies to the department of natural resources that the goals of the purchaser’s voluntary remediation plan have been attained, attainment of the remediation plan goals is verified by the department and, when completed, the voluntary remediation does not treat all hazardous substances present to levels below regulatory action levels due to use of alternative clean-up goals, risk reduction solutions, institutional controls, including, but not limited to, use restrictions contained in the deed or other alternative actions. The department of natural resources shall not issue a no further action letter unless the voluntary remediation activities significantly restore, in whole or in part, the environment so as to minimize the harmful effects from a release of a hazardous substance to acceptable risk levels;

(3) Provide a covenant not to sue to a purchaser who has performed voluntary remediation action, as part of an eligible project, pursuant to the requirements of sections 260.565 to 260.575, RSMo, the purchaser certifies to the department of natural resources that the remediation goals have been attained, attainment of the remediation goals is verified by the department and, when completed, the voluntary remediation has treated all hazardous substances of concern to levels below then existing regulatory action levels; or

(4) To receive a covenant not to sue from the department of natural resources, the corrective action plan must be submitted for public comment and a public hearing must be held by the department after not less than thirty days’ notice to determine the effectiveness of the remedy for the intended use of the eligible project. The public hearing shall be held in a community where the eligible project is located.

3. Upon successful completion of a voluntary remediation action, as part of an eligible project, the purchaser shall be immune from liability in a civil action brought by any third party to recover clean-up costs, response costs or other legal or equitable damages, including costs of restitution. Such immunity shall not apply to the failure to remediate hazardous substances in accordance with the voluntary remediation action site plan, statutes and regulations or the failure to operate the facility in compliance with applicable federal, state and local environmental statutes, regulations and ordinances.

4. The department of natural resources shall not release the purchaser for liability arising from, or associated with:

(1) Conditions not identified or addressed in the voluntary remediation action work;

(2) Contamination or violations caused or contributed to by the purchaser after acquiring the abandoned property; except that, this shall not include contamination existing prior to acquisition of the abandoned property or releases of those prior existing contaminants occurring in the course of performing the voluntary remediation activities; and

(3) Unknown hazardous substance contamination or conditions at the time of performance of the eligible project, including the voluntary remediation activities.

(L. 1995 H.B. 414)

447.716. Failure of purchaser to perform, sanctions.

1. Any person who agrees to purchase abandoned property as part of a qualified project and subsequently breaches the agreement or fails to use the property reuse fund moneys for allowable costs may be responsible for immediate repayment of the moneys with interest to the property reuse fund together with a ten percent penalty on the total amount granted or loaned. The director of the department of economic development, or the director’s designee, shall take such action as the director deems appropriate to effect and secure repayment of the moneys, together with the interest and penalties due, to the property reuse fund. Nor may such person be eligible to receive the tax exemptions and credits described in section 447.708 and the liability releases and immunity described in section 447.714.

2. Any person who agrees to purchase abandoned property as part of a qualified project and subsequently fails to properly perform its voluntary remediation activities to the satisfaction and approval of the department of natural resources, may be responsible for immediate repayment of the moneys with interest to the property reuse fund together with a ten percent penalty on the total amount granted or loaned. Nor may such person be eligible to receive the tax exemptions and credits described in section 447.708 and the liability releases and immunity described in section 447.714.

3. Any person who obtained private financing for a qualified project and a loan guarantee pursuant to section 447.704 and violates any provision of sections 447.700 to 447.718 as described in subsection 1 or 2 of this section:

(1) May have the guarantee withdrawn by the department of economic development to the extent the amount of the guarantee exceeds the outstanding balance of principal and accrued interest under the private financing at the time of withdrawal;

(2) Shall not be eligible to receive the tax exemptions and credits described in section 447.708; and

(3) Shall not receive the liability releases and immunities described in section 447.714.

4. In the event of bankruptcy, insolvency, merger, acquisition or other valid change of business conditions of the purchaser or prospective purchaser which makes completion of the eligible project economically unsound or infeasible, the purchaser or prospective purchaser may elect to terminate their obligations for the eligible project upon ninety days’ written notice to the affected governmental agency and the department of
economic development. The director of the department of economic development may require repayment of the loan balance together with the interest which would have been received over the remaining term of the loan. Such purchaser or prospective purchaser may not receive the tax credits and abatements of section 447.708. In the discretion of the director of the department of natural resources, the purchaser or prospective purchaser may receive a release under section 447.714, as warranted by the voluntary remediation work actually performed.

5. The director of the department of economic development, with the approval of the director of the department of natural resources, shall determine which of the sanctions described in this section shall be imposed, taking into consideration the severity and materiality of the breach or violation, and the promptness with which the breach or violation is remedied. The director of the department of economic development shall consult with the officer or other designee of the state, county or municipal government, or agency thereof, affected by the eligible project regarding the circumstances of the breach or violation.

(L. 1995 H.B. 414)

447.718. Rulemaking authority, procedure.

1. The department of economic development may promulgate rules and regulations necessary to administer the provisions of sections 447.700 to 447.718.

2. No rule or portion of a rule promulgated under the authority of sections 447.700 to 447.718 shall become effective until it has been approved by the joint committee on administrative rules in accordance with the procedures provided in this section, and the delegation of the legislative authority to enact law by the adoption of such rules is dependent upon the power of the joint committee on administrative rules to review and suspend rules pending ratification by the senate and the house of representatives as provided in this section.

3. Upon filing any proposed rule with the secretary of state, the department shall concurrently submit such proposed rule to the committee, which may hold hearings upon any proposed rule or portion thereof at any time.

4. A final order of rulemaking shall not be filed with the secretary of state until thirty days after such final order of rulemaking has been received by the committee. The committee may hold one or more hearings upon such final order of rulemaking during the thirty-day period. If the committee does not disapprove such order of rulemaking within the thirty-day period, the department may file such order of rulemaking with the secretary of state and the order of rulemaking shall be deemed approved.

5. The committee may, by majority vote of the members, suspend the order of rulemaking or portion thereof by action taken prior to the filing of the final order of rulemaking only for one or more of the following grounds:

(1) An absence of statutory authority for the proposed rule;

(2) An emergency relating to public health, safety or welfare;

(3) The proposed rule is in conflict with state law;

(4) A substantial change in circumstance since enactment of the law upon which the proposed rule is based.

6. If the committee disapproves any rule or portion thereof, the department shall not file such disapproved portion of any rule with the secretary of state and the secretary of state shall not publish in the Missouri Register any final order of rulemaking containing the disapproved portion.

7. If the committee disapproves any rule or portion thereof, the committee shall report its findings to the senate and the house of representatives. No rule or portion thereof disapproved by the committee shall take effect so long as the senate and the house of representatives ratify the act of the joint committee by resolution adopted in each house within thirty legislative days after such rule or portion thereof has been disapproved by the joint committee.

8. Upon adoption of a rule as provided in this section, any such rule or portion thereof may be suspended or revoked by the general assembly either by bill or, pursuant to section 8, article IV of the Constitution of Missouri, by concurrent resolution upon recommendation of the joint committee on administrative rules. The committee shall be authorized to hold hearings and make recommendations pursuant to the provisions of section 536.037, RSMo. The secretary of state shall publish in the Missouri Register, as soon as practicable, notice of the suspension or revocation.

(L. 1995 H.B. 414)
COMMUNITY IMPROVEMENT DISTRICTS (CID)

[§§ 67.1401 - 67.1475 RSMo]


1. Sections 67.1401 to 67.1571 shall be known and may be cited as the “Community Improvement District Act”.

2. For the purposes of sections 67.1401 to 67.1571, the following words and terms mean:

   (1) “Approval” or “approve”, for purposes of elections pursuant to sections 67.1401 to 67.1571, a simple majority of those qualified voters voting in the election;

   (2) “Assessed value”, the assessed value of real property as reflected on the tax records of the county clerk of the county in which the property is located, or the collector of revenue if the property is located in a city not within a county, as of the last completed assessment;

   (3) “Blighted area”, an area which:

      (a) By reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use; or

      (b) Has been declared blighted or found to be a blighted area pursuant to Missouri law including, but not limited to, chapter 353, RSMo, sections 99.800 to 99.865, RSMo, or sections 99.300 to 99.715, RSMo;

   (4) “Board”, if the district is a political subdivision, the board of directors of the district, or if the district is a not-for-profit corporation, the board of directors of such corporation;

   (5) “Director of revenue”, the director of the department of revenue of the state of Missouri;

   (6) “District”, a community improvement district, established pursuant to sections 67.1401 to 67.1571;

   (7) “Election authority”, the election authority having jurisdiction over the area in which the boundaries of the district are located pursuant to chapter 115, RSMo;

   (8) “Municipal clerk”, the clerk of the municipality;

   (9) “Municipality”, any city, village, incorporated town, or county of this state, or in any unincorporated area that is located in any county with a charter form of government and with more than one million inhabitants;

   (10) “Obligations”, bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a district to carry out any of its powers, duties or purposes or to refund outstanding obligations;

   (11) “Owner”, for real property, the individual or individuals or entity or entities who own a fee interest in real property that is located within the district or their legally authorized representative; for business organizations and other entities, the owner shall be deemed to be the individual which is legally authorized to represent the entity in regard to the district;

   (12) “Per capita”, one head count applied to each individual, entity or group of individuals or entities having fee ownership of real property within the district whether such individual, entity or group owns one or more parcels of real property in the district as joint tenants, tenants in common, tenants by the entirety or tenants in partnership;

   (13) “Petition”, a petition to establish a district as it may be amended in accordance with the requirements of section 67.1421;

   (14) “Qualified voters”,

      (a) For purposes of elections for approval of real property taxes:

         a. Registered voters; or

         b. If no registered voters reside in the district, the owners of one or more parcels of real property which is to be subject to such real property taxes and is located within the district per the tax records for real property of the county clerk, or the collector of revenue if the district is located in a city not within a county, as of the thirtieth day prior to the date of the applicable election;

      (b) For purposes of elections for approval of business license taxes or sales taxes:

         a. Registered voters; or

         b. If no registered voters reside in the district, the owners of one or more parcels of real property located within the district per the tax records for real property of the county clerk as of the thirtieth day before the date of the applicable election; and
As of August 28, 2005

(c) For purposes of the election of directors of the board, registered voters and owners of real property which is not exempt from assessment or levy of taxes by the district and which is located within the district per the tax records for real property of the county clerk, or the collector of revenue if the district is located in a city not within a county, of the thirtieth day prior to the date of the applicable election; and

(15) “Registered voters”, persons who reside within the district and who are qualified and registered to vote pursuant to chapter 115, RSMo, pursuant to the records of the election authority as of the thirtieth day prior to the date of the applicable election.


67.1411. Districts, how established.

1. The governing body of any municipality or county may establish one or more districts in the manner provided in sections 67.1401 to 67.1571.

2. The boundaries of the district shall be contiguous.

3. Each district shall be either a political subdivision of the state or a not-for-profit corporation organized pursuant to chapter 355, RSMo.

4. If a proposed district is a not-for-profit corporation, such corporation shall be organized and in good standing pursuant to the provisions of chapter 355, RSMo, at the time the petition for the proposed district is filed with the municipal clerk.

5. The name of the district shall include “community improvement district” and if it is a not for profit corporation, it shall be the same as the name of the not-for-profit corporation.

(L. 1998 H.B. 1636 § 2)


1. Upon receipt of a proper petition filed with its municipal clerk, the governing body of the municipality in which the proposed district is located shall hold a public hearing in accordance with section 67.1431 and may adopt an ordinance to establish the proposed district.

2. A petition is proper if, based on the tax records of the county clerk, or the collector of revenue if the district is located in a city not within a county, as of the time of filing the petition with the municipal clerk, it meets the following requirements:

   (1) It has been signed by property owners collectively owning more than fifty percent by assessed value of the real property within the boundaries of the proposed district;

   (2) It has been signed by more than fifty percent per capita of all owners of real property within the boundaries of the proposed district; and

   (3) It contains the following information:

      (a) The legal description of the proposed district, including a map illustrating the district boundaries;

      (b) The name of the proposed district;

      (c) A notice that the signatures of the signers may not be withdrawn later than seven days after the petition is filed with the municipal clerk;

      (d) A five-year plan stating a description of the purposes of the proposed district, the services it will provide, the improvements it will make and an estimate of costs of these services and improvements to be incurred;

      (e) A statement as to whether the district will be a political subdivision or a not for profit corporation and if it is to be a not for profit corporation, the name of the not for profit corporation;

      (f) If the district is to be a political subdivision, a statement as to whether the district will be governed by a board elected by the district or whether the board will be appointed by the municipality, and, if the board is to be elected by the district, the names and terms of the initial board may be stated;

      (g) If the district is to be a political subdivision, the number of directors to serve on the board;

      (h) The total assessed value of all real property within the proposed district;

      (i) A statement as to whether the petitioners are seeking a determination that the proposed district, or any legally described portion thereof, is a blighted area;

      (j) The proposed length of time for the existence of the district;

      (k) The maximum rates of real property taxes, and, business license taxes in the county seat of a county of the first classification without a charter form of government containing a population of at least two hundred thousand, that may be submitted to the qualified voters for approval;
4. After the close of the public hearing required pursuant to subsection 1 of this section, the governing body of the municipality may adopt an ordinance approving the amended petition after the public hearing is held. The public hearing may be continued to another date without further notice other than a motion to be entered on the minutes fixing the date, time and place of the continuance of the public hearing.

3. The public hearing required pursuant to subsection 1 of this section, the governing body of the municipality may adopt an ordinance approving the amended petition after the public hearing is held. The public hearing may be continued to another date without further notice other than a motion to be entered on the minutes fixing the date, time and place of the continuance of the public hearing.

2. The public hearing required pursuant to subsection 1 of this section, the governing body of the municipality may adopt an ordinance approving the amended petition after the public hearing is held. The public hearing may be continued to another date without further notice other than a motion to be entered on the minutes fixing the date, time and place of the continuance of the public hearing.

1. Within a reasonable time not to exceed forty-five days after receipt of the verified petition from the municipal clerk, the governing body shall hold or cause to be held a public hearing on the establishment of the proposed district and shall give notice of the public hearing in the manner provided in subsection 3 of this section. All reasonable protests, objections and endorsements shall be heard at the public hearing.

67.1431. Public hearing, notice.

1. Within a reasonable time not to exceed forty-five days, after the receipt of the verified petition from the municipal clerk, the governing body shall hold or cause to be held a public hearing on the establishment of the proposed district and shall give notice of the public hearing in the manner provided in subsection 3 of this section. All reasonable protests, objections and endorsements shall be heard at the public hearing.

2. The public hearing may be continued to another date without further notice other than a motion to be entered on the minutes fixing the date, time and place of the continuance of the public hearing.
3. Notice of the public hearing shall be given by publication and mailing. Notice by publication shall be given by publication in a newspaper of general circulation within the municipality once a week for two consecutive weeks prior to the week of the public hearing. Notice by mail shall be given not less than fifteen days prior to the public hearing by sending the notice via registered or certified United States mail with a return receipt attached to the address of record of each owner of real property within the boundaries of the proposed district. The published and mailed notices shall include the following:

(1) The date, time and place of the public hearing;

(2) A statement that a petition for the establishment of a district has been filed with the municipal clerk;

(3) The boundaries of the proposed district by street location, or other readily identifiable means if no street location exists; and a map illustrating the proposed boundaries;

(4) A statement that a copy of the petition is available for review at the office of the municipal clerk during regular business hours; and

(5) A statement that all interested persons shall be given an opportunity to be heard at the public hearing.

67.1441. Removal from and addition to district, procedure.

1. Upon the written request of any real property owner within the district, the governing body of the municipality may hold a public hearing for the removal of real property from a district and such real property may be removed from such district by ordinance, provided that:

(1) The board consents to the removal of such property;

(2) The district can meet its obligations without the revenues generated by or on the real property proposed to be removed; and

(3) The public hearing is conducted in the same manner as required by section 67.1431 with notice of the hearing given in the same manner as required by section 67.1431 and such notice shall include:

(a) The date, time and place of the public hearing;

(b) The name of the district;

(c) The boundaries by street location, or other readily identifiable means if no street location exists of the real property proposed to be removed from the district, and a map illustrating the boundaries of the existing district and the real property proposed to be removed; and

(d) A statement that all interested persons shall be given an opportunity to be heard at the public hearing.

2. With the consent of the board, real property may be added to the district by ordinance upon receipt of a proper petition and after a public hearing is held by the governing body of the municipality on the addition of the real property in the manner provided in section 67.1431. Notice of the public hearing shall be given by publication and mailed to the owners of real property within the boundaries of the district and the area proposed to be added in the manner provided in section 67.1431. The notice shall include the following information:

(1) The time, date and place of the public hearing;

(2) The name of the proposed or established district;

(3) The boundaries by street location, or other readily identifiable means if no street location exists, of the real property to be added to the district, and a map showing the boundaries of the existing district and the real property proposed to be added to the district;

(4) A statement that a copy of the petition is available for review during regular business hours at the office of the municipal clerk; and

(5) A statement that all interested persons shall be given an opportunity to be heard at the public hearing.

For the purposes of this section, a proper petition is one which meets the requirements of section 67.1421, which requirements shall only apply as to the real property proposed to be added.

3. A public hearing may be held to amend the petition and notice of such amendments given simultaneously with a public hearing to alter the district boundaries.

(L. 1998 H.B. 1636 § 5)

(L. 1998 H.B. 1636 § 4)

67.1442. Certain cities, removal of real property from district or change in class designation, purpose, procedure (Springfield). Upon the written request of any real property owner within any home rule city with more than one hundred fifty-one thousand five hundred but less than one hundred fifty-one thousand six hundred inhabitants, the governing body of the municipality may hold a public hearing for the removal of real property from such district or a change in designation of the class of real property for the purpose of the types of services to be received or fees,
taxes, or assessments to be levied, and such real property may be removed from such district or have its class designation changed to another class of the same district, provided that:

(1) The board consents to the removal of such property; 

(2) The district can meet its obligations without the revenues generated by or on the real property proposed to be removed from the district or proposed to have its class designation changed; and 

(3) The public hearing is conducted in the same manner as required by section 67.1431 with notice of the hearing given in the same manner as required by section 67.1431, except that postage prepaid first class mail shall be sufficient notice by mail for purposes of this section, and such notice shall include:

(a) The date, time, and place of the public hearing; 

(b) The name of the district; 

(c) The boundaries by street location or other readily identifiable means if no street location exists of the real property proposed to be removed from the district or proposed to have its class designation changed, and a map illustrating the boundaries of the existing district and the real property proposed to be removed; and 

(d) A statement that all interested persons shall be given an opportunity to be heard at the public hearing. 

(L. 2003 H.B. 277 merged with S.B. 379)

67.1451. Board of directors, election, qualifications, appointment, terms, removal, actions.

1. If a district is a political subdivision, the election and qualifications of members to the district’s board of directors shall be in accordance with this section. If a district is a not-for-profit corporation, the election and qualification of members to its board of directors shall be in accordance with chapter 355, RSMo.

2. The district shall be governed by a board consisting of at least five but not more than thirty directors. Each director shall, during his or her entire term, be:

(1) At least eighteen years of age; and 

(2) Be either:

(a) An owner, as defined in section 67.1401, of real property or of a business operating within the district; or 

(b) If in a home rule city with more than one hundred fifty-one thousand five hundred but fewer than one hundred fifty-one thousand six hundred inhabitants, a legally authorized representative of an owner of real property located within the district. If there are less than five owners of real property located within a district, the board may be comprised of up to five legally authorized representatives of any of the owners of real property located within the district; or 

(c) A registered voter residing within the district; and 

(3) Any other qualifications set forth in the petition establishing the district.

3. If the district is a political subdivision, the board shall be elected or appointed, as provided in the petition.

4. If the board is to be elected, the procedure for election shall be as follows:

(1) The municipal clerk shall specify a date on which the election shall occur which date shall be a Tuesday and shall not be earlier than the tenth Tuesday, and shall not be later than the fifteenth Tuesday, after the effective date of the ordinance adopted to establish the district; 

(2) The election shall be conducted in the same manner as provided for in section 67.1551, provided that the published notice of the election shall contain the information required by section 67.1551 for published notices, except that it shall state that the purpose of the election is for the election of directors, in lieu of the information related to taxes; 

(3) Candidates shall pay the sum of five dollars as a filing fee and shall file not later than the second Tuesday after the effective date of the ordinance establishing the district with the municipal clerk a statement under oath that he or she possesses all of the qualifications set out in this section for a director. Thereafter, such candidate shall have his or her name placed on the ballot as a candidate for director; 

(4) The director or directors to be elected shall be elected at large. The person receiving the most votes shall be elected to the position having the longest term; the person receiving the second highest votes shall be elected to the position having the next longest term and so forth. For any district formed prior to August 28, 2003, of the initial directors, one-half shall serve for a two-year term, one-half shall serve for a four-year term and if an odd number of directors are elected, the director receiving the least number of votes shall serve for a two-year term, until such director’s successor is elected. For any district formed on or after August 28, 2003, for the initial directors, one-half shall serve for a two-year term, and
one-half shall serve for the term specified by the district pursuant to subdivision (5) of this subsection, and if an odd number of directors are elected, the director receiving the least number of votes shall serve for a two-year term, until such director’s successor is elected;

(5) Successor directors shall be elected in the same manner as the initial directors. The date of the election of successor directors shall be specified by the municipal clerk which date shall be a Tuesday and shall not be later than the date of the expiration of the stated term of the expiring director. Each successor director shall serve a term for the length specified prior to the election by the district, which term shall be at least three years and not more than four years, and shall continue until such director’s successor is elected. In the event of a vacancy on the board of directors, the remaining directors shall elect an interim director to fill the vacancy for the unexpired term.

5. If the petition provides that the board is to be appointed by the municipality, such appointments shall be made by the chief elected officer of the municipality with the consent of the governing body of the municipality. For any district formed prior to August 28, 2003, of the initial appointed directors, one-half of the directors shall be appointed to serve for a two-year term and the remaining one-half shall be appointed to serve for a four-year term until such director’s successor is appointed; provided that, if there is an odd number of directors, the last person appointed shall serve a two-year term. For any district formed on or after August 28, 2003, of the initial appointed directors, one-half shall be appointed to serve for a two-year term, and one-half shall be appointed to serve for the term specified by the district for successor directors pursuant to this subsection, and if an odd number of directors are appointed, the last person appointed shall serve for a two-year term; provided that each director shall serve until such director’s successor is appointed. Successor directors shall be appointed in the same manner as the initial directors and shall serve for a term of years specified by the district prior to the appointment, which term shall be at least three years and not more than four years.

6. If the petition states the names of the initial directors, those directors shall serve for the terms specified in the petition and successor directors shall be determined either by the above-listed election process or appointment process as provided in the petition.

7. Any director may be removed for cause by a two-thirds affirmative vote of the directors of the board. Written notice of the proposed removal shall be given to all directors prior to action thereon.

8. The board is authorized to act on behalf of the district, subject to approval of qualified voters as required in this section; except that, all official acts of the board shall be by written resolution approved by the board.


1. Each district shall have all the powers, except to the extent any such power has been limited by the petition approved by the governing body of the municipality to establish the district, necessary to carry out and effectuate the purposes and provisions of sections 67.1401 to 67.1571 including, but not limited to, the following:

(1) To adopt, amend, and repeal bylaws, not inconsistent with sections 67.1401 to 67.1571, necessary or convenient to carry out the provisions of sections 67.1401 to 67.1571;

(2) To sue and be sued;

(3) To make and enter into contracts and other instruments, with public and private entities, necessary or convenient to exercise its powers and carry out its duties pursuant to sections 67.1401 to 67.1571;

(4) To accept grants, guarantees and donations of property, labor, services, or other things of value from any public or private source;

(5) To employ or contract for such managerial, engineering, legal, technical, clerical, accounting, or other assistance as it deems advisable;

(6) To acquire by purchase, lease, gift, grant, bequest, devise, or otherwise, any real property within its boundaries, personal property, or any interest in such property;

(7) To sell, lease, exchange, transfer, assign, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest in such property;

(8) To levy and collect special assessments and taxes as provided in sections 67.1401 to 67.1571. However, no such assessments or taxes shall be levied on any property exempt from taxation pursuant to subdivision (5) of section 137.100, RSMo. Those exempt pursuant to subdivision (5) of section 137.100, RSMo, may voluntarily participate in the provisions of sections 67.1401 to 67.1571;

(9) If the district is a political subdivision, to levy real property taxes and business license taxes in the county seat of a county of the first classification containing a population of at least two hundred thousand, as provided in sections 67.1401 to 67.1571. However, no such assessments or taxes shall be levied on any property exempt from taxation pursuant to subdivisions (2) and (5) of section 137.100, RSMo. Those exempt pursuant to subdivisions (2) and (5) of section 137.100, RSMo, may voluntarily participate in the provisions of sections 67.1401 to 67.1571;

(10) If the district is a political subdivision, to levy sales taxes pursuant to sections 67.1401 to 67.1571;

(11) To fix, charge, and collect fees, rents, and other charges for use of any of the following:

(a) The district’s real property, except for public rights-of-way for utilities;

As of August 28, 2005
(b) The district’s personal property, except in a city not within a county; or

(c) Any of the district’s interests in such real or personal property, except for public rights-of-way for utilities;

(12) To borrow money from any public or private source and issue obligations and provide security for the repayment of the same as provided in sections 67.1401 to 67.1571;

(13) To loan money as provided in sections 67.1401 to 67.1571;

(14) To make expenditures, create reserve funds, and use its revenues as necessary to carry out its powers or duties and the provisions and purposes of sections 67.1401 to 67.1571;

(15) To enter into one or more agreements with the municipality for the purpose of abating any public nuisance within the boundaries of the district including, but not limited to, the stabilization, repair or maintenance or demolition and removal of buildings or structures, provided that the municipality has declared the existence of a public nuisance;

(16) Within its boundaries, to provide assistance to or to construct, reconstruct, install, repair, maintain, and equip any of the following public improvements:

(a) Pedestrian or shopping malls and plazas;

(b) Parks, lawns, trees, and any other landscape;

(c) Convention centers, arenas, aquariums, aviaries, and meeting facilities;

(d) Sidewalks, streets, alleys, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, drainage, water, storm and sewer systems, and other site improvements;

(e) Parking lots, garages, or other facilities;

(f) Lakes, dams, and waterways;

(g) Streetscape, lighting, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls, and barriers;

(h) Telephone and information booths, bus stop and other shelters, rest rooms, and kiosks;

(i) Paintings, murals, display cases, sculptures, and fountains;

(j) Music, news, and child-care facilities; and

(k) Any other useful, necessary, or desired improvement;

(17) To dedicate to the municipality, with the municipality’s consent, streets, sidewalks, parks, and other real property and improvements located within its boundaries for public use;

(18) Within its boundaries and with the municipality’s consent, to prohibit or restrict vehicular and pedestrian traffic and vendors on streets, alleys, malls, bridges, ramps, sidewalks, and tunnels and to provide the means for access by emergency vehicles to or in such areas;

(19) Within its boundaries, to operate or to contract for the provision of music, news, child-care, or parking facilities, and buses, minibuses, or other modes of transportation;

(20) Within its boundaries, to lease space for sidewalk cafe tables and chairs;

(21) Within its boundaries, to provide or contract for the provision of security personnel, equipment, or facilities for the protection of property and persons;

(22) Within its boundaries, to provide or contract for cleaning, maintenance, and other services to public and private property;

(23) To produce and promote any tourism, recreational or cultural activity or special event in the district by, but not limited to, advertising, decoration of any public place in the district, promotion of such activity and special events, and furnishing music in any public place;

(24) To support business activity and economic development in the district including, but not limited to, the promotion of business activity, development and retention, and the recruitment of developers and businesses;

(25) To provide or support training programs for employees of businesses within the district;

(26) To provide refuse collection and disposal services within the district;

(27) To contract for or conduct economic, planning, marketing or other studies;

(28) To repair, restore, or maintain any abandoned cemetery on public or private land within the district; and
(29) To carry out any other powers set forth in sections 67.1401 to 67.1571.

2. Each district which is located in a blighted area or which includes a blighted area shall have the following additional powers:

(1) Within its blighted area, to contract with any private property owner to demolish and remove, renovate, reconstruct, or rehabilitate any building or structure owned by such private property owner; and

(2) To expend its revenues or loan its revenues pursuant to a contract entered into pursuant to this subsection, provided that the governing body of the municipality has determined that the action to be taken pursuant to such contract is reasonably anticipated to remediate the blighting conditions and will serve a public purpose.

3. Each district shall annually reimburse the municipality for the reasonable and actual expenses incurred by the municipality to establish such district and review annual budgets and reports of such district required to be submitted to the municipality; provided that, such annual reimbursement shall not exceed one and one-half percent of the revenues collected by the district in such year.

4. Nothing in sections 67.1401 to 67.1571 shall be construed to delegate to any district any sovereign right of municipalities to promote order, safety, health, morals, and general welfare of the public, except those such police powers, if any, expressly delegated pursuant to sections 67.1401 to 67.1571.

5. The governing body of the municipality establishing the district shall not decrease the level of publicly funded services in the district existing prior to the creation of the district or transfer the financial burden of providing the services to the district unless the services at the same time are decreased throughout the municipality, nor shall the governing body discriminate in the provision of the publicly funded services between areas included in such district and areas not so included.


67.1471. Fiscal year--budget--meeting--report.

1. The fiscal year for the district shall be the same as the fiscal year of the municipality.

2. No earlier than one hundred eighty days and no later than ninety days prior to the first day of each fiscal year, the board shall submit to the governing body of the city a proposed annual budget, setting forth expected expenditures, revenues, and rates of assessments and taxes, if any, for such fiscal year. The governing body may review and comment to the board on this proposed budget, but if such comments are given, the governing body of the municipality shall provide such written comments to the board no later than sixty days prior to the first day of the relevant fiscal year; such comments shall not constitute requirements but shall only be recommendations.

3. The board shall hold an annual meeting and adopt an annual budget no later than thirty days prior to the first day of each fiscal year.

4. Within one hundred twenty days after the end of each fiscal year, the district shall submit a report to the municipal clerk and the Missouri department of economic development stating the services provided, revenues collected and expenditures made by the district during such fiscal year, and copies of written resolutions approved by the board during the fiscal year. The municipal clerk shall retain this report as part of the official records of the municipality and shall also cause this report to be spread upon the records of the governing body.

(L. 1998 H.B. 1636 § 8)
TRANSPORTATION DEVELOPMENT DISTRICTS (TDD)

[§§ 238.200 - 238.275 RSMo]

238.200. Citation of law. Sections 238.200 to 238.275 shall be known as the “Missouri Transportation Development District Act”.

(L. 1990 S.B. 479 & 649 § 35)

Effective 5-30-90


1. As used in sections 238.200 to 238.275, the following terms mean:
   (1) “Board”, the board of directors of a district;
   (2) “Commission”, the Missouri highways and transportation commission;
   (3) “District”, a transportation development district organized under sections 238.200 to 238.275;
   (4) “Local transportation authority”, a county, city, town, village, county highway commission, special road district, interstate compact agency, or any local public authority or political subdivision having jurisdiction over any bridge, street, highway, dock, wharf, ferry, lake or river port, airport, railroad, light rail or other transit improvement or service;
   (5) “Project” includes any bridge, street, road, highway, access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail, or other mass transit and any similar or related improvement or infrastructure.

2. For the purposes of sections 11(c), 16 and 22 of article X of the Constitution of Missouri, section 137.073, RSMo, and as used in sections 238.200 to 238.275, the following terms shall have the meanings given:
   (1) “Approval of the required majority” or “direct voter approval”, a simple majority;
   (2) “Qualified electors”, “qualified voters” or “voters”, if any persons eligible to be registered voters reside within the proposed district, such persons who have registered to vote pursuant to chapter 115, RSMo, or if no persons eligible to be registered voters reside within the proposed district, the owners of real property located within the proposed district;
   (3) “Registered voters”, persons qualified and registered to vote pursuant to chapter 115, RSMo.


238.205. Purpose of district--district to be political subdivision.

1. A district may be created to fund, promote, plan, design, construct, improve, maintain, and operate one or more projects or to assist in such activity.

2. A district is a political subdivision of the state.

(L. 1990 S.B. 479 & 649 § 37)

Effective 5-30-90

238.207. Creation of district, procedures--district to be contiguous, size requirements--petition, contents--alternative method.

1. Whenever the creation of a district is desired, not less than fifty registered voters from each county partially or totally within the proposed district may file a petition requesting the creation of a district. However, if no persons eligible to be registered voters reside within the district, the owners of record of all of the real property, except public streets, located within the proposed district may file a petition requesting the creation of a district. The petition shall be filed in the circuit court of any county partially or totally within the proposed district.

2. Alternatively, the governing body of any local transportation authority within any county in which a proposed project may be located may file a petition in the circuit court of that county, requesting the creation of a district.

3. The proposed district area shall be contiguous and may contain all or any portion of one or more municipalities and counties; provided:
   (1) Property separated only by public streets, easements or rights-of-way shall be considered contiguous;
(2) In the case of a district formed pursuant to a petition filed by the owners of record of all of the real property located within the proposed district, the proposed district area need not contain contiguous properties if:

(a) The petition provides that the only funding method for project costs will be a sales tax;
(b) The court finds that all of the real property located within the proposed district will benefit by the projects to be undertaken by the district; and
(c) Each parcel within the district is within five miles of every other parcel; and

(3) In the case of a district created pursuant to subsection 5 of this section, property separated only by public streets, easements, or rights-of-way or connected by a single public street, easement, or right-of-way shall be considered contiguous.

4. The petition shall set forth:

(1) The name, voting residence and county of residence of each individual petitioner, or, if no persons eligible to be registered voters reside within the proposed district, the name and address of each owner of record of real property located within the proposed district, or shall recite that the petitioner is the governing body of a local transportation authority acting in its official capacity;

(2) The name and address of each respondent. Respondents must include the commission and each affected local transportation authority within the proposed district, except a petitioning local transportation authority;

(3) A specific description of the proposed district boundaries including a map illustrating such boundaries;

(4) A general description of each project proposed to be undertaken by that district, including a description of the approximate location of each project;

(5) The name of the proposed district;

(6) The number of members of the board of directors of the proposed district, which shall be not less than five or more than fifteen;

(7) A statement that the terms of office of initial board members shall be staggered in approximately equal numbers to expire in one, two or three years;

(8) If the petition was filed by registered voters or by a governing body, a request that the question be submitted to the qualified voters within the limits of the proposed district whether they will establish a transportation development district to develop a specified project or projects;

(9) A proposal for funding the district initially, pursuant to the authority granted in sections 238.200 to 238.275, together with a request that the funding proposal be submitted to the qualified voters residing within the limits of the proposed district; provided, however, the funding method of special assessments may also be approved as provided in subsection 1 of section 238.230; and

(10) A statement that the proposed district shall not be an undue burden on any owner of property within the district and is not unjust or unreasonable.

5. (1) As an alternative to the methods described in subsections 1 and 2 of this section, if two or more local transportation authorities have adopted resolutions calling for the joint establishment of a district, the governing body of any one such local transportation authority may file a petition in the circuit court of any county in which the proposed project is located requesting the creation of a district.

(2) The proposed district area shall be contiguous and may contain all or any portion of one or more municipalities and counties. Property separated only by public streets, easements, or rights-of-way or connected by a single public street, easement, or right-of-way shall be considered contiguous.

(3) The petition shall set forth:

(a) That the petitioner is the governing body of a local transportation authority acting in its official capacity;

(b) The name of each local transportation authority within the proposed district. The resolution of the governing body of each local transportation authority calling for the joint establishment of the district shall be attached to the petition;

(c) The name and address of each respondent. Respondents must include the commission and each affected local transportation authority within the proposed district, except a petitioning local transportation authority;

(d) A specific description of the proposed district boundaries including a map illustrating such boundaries;

(e) A general description of each project proposed to be undertaken by the district, including a description of the approximate location of each project;

(f) The name of the proposed district;

(g) The number of members of the board of directors of the proposed district;
(h) A request that the question be submitted to the qualified voters within the limits of the proposed district whether they will establish a transportation development district to develop the projects described in the petition;

(i) A proposal for funding the district initially, pursuant to the authority granted in sections 238.200 to 238.275, together with a request that the imposition of the funding proposal be submitted to the qualified voters residing within the limits of the proposed district; provided, however, the funding method of special assessments may also be approved as provided in subsection 1 of section 238.230; and

(j) A statement that the proposed district shall not be an undue burden on any owner of property within the district and is not unjust or unreasonable.


238.208. Annexation of property adjacent to a transportation district, procedure. The owners of property adjacent to a transportation district formed under the Missouri transportation development district act may petition the court by unanimous petition to add their property to the district. If the property owners within the transportation development district unanimously approve of the addition of property, the adjacent properties in the petition shall be added to the district. Any property added under this section shall be subject to all projects, taxes, and special assessments in effect as of the date of the court order adding the property to the district. The owners of the added property shall be allowed to vote at the next election scheduled for the district to fill vacancies on the board and on any other question submitted to them by the board under this chapter. The owners of property added under this section shall have one vote per acre in the same manner as provided in subdivision (2) of subsection 2 of section 238.220.

(L. 2004 H.B. 1107)


1. Within thirty days after the petition is filed, the circuit court clerk shall serve a copy of the petition on the respondents who shall have thirty days after receipt of service to file an answer stating agreement with or opposition to the creation of the district. If any respondent files its answer opposing the creation of the district, it shall recite legal reasons why the petition is defective, why the proposed district is illegal or unconstitutional, or why the proposed method for funding the district is illegal or unconstitutional. The respondent shall ask the court for a declaratory judgment respecting these issues. The answer of each respondent shall be served on each petitioner and every other respondent named in the petition. Any resident, taxpayer, any other entity, or any local transportation authority within the proposed district may join in or file a petition supporting or answer opposing the creation of the district and seeking a declaratory judgment respecting these same issues within thirty days after the date notice is last published by the circuit clerk.

2. The court shall hear the case without a jury. If the court shall thereafter determine the petition is defective or the proposed district is illegal or unconstitutional, or shall be an undue burden on any owner of property within the district or is unjust and unreasonable, it shall enter its declaratory judgment to that effect and shall refuse to make the certifications requested in the pleadings. If the court determines that any proposed funding method is illegal or unconstitutional, it shall enter its judgment striking that funding method in whole or part. If the court determines the petition is not legally defective and the proposed district and method of funding are neither illegal nor unconstitutional, the court shall enter its judgment to that effect. If the petition was filed by registered voters or by a governing body, the court shall then certify the questions regarding district creation, project development, and proposed funding for voter approval. If the petition was filed by a governing body pursuant to subsection 5 of section 238.207, the court shall then certify the single question regarding district creation, project development, and proposed funding for voter approval. If the petition was filed by the owners of record of all of the real property located within the proposed district, the court shall declare the district organized and certify the funding methods stated in the petition for qualified voter approval; provided, however, the funding method of special assessments may also be approved as provided in subsection 1 of section 238.230. In either case, if no objections to the petition are timely filed, the court may make such certifications based upon the pleadings before it without any hearing.

3. Any party having filed an answer or petition may appeal the circuit court’s order or declaratory judgment in the same manner provided for other appeals.


238.212. Notice to public, how.

1. If the petition was filed by registered voters or by a governing body, the circuit clerk in whose office the petition was filed shall give notice to the public by causing one or more newspapers of general circulation serving the counties or portions thereof contained in the proposed district to publish once a week for four consecutive weeks a notice substantially in the following form:

NOTICE OF PETITION TO SUBMIT TO A
POPULAR VOTE THE CREATION AND
FUNDING OF A TRANSPORTATION
DEVELOPMENT DISTRICT

As of August 28, 2005 -79-
Notice is hereby given to all persons residing or owning property in (here specifically describe the proposed district boundaries), within the state of Missouri, that a petition has been filed asking that upon voter approval, a transportation development district by the name of ".......... Transportation Development District" be formed for the purpose of developing the following transportation project: (here summarize the proposed transportation project or projects). The petition also requests voter approval of the following method(s) of funding the district, which (may) (shall not) increase the total taxes imposed within the proposed district: (describe the proposed funding methods). A copy of this petition is on file and available at the office of the clerk of the circuit court of ............ County, located at ................, Missouri. You are notified to join in or file your own petition supporting or answer opposing the creation of the transportation development district and requesting a declaratory judgment, as required by law, no later than the .......... day of .........., 20...... You may show cause, if any there be, why such petition is defective or proposed transportation development district or its funding method, as set forth in the petition, is illegal or unconstitutional and should not be submitted for voter approval at a general, primary or special election as directed by this court. ............................................... Clerk of the Circuit Court of ................. County

2. The circuit court may also order a public hearing on the question of the creation and funding of the proposed district, if it deems such appropriate, under such terms and conditions as it deems appropriate. If a public hearing is ordered, notice of the time, date and place of the hearing shall also be given in the notice specified in subsection 1 of this section.


238.215. Election, when--ballot, form of--results.

1. If the circuit court certifies the petition for voter approval, it shall call an election pursuant to section 238.216.

2. At such election for voter approval of the qualified voters, the questions shall be submitted in substantially the following form:

Shall there be organized in (here specifically describe the proposed district boundaries), within the state of Missouri, a transportation development district, to be known as the ".......... Transportation Development District" for the purpose of developing the following transportation project: (here summarize the proposed project or projects and require each voter to approve or disapprove of each project) and have the power to fund the proposed project upon separate voter approval by any or all of the following methods: (here specifically describe the proposed funding methods and require each voter to approve or disapprove of each proposed funding method)?

3. (1) If the petition was filed pursuant to subsection 5 of section 238.207 and the district desires to impose a sales tax as the only proposed funding mechanism, at such election for voter approval of the qualified voters, the question shall be submitted in substantially the following form:

Shall there be organized in (here specifically describe the proposed district boundaries), within the state of Missouri, a transportation development district, to be known as the ".......... Transportation Development District" for the purpose of developing the following transportation project: (here summarize the proposed project or projects) and be authorized to impose a transportation development district-wide sales tax at the rate of ...... (insert amount) for a period of ...... (insert number) years from the date on which such tax is first imposed for the purpose of funding the transportation project or projects?

(2) If the petition was filed pursuant to subsection 5 of section 238.207 and the district desires to impose a funding mechanism other than a sales tax, at such election for voter approval of the qualified voters, the question shall be submitted in substantially the form set forth in subsection 2 of this section and the proposed funding mechanism shall require separate voter approval at a subsequent election.

4. The results of the election shall be entered upon the records of the circuit court of the county in which the petition was filed. Also, a certified copy thereof shall be filed with the county clerk of each county in which a portion of the proposed district lies, who shall cause the same to be spread upon the records of the county commission. If the results show that a majority of the votes cast by the qualified voters were in favor of organizing the transportation development district, the circuit court having jurisdiction of the matter shall declare the district organized and certify the funding methods approved by the qualified voters. If the results show that less than a majority of the votes cast by the qualified voters were in favor of the organization of the district, the circuit court shall declare that the question has failed to pass, and the same question shall not be again submitted for voter approval for two years.

5. Notwithstanding the foregoing, if the election was held pursuant to subsection 3 of this section, the results of the election shall be entered upon the records of the county court of the county in which the petition was filed. Also, a certified copy thereof shall be filed with the county clerk of each county in which a portion of the proposed district lies. If the results show that a majority of the votes cast by the qualified voters were in favor of the proposition, the circuit court having jurisdiction of the matter shall declare the district organized and the funding methods approved by the qualified voters to be in effect. If the results show that less than a majority of the votes cast by the qualified voters were in favor of the proposition, the circuit court shall declare that the question has failed to pass. A new petition shall be filed pursuant to subsection 5 of section 238.207 prior to the question being again submitted for voter approval.


238.216. Election procedure, duties of court--application for ballot, contents--mail-in elections, affidavit form, procedure--unanimous verified petition submitted, when--results entered, how.

1. Except as otherwise provided in section 238.220 with respect to the election of directors, in order to call any election required or allowed under sections 238.200 to 238.275, the circuit court shall:
1. Order the county clerk to cause the questions to appear on the ballot on the next regularly scheduled general, primary or special election day, which date shall be the same in each county or portion of a county included within and voting upon the proposed district;

2. If the election is to be a mail-in election, specify a date on which ballots for the election shall be mailed, which date shall be a Tuesday, and shall be not earlier than the eighth Tuesday from the issuance of the order, and shall not be on the same day as an election conducted under the provisions of chapter 115, RSMo; or

3. If all the owners of property in the district joined in the petition for formation of the district, such owners may cast their ballot by unanimous verified petition approving any measure submitted to them as voters pursuant to this chapter. Each owner shall receive one vote per acre owned. Fractional votes shall be allowed. The verified petition shall be filed with the circuit court clerk. The filing of a unanimous petition shall constitute an election under sections 238.200 to 238.275 and the results of said election shall be entered pursuant to subsection 6 of this section.

2. Application for a ballot shall be conducted as follows:

1. Only qualified voters shall be entitled to apply for a ballot;

2. Such persons shall apply with the clerk of the circuit court in which the petition was filed;

3. Each person applying shall provide:

   (a) Such person’s name, address, mailing address, and phone number;

   (b) An authorized signature; and

   (c) Evidence that such person is entitled to vote. Such evidence shall be:

      a. For resident individuals, proof of registration from the election authority;

      b. For owners of real property, a tax receipt or deed or other document which evidences ownership, and identifies the real property by location;

(4) No person shall apply later than the fourth Tuesday before the date for mailing ballots specified in the circuit court’s order.

3. If the election is to be a mail-in election, the circuit court shall mail a ballot to each qualified voter who applied for a ballot pursuant to subsection 2 of this section along with a return addressed envelope directed to the circuit court clerk’s office with a sworn affidavit on the reverse side of such envelope for the voter’s signature. Such affidavit shall be in the following form:

I hereby declare under penalties of perjury that I am qualified to vote, or to affix my authorized signature in the name of an entity which is entitled to vote, in this election.

Subscribed and sworn to before me this .......... day of...................., 20.....

..............................

Authorized Signature ............................ ............................ Printed Name of Voter Signature of notary or other

officer authorized to

administer oaths. ......................... Mailing Address of Voter (if different)

4. Except as otherwise provided in subsection 2 of section 238.220, with respect to the election of directors, each qualified voter shall have one vote. Each voter which is not an individual shall determine how to cast its vote as provided for in its articles of incorporation, articles of organization, articles of partnership, bylaws, or other document which sets forth an appropriate mechanism for the determination of the entity’s vote. If a voter has no such mechanism, then its vote shall be cast as determined by a majority of the persons who run the day-to-day affairs of the voter. Each voted ballot shall be signed with the authorized signature.

5. Mail-in voted ballots shall be returned to the circuit court clerk’s office by mail or hand delivery no later than 5:00 p.m. on the sixth Tuesday after the date for mailing the ballots as set forth in the circuit court’s order. The circuit court’s clerk shall transmit all voted ballots to a team of judges of not less than four, with an equal number from each of the two major political parties. The judges shall be selected by the circuit court from lists compiled by the election authority. Upon receipt of the voted ballots, the judges shall verify the authenticity of the ballots, canvass the votes, and certify the results. Certification by the election judges shall be final and shall be immediately transmitted to the circuit court. Any qualified voter who voted in such election may contest the result in the same manner as provided in chapter 115, RSMo.

6. The results of the election shall be entered upon the records of the circuit court of the county in which the petition was filed. Also, a certified copy thereof shall be filed with the county clerk of each county in which a portion of the proposed district lies, who shall cause the same to be spread upon the records of the county commission.

238.217. Costs of petition process, how paid. The costs of filing and defending the petition and all publication and incidental costs incurred in obtaining circuit court certification of the petition for voter approval shall be paid by the petitioners. If a district is organized under sections 238.200 to 238.275, the petitioners may be reimbursed for such costs out of the revenues received by the district.

(L. 1990 S.B. 479 & 649 § 42)

Effective 5-30-90

238.220. Directors, election of, how, qualifications--advisors, appointed when, duties.

1. Notwithstanding anything to the contrary contained in section 238.216, if any persons eligible to be registered voters reside within the district, the following procedures shall be followed:

(1) After the district has been declared organized, the court shall upon petition of any interested person order the county clerk to cause an election to be held in all areas of the district within one hundred twenty days after the order establishing the district, to elect the district board of directors which shall be not less than five nor more than fifteen;

(2) Candidates shall pay the sum of five dollars as a filing fee to the county clerk and shall file with the election authority of such county a statement under oath that he or she possesses all of the qualifications set out in this section for a director. Thereafter, such candidate shall have his or her name placed on the ballot as a candidate for director;

(3) The director or directors to be elected shall be elected at large. The candidate receiving the most votes from qualified voters shall be elected to the position having the longest term, the second highest total votes elected to the position having the next longest term, and so forth. Each initial director shall serve the one-, two- or three-year term to which he or she was elected, and until a successor is duly elected and qualified. Each successor director shall serve a three-year term. The directors shall nominate and elect an interim director to complete any unexpired term of a director caused by resignation or disqualification; and

(4) Each director shall be a resident of the district. Directors shall be registered voters at least twenty-one years of age.

2. Notwithstanding anything to the contrary contained in section 238.216, if no persons eligible to be registered voters reside within the district, the following procedures shall apply:

(1) Within thirty days after the district has been declared organized, the circuit clerk of the county in which the petition was filed shall, upon giving notice by causing publication to be made once a week for two consecutive weeks in a newspaper of general circulation in the county, the last publication of which shall be at least ten days before the day of the meeting required by this section, call a meeting of the owners of real property within the district at a day and hour specified in a public place in the county in which the petition was filed for the purpose of electing a board of not less than five and not more than fifteen directors, to be composed of owners or representatives of owners of real property in the district; provided that, if all the owners of property in the district joined in the petition for formation of the district, such meeting may be called by order of the court without further publication;

(2) The property owners, when assembled, shall organize by the election of a chairman and secretary of the meeting who shall conduct the election. At the election, each acre of real property within the district shall represent one share, and each owner may have one vote in person or by proxy for every acre of real property owned by such person within the district;

(3) The one-third of the initial board members receiving the most votes shall be elected to positions having a term of three years. The one-third of initial board members receiving the next highest number of votes shall be elected to positions having a term of two years. The lowest one-third of initial board members receiving sufficient votes shall be elected to positions having a term of one year. Each initial director shall serve the term to which he or she was elected, and until a successor is duly elected and qualified. Successor directors shall be elected in the same manner as the initial directors at a meeting of the real property owners called by the board. Each successor director shall serve a three-year term. The directors shall nominate and elect an interim director to complete any unexpired term of a director caused by resignation or disqualification;

(4) Directors shall be at least twenty-one years of age.

3. Notwithstanding any provision of section 238.216 and this section to the contrary, if the petition for formation of the district was filed pursuant to subsection 5 of section 238.207, the following procedures shall be followed:

(1) If the district is comprised of four or more local transportation authorities, the board of directors shall consist of the presiding officer of each local transportation authority within the district. If the district is comprised of two or three local transportation authorities, the board of directors shall consist of the presiding officer of each local transportation authority within the district and one person designated by the governing body of each local transportation authority within the district;

(2) Each director shall be at least twenty-one years of age and a resident or property owner of the local transportation authority the director represents. A director designated by the governing body of a local transportation authority may be removed by such governing body at any time with or without cause; and

(3) Upon the assumption of office of a new presiding officer of a local transportation authority, such individual shall automatically succeed his predecessor as a member of the board of directors. Upon the removal, resignation or disqualification of a director designated by the governing body of a local transportation authority, such governing body shall designate a successor director.
4. The commission shall appoint one or more advisors to the board, who shall have no vote but shall have the authority to participate in all board meetings and discussions, whether open or closed, and shall have access to all records of the district and its board of directors.

5. If the proposed project is not intended to be merged into the state highways and transportation system under the commission’s jurisdiction, the local transportation authority that will assume maintenance of the project shall appoint one or more advisors to the board of directors who shall have the same rights as advisors appointed by the commission.

6. Any county or counties located wholly or partially within the district which is not a “local transportation authority” pursuant to subdivision (4) of subsection 1 of section 238.202 may appoint one or more advisors to the board who shall have the same rights as advisors appointed by the commission.


238.222. - Powers of board, generally--officers, meetings, expenses--quorum.

1. The board shall possess and exercise all of the district’s legislative and executive powers.

2. Within thirty days after the election of the initial directors or the selection of the initial directors pursuant to subsection 3 of section 238.220, the board shall meet. The time and place of the first meeting of the board shall be designated by the court that heard the petition upon the court’s own initiative or upon the petition of any interested person. At its first meeting and after each election of new board members or the selection of the initial directors pursuant to subsection 3 of section 238.220 the board shall elect a chairman from its members.

3. The board shall appoint an executive director, district secretary, treasurer and such other officers or employees as it deems necessary.

4. At the first meeting, the board, by resolution, shall define the first and subsequent fiscal years of the district, and shall adopt a corporate seal.

5. A simple majority of the board shall constitute a quorum. If a quorum exists, a majority of those voting shall have the authority to act in the name of the board, and approve any board resolution.

6. Each director shall devote such time to the duties of the office as the faithful discharge thereof may require and may be reimbursed for his actual expenditures in the performance of his duties on behalf of the district.


238.225. Projects, submission of plans to commission, approval--submission to local transportation authority, when.

1. Before construction or funding of any project, the district shall submit the proposed project, together with the proposed plans and specifications, to the commission for its prior approval of the project. If the commission by minute finds that the project will improve or is a necessary or desirable extension of the state highways and transportation system, the commission may approve the project subject to the district making any revisions in the plans and specifications required by the commission and the district and commission entering into a mutually satisfactory agreement regarding development and future maintenance of the project. After the commission approves the final construction plans and specifications, the district shall obtain prior commission approval of any modification of such plans or specifications.

2. If the proposed project is not intended to be merged into the state highways and transportation system under the commission’s jurisdiction, the district shall also submit the proposed project and proposed plans and specifications to the local transportation authority that will become the owner of the project for its prior approval.

3. In those instances where a local transportation authority is required to approve a project and the commission determines that it has no direct interest in that project, the commission may decline to consider the project. Approval of the project shall then vest exclusively with the local transportation authority subject to the district making any revisions in the plans and specifications required by the local transportation authority and the district and the local transportation authority entering into a mutually satisfactory agreement regarding development and future maintenance of the project. After the local transportation authority approves the final construction plans and specifications, the district shall obtain prior approval of the local transportation authority before modifying such plans or specifications.

(L. 1990 S.B. 479 & 649 § 45)

Effective 5-30-90

238.227. Funding mechanisms authorized--deposits with commission or authority, purpose.

1. A district may use any one or more of the taxes or other funding methods specifically authorized by sections 238.200 to 238.275 to fund a project.

2. At any time during the existence of the district the board may submit or resubmit a proposed funding method authorized by sections 238.200 to 238.275 for a project to the qualified voters for approval.
3. The commission may by contract with a district receive any revenue received by the district from any funding method authorized by sections 238.200 to 238.275. Such revenue shall be deposited by the commission pursuant to section 227.180, RSMo, and applied by the commission to project costs including debt service on revenue bonds or refunding bonds issued by the district or the commission under sections 238.200 to 238.275.

4. If the proposed project is not intended to be merged into the state highways and transportation system under the commission’s jurisdiction, the local transportation authority that will assume maintenance of the project may by contract with a district receive any revenue received by the district and deposit such revenue in a special trust account. Such revenue and interest therefrom shall be applied by the local transportation authority to project costs or debt service on revenue bonds issued by the district or the local transportation authority pursuant to sections 238.200 to 238.275.


238.230. Special assessments, vote required--election, ballot form--petition form--effect of failure of question.

1. If approved by:

   (1) A majority of the qualified voters voting on the question in the district; or

   (2) The owners of record of all of the real property located within the district who shall indicate their approval by signing a special assessment petition; the district may make one or more special assessments for those project improvements which specially benefit the properties within the district. Improvements which may confer special benefits within a district include but are not limited to improvements which are intended primarily to serve traffic originating or ending within the district, to reduce local traffic congestion or circuitry of travel, or to improve the safety of motorists or pedestrians within the district.

2. The ballot question shall be substantially in the following form:

   Shall the ............... Transportation Development District be authorized to levy special assessments against property benefited within the district for the purpose of providing revenue for the development of a project (or projects) in the district (insert general description of the project or projects, if necessary), said special assessments to be levied pro rata against each tract, lot or parcel of property within the district which is benefited by such project in proportion to the (insert method of allocating special assessments), in an amount not to exceed $ .......... per annum per (insert unit of measurement)?

3. The special assessment petition shall be substantially in the following form:

   The ................................. Transportation Development District shall be authorized to levy special assessments against property benefited within the district for the purpose of providing revenue for the development of a project (or projects) in the district (insert general description of the project or projects, if necessary), said special assessments to be levied pro rata against each tract, lot or parcel or property within the district which is benefited by such project in proportion to the (insert method of allocating special assessments), in an amount not to exceed $...... per annum per (insert unit of measurement).

4. If a proposal for making a special assessment fails, the district board of directors may, with the prior approval of the commission or the local transportation authority which will assume ownership of the completed project, delete from the project any portion which was to be funded by special assessment and which is not otherwise required for project integrity.


238.232. Property tax, vote required--election, ballot form--collection of tax.

1. If approved by at least four-sevenths of the qualified voters voting on the question in the district, the district may impose a property tax in an amount not to exceed the annual rate of ten cents on the hundred dollars assessed valuation. The district board may levy a property tax rate lower than its approved tax rate ceiling and may increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval. The property tax shall be uniform throughout the district.

2. The ballot of submission shall be substantially in the following form:

   Shall the .......... Transportation Development District impose a property tax upon all real and tangible personal property within the district at a rate of not more than ........ (insert amount) cents per hundred dollars assessed valuation for the purpose of providing revenue for the development of a project (or projects) in the district (insert general description of the project or projects, if necessary)?

[ ] YES [ ] NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

3. The county collector of each county in which the district is partially or entirely located shall collect the property taxes and special benefit assessments made upon all real property and tangible personal property within that county and the district, in the same manner as other property taxes are collected.

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4. Every county collector having collected or received district property taxes shall, on or before the fifteenth day of each month and after deducting his commissions, remit to the treasurer of that district the amount collected or received by him prior to the first day of the month. Upon receipt of such money, the district treasurer shall execute a receipt therefor, which he shall forward or deliver to the collector. The district treasurer shall deposit such sums into the district treasury, credited to the appropriate project or purpose. The collector and district treasurer shall make final settlement of the district account and commissions owing, not less than once each year, if necessary.


238.233. Collection of revenues.

1. The county collector of each county in which the district is located shall collect the real property taxes and special assessments made upon all real property within that county and district, in the same manner as other real property taxes are collected. If the special assessment is based on something other than the assessed value of real property, the district shall provide the information on which such special assessment is based for all applicable real property. In addition, the city treasurer of the city in which the district is located shall collect business license taxes imposed by the district in the same manner as other business license taxes, if any, are collected.

2. Every county collector and city treasurer having collected or received district assessments or taxes shall, on or before the fifteenth day of each month and after deducting the cost of such collection but not to exceed one percent of the total amount collected, remit to the treasurer of that district the amount collected or received by him or her prior to the first day of such month. Upon receipt of such money, the district treasurer shall execute a receipt therefor, which he or she shall forward or deliver to the county collector or city treasurer which collected such money. The district treasurer shall deposit such sums into the district treasury, credited to the appropriate fund or account. The county collector or city treasurer, and district treasurer shall make final settlement of the district account and costs owing not less than once each year, if necessary.

3. As an alternative to the method of collection set forth in subsections 2 and 3 of this section, the district may elect to collect any such special assessments, real property taxes or business license taxes on its own behalf.

(L. 1997 S.B. 303)

238.235. Sales tax, certain districts, exemptions from tax--election, ballot form--procedures for collection, distribution, use--repeal of tax.

1. (1) Any transportation development district may by resolution impose a transportation development district sales tax on all retail sales made in such transportation development district which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo, except such transportation development district sales tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to all sales of electricity or electrical current, water and gas, natural or artificial, nor to sales of service to telephone subscribers, either local or long distance. Such transportation development district sales tax may be imposed for any transportation development purpose designated by the transportation development district in its ballot of submission to its qualified voters, except that no resolution enacted pursuant to the authority granted by this section shall be effective unless:

(a) The board of directors of the transportation development district submits to the qualified voters of the transportation development district a proposal to authorize the board of directors of the transportation development district to impose or increase the levy of an existing tax pursuant to the provisions of this section; or

(b) The voters approved the question certified by the petition filed pursuant to subsection 5 of section 238.207.

(2) If the transportation district submits to the qualified voters of the transportation development district a proposal to authorize the board of directors of the transportation development district to impose or increase the levy of an existing tax pursuant to the provisions of paragraph (a) of subdivision (1) of this subsection, the ballot of submission shall contain, but need not be limited to, the following language:

Shall the transportation development district of ............. (transportation development district’s name) impose a transportation development district-wide sales tax at the rate of ........... (insert amount) for a period of ........... (insert number) years from the date on which such tax is first imposed for the purpose of ........... (insert transportation development purpose)?

[ ] YES [ ] NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the resolution and any amendments thereto shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the board of directors of the transportation development district shall have no power to impose the sales tax authorized by this section unless and until the board of directors of the transportation development district shall again have submitted another proposal to authorize it to impose the sales tax pursuant to the provisions of this section and such proposal is approved by a majority of the qualified voters voting thereon.

(3) The sales tax authorized by this section shall become effective on the first day of the month following adoption of the tax by the qualified voters.
(4) In each transportation development district in which a sales tax has been imposed in the manner provided by this section, every retailer shall add the tax imposed by the transportation development district pursuant to this section to the retailer’s sale price, and when so added such tax shall constitute a part of the price, shall be a debt of the purchaser to the retailer until paid, and shall be recoverable at law in the same manner as the purchase price.

(5) In order to permit sellers required to collect and report the sales tax authorized by this section to collect the amount required to be reported and remitted, but not to change the requirements of reporting or remitting tax or to serve as a levy of the tax, and in order to avoid fractions of pennies, the transportation development district may establish appropriate brackets which shall be used in the district imposing a tax pursuant to this section in lieu of those brackets provided in section 144.285, RSMo.

(6) All revenue received by a transportation development district from the tax authorized by this section which has been designated for a certain transportation development purpose shall be deposited in a special trust fund and shall be used solely for such designated purpose. Upon the expiration of the period of years approved by the qualified voters pursuant to subdivision (2) of this subsection or if the tax authorized by this section is repealed pursuant to subsection 6 of this section, all funds remaining in the special trust fund shall continue to be used solely for such designated transportation development purpose. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors in accordance with applicable laws relating to the investment of other transportation development district funds.

(7) The sales tax may be imposed in increments of one-eighth of one percent, up to a maximum of one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the transportation development district adopting such tax, if such property and services are subject to taxation by the state of Missouri pursuant to the provisions of sections 144.010 to 144.525, RSMo, except such transportation development district sales tax shall not apply to the sale or use of motor vehicles, trailers, boats or outboard motors nor to public utilities. Any transportation development district sales tax imposed pursuant to this section shall be imposed at a rate that shall be uniform throughout the district.

2. The resolution imposing the sales tax pursuant to this section shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate imposed by the resolution as the sales tax and the tax shall be reported and returned to and collected by the transportation development district.

3. On and after the effective date of any tax imposed pursuant to this section, the transportation development district shall perform all functions incident to the administration, collection, enforcement, and operation of the tax. The tax imposed pursuant to this section shall be collected and reported upon such forms and under such administrative rules and regulations as may be prescribed by the transportation development district.

4. (1) All applicable provisions contained in sections 144.010 to 144.525, RSMo, governing the state sales tax, sections 32.085 and 32.087, RSMo, and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section.

(2) All exemptions granted to agencies of government, organizations, persons and to the sale of certain articles and items of tangible personal property and taxable services pursuant to the provisions of sections 144.010 to 144.525, RSMo, are hereby made applicable to the imposition and collection of the tax imposed by this section.

(3) The same sales tax permit, exemption certificate and retail certificate required by sections 144.010 to 144.525, RSMo, for the administration and collection of the state sales tax shall satisfy the requirements of this section, and no additional permit or exemption certificate or retail certificate shall be required; except that the transportation development district may prescribe a form of exemption certificate for an exemption from the tax imposed by this section.

(4) All discounts allowed the retailer pursuant to the provisions of the state sales tax laws for the collection of and for payment of taxes pursuant to such laws are hereby allowed and made applicable to any taxes collected pursuant to the provisions of this section.

(5) The penalties provided in section 32.057, RSMo, and sections 144.010 to 144.525, RSMo, for violation of those sections are hereby made applicable to violations of this section.

(6) For the purpose of a sales tax imposed by a resolution pursuant to this section, all retail sales except retail sales of motor vehicles shall be deemed to be consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or the retailer’s agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. In the event a retailer has more than one place of business in this state which participates in the sale, the sale shall be deemed to be consummated at the place of business of the retailer where the initial order for the tangible personal property is taken, even though the order must be forwarded elsewhere for acceptance, approval of credit, shipment or billing. A sale by a retailer’s employee shall be deemed to be consummated at the place of business from which the employee works.

5. All sales taxes collected by the transportation development district shall be deposited by the transportation development district in a special fund to be expended for the purposes authorized in this section. The transportation development district shall keep accurate records of the amount of money which was collected pursuant to this section, and the records shall be open to the inspection of officers of each transportation development district and the general public.

6. (1) No transportation development district imposing a sales tax pursuant to this section may repeal or amend such sales tax unless such repeal or amendment will not impair the district’s ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects.

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(2) Whenever the board of directors of any transportation development district in which a transportation development sales tax has been imposed in the manner provided by this section receives a petition, signed by ten percent of the qualified voters calling for an election to repeal such transportation development sales tax, the board of directors shall, if such repeal will not impair the district’s ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects, submit to the qualified voters of such transportation development district a proposal to repeal the transportation development sales tax imposed pursuant to the provisions of this section. If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal to repeal the transportation development sales tax, then the resolution imposing the transportation development sales tax, along with any amendments thereto, is repealed. If a majority of the votes cast by the qualified voters voting thereon are opposed to the proposal to repeal the transportation development sales tax, then the ordinance or resolution imposing the transportation development sales tax, along with any amendments thereto, shall remain in effect.


238.236. Sales tax for transportation development district on all retail sales authorized—ballot form, content—rate of tax collection—fund created, lapse to general revenue prohibited—distribution—procedure to repeal tax.

1. This section shall not apply to any tax levied pursuant to section 238.235, and no tax shall be imposed pursuant to the provisions of this section if a tax has been imposed by a transportation development district pursuant to section 238.235.

2. In lieu of the taxes allowed pursuant to section 238.235, any transportation development district which consists of all of one or more entire counties, all of one or more entire cities, or all of one or more entire counties and one or more entire cities which are totally outside the boundaries of those counties may by resolution impose a transportation development district sales tax on all retail sales made in such transportation development district which are subject to taxation pursuant to the provisions of sections 144.010 to 144.525, RSMo, for any transportation development purpose designated by the transportation development district in its ballot of submission to its qualified voters. No resolution enacted pursuant to the authority granted by this section shall be effective unless:

(1) The board of directors of the transportation development district submits to the qualified voters of the transportation development district, at a state general, primary, or special election, a proposal to authorize the board of directors of the transportation development district to impose or increase the levy of an existing tax pursuant to the provisions of this section; or

(2) The voters approved the question certified by the petition filed pursuant to subsection 5 of section 238.207.

3. If the transportation development district submits to the qualified voters of the transportation development district a proposal to authorize the board of directors of the transportation development district to impose or increase the levy of an existing tax pursuant to the provisions of subdivision (1) of subsection 2 of this section, the ballot of submission shall contain, but need not be limited to, the following language:

Shall the transportation development district of ........(transportation development district’s name) impose a transportation development district-wide sales tax at the rate of.......... (insert amount) for a period of.......... (insert number) years from the date on which such tax is first imposed for the purpose of .................. (insert transportation development purpose)?

[ ] YES [ ] NO

If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal, then the resolution and any amendments thereto shall be in effect. If a majority of the votes cast by the qualified voters voting are opposed to the proposal, then the board of directors of the transportation development district shall have no power to impose the sales tax authorized by this section unless and until the board of directors of the transportation development district shall again have submitted another proposal to authorize it to impose the sales tax pursuant to the provisions of this section and such proposal is approved by a majority of the qualified voters voting thereon.

4. Within ten days after the adoption of any resolution in favor of the adoption of a transportation development district sales tax which has been approved by the qualified voters of such transportation development district, the transportation development district shall forward to the director of revenue, by United States registered mail or certified mail, a certified copy of the resolution of its board of directors. The resolution shall reflect the effective date thereof. The sales tax authorized by this section shall become effective on the first day of the second calendar quarter after the director of revenue receives notice of adoption of such tax.

5. All revenue received by a transportation development district from the tax authorized by this section which has been designated for a certain transportation development purpose shall be deposited in a special trust fund and shall be used solely for such designated purpose. Upon the expiration of the period of years approved by the qualified voters pursuant to subsection 3 of this section or if the tax authorized by this section is repealed pursuant to subsection 12 of this section, all funds remaining in the special trust fund shall continue to be used solely for such designated transportation development purpose. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors in accordance with applicable laws relating to the investment of other transportation development district funds.

6. The sales tax may be imposed at a rate of one-eighth of one percent, one-fourth of one percent, three-eighths of one percent, one-half of one percent or one percent on the receipts from the sale at retail of all tangible personal property or taxable services at retail within the transportation development district adopting such tax, if such property and services are subject to taxation by the state of Missouri pursuant to the provisions of sections 144.010 to 144.525, RSMo. Any transportation development district sales tax imposed pursuant to this section shall be imposed at a rate that shall be uniform throughout the district.
7. The resolution imposing the sales tax pursuant to this section shall impose upon all sellers a tax for the privilege of engaging in the business of selling tangible personal property or rendering taxable services at retail to the extent and in the manner provided in sections 144.010 to 144.525, RSMo, and the rules and regulations of the director of revenue issued pursuant thereto; except that the rate of the tax shall be the rate imposed by the resolution as the sales tax. The amount reported and returned to the director of revenue by the seller shall be computed on the basis of the combined rate of the tax imposed by sections 144.010 to 144.525, RSMo, and the tax imposed by the resolution as authorized by this section, plus any amounts imposed pursuant to other provisions of law.

8. On and after the effective date of any tax imposed pursuant to this section, the director of revenue shall perform all functions incident to the administration, collection, enforcement, and operation of the tax, and the director of revenue shall collect, in addition to all other sales taxes imposed by law, the additional tax authorized pursuant to this section. The tax imposed pursuant to this section and the taxes imposed pursuant to all other laws of the state of Missouri shall be collected together and reported upon such forms and pursuant to such administrative rules and regulations as may be prescribed by the director of revenue.

9. All applicable provisions contained in sections 144.010 to 144.525, RSMo, governing the state sales tax, sections 32.085 and 32.087, RSMo, governing local sales taxes, and section 32.057, RSMo, the uniform confidentiality provision, shall apply to the collection of the tax imposed by this section, except as modified in this section.

10. All sales taxes collected by the director of revenue pursuant to this section on behalf of any transportation development district, less one percent for the cost of collection, which shall be deposited in the state’s general revenue fund after payment of premiums for surety bonds as provided in section 32.087, RSMo, shall be deposited in the state treasury to the credit of the “Transportation Development District Sales Tax Fund”, which is hereby created. Moneys in the transportation development district sales tax fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. All interest earned upon the balance in the transportation development district sales tax fund shall be deposited to the credit of the same fund. Any balance in the fund at the end of an appropriation period shall not be transferred to the general revenue fund and the provisions of section 33.080, RSMo, shall not apply to the fund. The director of revenue shall keep accurate records of the amount of money which was collected in each transportation development district imposing a sales tax pursuant to this section, and the records shall be open to the inspection of officers of each transportation development district and the general public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in such fund during the preceding month to the proper transportation development district.

11. The director of revenue may authorize the state treasurer to make refunds from the amounts credited to any transportation development district for erroneous payments and overpayments made, and may redeem dishonored checks and drafts deposited to the credit of such districts. If any transportation development district repeals the tax authorized by this section, the transportation development district shall notify the director of revenue of the action at least ninety days prior to the effective date of the repeal and the director of revenue may order retention, for a period of one year, of two percent of the amount collected after receipt of such notice to cover possible refunds or overpayment of such tax and to redeem dishonored checks and drafts deposited to the credit of such accounts. After one year has elapsed after the effective date of repeal of the tax authorized by this section in such transportation development district, the director of revenue shall remit the balance in the account to the transportation development district and close the account of that transportation development district. The director of revenue shall notify each transportation development district of each instance of any amount refunded or any check redeemed from receipts due the transportation development district.

12. (1) No transportation development district imposing a sales tax pursuant to this section may repeal or amend such sales tax unless such repeal or amendment will not impair the district’s ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects. (2) Whenever the board of directors of any transportation development district in which a transportation development sales tax has been imposed in the manner provided by this section receives a petition, signed by ten percent of the qualified voters of such transportation development district calling for an election to repeal such transportation development sales tax, the board of directors shall, if such repeal will not impair the district’s ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued or which have been issued by the commission or any local transportation authority to finance any project or projects, submit to the voters of such transportation development district a proposal to repeal the transportation development sales tax imposed pursuant to the provisions of this section. If a majority of the votes cast on the proposal by the qualified voters voting thereon are in favor of the proposal to repeal the transportation development sales tax, then the resolution imposing the transportation development sales tax, along with any amendments thereto, is repealed. If a majority of the votes cast by the qualified voters voting thereon are opposed to the proposal to repeal the transportation development sales tax, then the resolution imposing the transportation development sales tax, along with any amendments thereto, shall remain in effect.


238.237. Toll roads, allowed when—election, ballot form.

1. If approved by a majority of the qualified voters voting on the question in the district, the district may charge and collect tolls or fees for the use of a project. The board may charge a lower toll rate or fee than that amount approved by the district voters, and may increase that lower toll rate or fee to a level not exceeding the toll or fee rate ceiling without voter approval. Toll rates or fees for the use of the same project may vary at the election of the board, depending upon the type or nature of the user, or the type or nature of the use.

2. The ballot of submission shall be substantially in the following form:
Shall the ................... Transportation Development District be authorized to charge tolls or fees in amounts not to exceed those given below:

Maximum Toll or Fee Toll or Fee Description

(Insert amount) (Insert a brief description of the toll or fee, distinguishing it from other tolls or fees to be charged on the same project)

(Insert amount) (Describe the next toll or fee charged)

(Etc.) (Etc.) for the purpose of providing revenue for the development of a project (or projects) in the district (insert general description of the project or projects, if necessary)?

[ ] YES [ ] NO If you are in favor of the question, place an “X” in the box opposite “YES”. If you are opposed to the question, place an “X” in the box opposite “NO”.

3. To construct a toll facility, a district may relocate an existing state highway, subject to approval by the commission, or an existing local public street or road, subject to approval by the local transportation authority having control and jurisdiction over such street or road. A district shall not incorporate an existing free public street, road, or highway into a district project that will be subject to tolls.


238.240. Indebtedness, authorized--bonds, authority to issue--limitations.

1. A district may contract and incur liabilities appropriate to accomplish its purposes.

2. It may lease or lease-purchase any real or personal property necessary or convenient for its purposes.

3. It may borrow money for its purposes at such rates of interest as the district may determine.

4. It may issue bonds, notes and other obligations, and may secure any of such obligations by mortgage, pledge, assignment or deed of trust of any or all of the property and income of the district, subject to the restrictions provided in sections 238.200 to 238.275. The district shall not incorporate an existing free public street, road, or highway into a district project that will be subject to tolls.


238.242. Revenue bonds, authorized--procedures, requirements--refunding bonds--tax-exempt status.

1. A district may at any time authorize or issue revenue bonds for the purpose of paying all or any part of the cost of any project. Every issue of such bonds shall be payable out of the revenues of the district and may be further secured by other property of the district which may be pledged, assigned, mortgaged, or a security interest granted for such payment, without preference or priority of the first bonds issued, subject to any agreement with the holders of any other bonds pledging any specified property or revenues. Such bonds shall be authorized by resolution of the district, and if issued by the district, shall bear such date or dates, and shall mature at such time or times, but not in excess of forty years, as the resolution shall specify. Such bonds shall be in such denomination, bear interest at such rate or rates, be in such form, either coupon or registered, be issued as current interest bonds, compound interest bonds, variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be payable in such place or places and subject to redemption as such resolution may provide notwithstanding the provisions of section 108.170, RSMo. The bonds may be sold at either public or private sale, at such interest rates, and at such price or prices as the district shall determine.

2. Any issue of district bonds outstanding may be refunded at any time by the district by issuing its refunding bonds in such amount as the district may deem necessary. Such bonds may not exceed the amount sufficient to refund the principal of the bonds so to be refunded together with any unpaid interest thereon and any premiums, commissions, service fees, and other expenses necessary to be paid in connection with the refunding. Any such refunding may be effected whether the bonds to be refunded then shall have matured or thereafter shall mature, either by sale of the refunding bonds and the application of the proceeds thereof to the payment of the bonds being refunded or by the exchange of the refunding bonds for the bonds being refunded with the consent of the holder or holders of the bonds being refunded. Refunding bonds may be issued regardless of whether the bonds being refunded were issued in connection with the same project or a separate project and regardless of whether the bonds proposed to be refunded shall be payable on the same date or different dates or shall be due serially or otherwise.

3. If the proposed project is intended to be merged into the state highways and transportation system for future maintenance under the commission’s jurisdiction, the district may contract with the commission to assist it in issuing district revenue bonds and refunding bonds. The district may also contract with the commission to issue commission revenue bonds and refunding bonds and to loan the proceeds thereof to the district. Such bonds shall be authorized by commission minute and shall be issued subject to conditions applicable to bonds issued by the district but as determined by the commission rather than the district.
4. If the proposed project is intended to be merged into a local transportation system for future maintenance under the local transportation authority’s jurisdiction, the district may contract with the local transportation authority to assist it in issuing district revenue bonds and refunding bonds. The district may also contract with the local transportation authority to issue the local transportation authority’s revenue bonds and refunding bonds and to loan the proceeds thereof to the district. Such bonds shall be authorized by the local transportation authority’s ordinance or order and shall be issued subject to conditions applicable to bonds issued by the district but as determined by the local transportation authority rather than the district.

5. Bonds issued under this section shall exclusively be the responsibility of the district payable solely out of district funds and property provided in sections 238.200 to 238.275 and shall not constitute a debt or liability of the state of Missouri or any agency or political subdivision of the state. Neither the district, local transportation authority, nor the commission shall be obligated to pay such bonds with any funds other than those specifically pledged to repayment of the bonds. Any bonds issued by a district, a local transportation authority, or the commission shall state on their face that they are not obligations of the state of Missouri or any agency or political subdivision thereof other than the district.

6. Bonds issued under this section, the interest thereon, or any proceeds from such bonds shall be exempt from taxation in the state of Missouri for all purposes except the state estate tax.

(L. 1990 S.B. 479 & 649 § 52)
Effective 5-30-90

238.245. Property, district may purchase and control access. The district may, subject to commission or local transportation authority approval, as appropriate:

1. Purchase land or receive contributions of land and cash for project right-of-way;

2. Limit and control access from adjacent property to a district project; and

3. Sell and convey excess right-of-way for fair market value to any person or entity.

(L. 1990 S.B. 479 & 649 § 53)
Effective 5-30-90

238.247. Condemnation, subject to commission or authority approval—procedures—relocation expenses to be paid, how.

1. The district may condemn lands for a project in the name of the state of Missouri, upon prior approval by the commission, or the local transportation authority as appropriate, as to the necessity for the taking of* the description of the parcel and the interest taken in that parcel.

2. If condemnation becomes necessary the district shall act under chapter 523, RSMo, and may condemn a fee simple or other interest in land.

3. The district may, after prior notice to the owner to enter upon private property, survey and determine the most advantageous route and design. The district shall be liable for all damages done to the property by such inspection.

4. Any person who involuntarily transfers any interest in land to a district which becomes insolvent and comes under the jurisdiction of a court may reacquire that property by paying to the district the total amount of the condemnation award for that parcel, plus statutory interest at the statutory rate from the date of taking on the amount of that award, if the project will not be completed by either the district, the commission or a local transportation authority.

5. Whenever a district undertakes any project which results in the acquisition of real property or in any person or persons being displaced from their homes, businesses, or farms, the district shall provide relocation assistance and make relocation payments to such displaced person and do such other acts and follow such procedures as would be necessary to comply with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

(L. 1990 S.B. 479 & 649 § 54)
Effective 5-30-90

*Word “of” does not appear in original rolls.

238.250. Contractual powers. The district may contract with:

1. A federal agency, a state or its agencies and political subdivisions, the commission, a local transportation authority, a corporation, partnership or individual regarding funding, promotion, planning, designing, constructing, improving, maintaining, or operating a project or to assist in such activity; and
(2) The commission or a local transportation authority to transfer the project to the commission or the local transportation authority free of cost or encumbrance on such terms set forth by contract.

(L. 1990 S.B. 479 & 649 § 55)

Effective 5-30-90

238.252. Powers--generally. In addition to all other powers granted by sections 238.200 to 238.275 the district shall have the following general powers:

(1) To sue and be sued in its own name, and to receive service of process, which shall be served upon the district secretary;

(2) To fix compensation of its employees and contractors. All construction contracts in excess of five thousand dollars between the district and any private person, firm, or corporation shall be competitively bid and shall be awarded to the lowest and best bidder;

(3) To purchase any real or personal property necessary or convenient for its activities. All outright purchases of personal property in excess of one thousand dollars between the district and any private person, firm or corporation shall be competitively bid and shall be awarded to the lowest and best bidder;

(4) To collect and disburse funds for its activities; and

(5) To exercise such other implied powers necessary or convenient for the district to accomplish its purposes which are not inconsistent with its express powers.


Effective 6-26-01

238.255. Insurance, district may obtain--purposes--self-insurance not allowed, exception.

1. The district may obtain such insurance as it deems appropriate, considering its legal limits of liability, to protect itself, its officers and its employees from any potential liability and may also obtain such other types of insurance as it deems necessary to protect against loss of its real or personal property of any kind. The cost of this insurance shall be charged against the project.

2. The district may also require contractors performing construction or maintenance work on the project to obtain liability insurance having the district, its directors and employees as additional named insureds.

3. The district shall not attempt to self-insure for its potential liabilities unless it finds that it has sufficient funds available to cover any anticipated judgments or settlements and still complete its project without interruption. The district may self-insure if it is unable to obtain liability insurance coverage at a rate which is economically feasible to the district, considering its resources.

(L. 1990 S.B. 479 & 649 § 57)

Effective 5-30-90

238.257. Projects, number of, changes--procedures, election required, ballot form.

1. At any time during the existence of a district, the board may submit to the voters of the district a proposition to increase or decrease the number of projects which it is authorized to complete.

2. If the board proposes to add one or more additional projects, the question shall be submitted in substantially the following form:

Shall the ............... Transportation Development District fund or develop the following additional transportation project (or projects): (summarize the proposed project or projects), and have the power to fund the proposed project upon separate voter approval by any or all of the following methods: (here specifically describe the proposed funding methods and require each voter to approve or disapprove of each proposed funding method)?

3. If the board proposes to discontinue a project, it shall first obtain approval from the commission if the proposed project is intended to be merged into the state highways and transportation system under the commission’s jurisdiction or approval from the local transportation authority if the proposed project is intended to be merged into a local transportation system under the local authority’s jurisdiction. If such approval is obtained, then the question shall be submitted to the district’s voters in substantially the following form:

Shall the ............... Transportation Development District discontinue development of the following transportation project: (summarize the transportation project), for the reason that (describe the reason why the transportation project cannot be completed as approved)?

4. The board may modify the project previously approved by the district voters, if the modification is approved by the commission and, where appropriate, a local transportation authority.
238.260. **Commission and authority may provide assistance, how.** The commission and local transportation authorities may contract with a district to provide it assistance in project funding, promotion, planning, design, right-of-way acquisition, relocation assistance services, construction, maintenance, and operation. The commission or any local transportation authority may charge the district a reasonable fee, not exceeding the actual cost of providing the service.

(L. 1990 S.B. 479 & 649 § 58)
Effective 5-30-90

238.262. **Rules, commission may adopt.** The commission is authorized to adopt reasonable administrative rules relating to transportation development districts under chapter 536, RSMo.

(L. 1990 S.B. 479 & 649 § 60)
Effective 5-30-90

238.265. **Conveyance of property to district, how.** The state of Missouri, upon approval by an appropriate act of the general assembly, the commission, or a local transportation authority holding title to real estate, may give, grant and convey to or for the use of a district such right-of-way or other easement in such real estate as may be necessary for the development of a project.

(L. 1990 S.B. 479 & 649 § 61)
Effective 5-30-90

238.267. **Projects, regulation of--treatment as part of state or local system, when.**

1. For the purpose of law enforcement, all district projects to be transferred to the commission shall be treated as commission highways under chapter 43, RSMo, and all projects to be transferred to a local transportation authority shall be treated as streets or roads of that entity.

2. All laws of this state relating to the maintaining, signing, damaging and obstructing roads shall apply to district projects. The duties and powers imposed by such laws on certain officials shall devolve upon the district’s engineer or other employee designated by the board. Nothing in this subsection shall be deemed to interfere with, restrict or limit the authority of the commission to govern and control highway marking, signalization and signing to the extent the commission is authorized by law.

3. For outdoor advertising and junkyard control purposes, a district project may be designated by the commission as a part of the state primary highway system and by a local transportation authority as a part of its street or road system.

(L. 1990 S.B. 479 & 649 § 62)
Effective 5-30-90

238.270. **Local transportation authority not to control project improvements, exception.** Unless otherwise approved by contract of the district, project improvements shall not be under the control and jurisdiction of a local transportation authority while the district retains control and jurisdiction over the project. The provisions of chapter 228, RSMo, are inapplicable to transportation development districts.

(L. 1990 S.B. 479 & 649 § 63)
Effective 5-30-90

238.272. **Audit required, when--costs, payment of.** The state auditor shall audit each district not less than once every three years, and may audit more frequently if the state auditor deems appropriate. The costs of this audit shall be paid by the district.

(L. 1990 S.B. 479 & 649 § 64)
Effective 5-30-90
238.275. Projects, transfer to commission or authority, when—abolishment of district, procedures, duties.

1. Within six months after development and initial maintenance costs of its completed project have been paid, the district shall pursuant to contract transfer ownership and control of the project to the commission or a local transportation authority which shall be responsible for all future maintenance costs pursuant to contract.

2. At such time as a district has completed its project and has transferred ownership of the project to the commission or other local transportation authority for maintenance, or at such time as the board determines that it is unable to complete its project due to lack of funding or for any other reason, the board shall submit for a vote in an election held throughout the district the question of whether the district should be abolished. The question shall be submitted in substantially the following form:

   Shall the ............... Transportation Development District be abolished?

3. The district board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against the district, while the district liabilities exceed its assets, or while the district is insolvent, in receivership or under the jurisdiction of the bankruptcy court. Prior to submitting the question to abolish the district to a vote, the state auditor shall audit the district to determine the financial status of the district, and whether the district may be abolished pursuant to law.

4. While the district still exists, it shall continue to accrue all revenues to which it is entitled at law.

5. Upon receipt of certification by the appropriate election authorities that the majority of those voting within the district have voted to abolish the district, and if the state auditor has determined that the district’s financial condition is such that it may be abolished pursuant to law, then the board shall:

   (1) Sell any remaining district real or personal property it wishes, and then transfer the proceeds and any other real or personal property owned by the district, including revenues due and owing the district, to the commission or any appropriate local transportation authority assuming maintenance and control of the project, for its further use and disposition;

   (2) Terminate the employment of any remaining district employees, and otherwise conclude its affairs;

   (3) At a public meeting of the district, declare by a majority vote that the district has been abolished effective that date; and

   (4) Cause copies of that resolution under seal to be filed with the secretary of state, the director of revenue, the commission, and with each local transportation authority affected by the district. Upon the completion of the final act specified in this subsection, the legal existence of the district shall cease.

   (L. 1990 S.B. 479 & 649 § 65)

   Effective 5-30-90
238.300. Citation of law.
Sections 238.300 to 238.367 may be cited as the “Missouri Transportation Corporation Act”.


238.302. Definitions. Wherever used in sections 238.300 to 238.367, the following terms mean:

1. “Board”, the board of directors of the corporation;
2. “Commission”, the Missouri highways and transportation commission;
3. “Corporation” or “transportation corporation”, any transportation corporation organized under sections 238.300 to 238.367;
4. “Local transportation authority”, a county, city, town, village, county highway commission, special road district, interstate compact agency, or any local public authority or political subdivision having jurisdiction over any bridge, street, highway, dock, wharf, ferry, lake or river port, airport, railroad, light rail or other transit improvement or service;
5. “Pay”, paying a toll by cash, by permitting a charge against a valid account with the authority or by another means of payment approved by the corporation at the time;
6. “Photo monitoring system”, a vehicle sensor installed to work in conjunction with a toll collection facility which automatically produces one or more photographs, one or more microphotographs, a videotape or other recorded images of each vehicle at the time it is used or operated in violation of toll collection regulations;
7. “Project” includes any bridge, street, road, highway, access road, interchange, intersection, signing, signalization, parking lot, bus stop, station, garage, terminal, hangar, shelter, rest area, dock, wharf, lake or river port, airport, railroad, light rail, or other mass transit and any similar or related improvement or infrastructure;
8. “Toll” or “tolls”, charges prescribed by the corporation for the use of its property;
9. “Toll collection regulations”, those rules and regulations of a corporation providing for and requiring the payment of tolls for the use of bridges under its jurisdiction or those rules and regulations of a corporation making it unlawful to refuse to pay or to evade or to attempt to evade the payment of all or part of any toll for the use of bridges under the jurisdiction of the corporation;
10. “Vehicle” or “motor vehicle”, every device in, upon or by which a person or property is or may be transported or drawn upon a highway except devices used exclusively upon stationary rails or tracks.


238.305. Purpose of law.
1. The general assembly declares that:

1. The present and prospective traffic congestion and limited roadways in many areas of this state, and the limited availability of state funds, require as a public purpose the promotion and development of public transportation facilities and systems by new and alternative means;
2. The creation of transportation corporations by private parties in cooperation with the commission is essential to the continued economic growth of this state, is in the public interest, and will promote the health, safety and general welfare of the citizens of this state by securing for them expanded and improved transportation facilities and systems;
3. The transportation corporations created under sections 238.300 to 238.360 will perform an essential function by acting to secure and obtain rights-of-way for urgently needed transportation systems and to assist in the planning and design of such systems;
4. The transportation corporations created under sections 238.300 to 238.360 will perform many functions normally undertaken by the commission and its staff, and thus will reduce the burdens and demands on limited funds available to the commission, thereby increasing the effectiveness and impact of those funds available to the commission;
5. The transportation corporations created under sections 238.300 to 238.360 will act in promoting and developing public transportation facilities and systems and in promoting economic development in this state, and will not act as the agent or instrumentality of any private interests even though many private interests may be benefited by the transportation corporations, as will the general public. The transportation corporations created under sections 238.300 to 238.360 shall periodically make a showing to the state transportation department of a good faith effort of development and implementation of a women and minority employment and business plan. Only after such a showing of a good faith effort may the transportation corporations created under sections 238.300 to 238.360 waive the general policy of women and minority employment and business plan and involvement. If such policy is waived, the transportation corporations created under sections 238.300 to 238.360 shall make a
showing of a good faith effort of development and implementation of a women and minority employment and business plan every three months until such policy is again in effect.

2. Sections 238.300 to 238.360 shall be liberally construed in conformance with the legislative findings and purposes set forth in this section.

(L. 1990 S.B. 479 & 649 § 12)

Effective 5-30-90


1. A corporation may be created to fund, promote, plan, design, construct, maintain, and operate one or more projects or to assist in such activity.

2. The corporation shall be a nonmember, nonstock corporation. It shall be organized under and governed by sections 238.300 to 238.360 and by the provisions of the general not-for-profit corporation law, chapter 355, RSMo. Any provision of sections 238.300 to 238.360 shall take precedence over any conflicting provision of chapter 355, RSMo.

3. No part of the earnings or assets of a transportation corporation shall inure to the benefit of any private interests, person, or entity.

4. Property held by and activities of a corporation created under the provisions of sections 238.300 to 238.360 exist and are conducted for purely civic, social welfare, and charitable purposes. A transportation corporation shall be exempt from taxation in accordance with article X, section 6 of the Missouri Constitution. The corporation shall not be required to pay any taxes or assessments upon or with respect to a project or property acquired or used by the corporation or upon income therefrom.

(L. 1990 S.B. 479 & 649 § 13)

Effective 5-30-90

238.310. Formation, procedures, requirements--hearing, duties of commission--approval, when.

1. Any number of natural persons, not less than three, each of whom is at least twenty-one years of age and a registered voter within this state, may file with the commission a written application with preliminary plans and specifications for a project requesting that the commission authorize the creation of a transportation corporation to act within a designated area. The application shall also provide a proposed plan for financing the project. The commission may charge a filing fee for the application.

2. The commission shall order a local public hearing and shall cause to be published notice that the commission is considering authorizing a project and the incorporation of a transportation corporation. The notice shall specify the time, date, and place of the hearing and shall be given by publication in a newspaper published in the county or counties in which all or part of the project is to be located which has a general circulation once a week for four consecutive weeks. The last publication shall be at least fifteen days prior to the date of the hearing. The commission shall also give at least fifteen days written notice of such hearing to the owners of all fee interests of record in all tracts of real property located within the area proposed to be included within the limits of the project.

3. The commission shall also serve written notice on each county, city, town and village in which all or part of a project is to be located that the commission is considering authorizing a project and the incorporation of the transportation corporation. Each such county, city, town and village shall be entitled to review the written application with preliminary plans and specifications. Approval of the project by the governing body of each such county, city, town and village is a condition precedent to approval of the project and the corporation by the commission.

4. After the hearing, the commission shall consider the matter of authorizing the project and the incorporation of the transportation corporation at a regular commission meeting. If the commission by minute finds that the project will improve or is a necessary or desirable extension of the state highways and transportation system and that the proposed corporation will have adequate funds to finance the proposed project, the commission may approve the articles of incorporation for the corporation and the project subject to the corporation making any revisions in the plans and specifications required by the commission and the corporation entering into a mutually satisfactory agreement regarding development and future maintenance of the project.

5. The commission shall designate the area of the state in which the corporation may act, and such area may include territory within one or more counties, municipalities or other political subdivisions of the state. The commission may authorize creation of one or more corporations to act within the same designated area, provided that the commission minute approving the creation of each corporation shall specify the public purposes which each corporation will further.

6. No corporation may be formed unless the commission has duly adopted a commission minute which shall be conclusive evidence of the commission’s approval of the project and the articles of incorporation.

(L. 1990 S.B. 479 & 649 § 14)

Effective 5-30-90
238.312. Articles of incorporation, contents, amendment--filing.

1. In addition to the information required under chapter 355, RSMo, the articles of incorporation shall set forth:

(1) The purposes for which the corporation is organized including the project description, scope, area, and proposed sources of funding;

(2) That the corporation has no members and is a nonstock corporation; and

(3) A recital that the commission has specifically authorized the corporation to act, has approved the articles of incorporation, and the date of such authorization.

2. The articles of incorporation may be amended if the board files with the commission a written application specifying the proposed amendments and the commission approves the application by commission minute.

3. The articles of amendment shall be executed in duplicate for the corporation by its president and verified by its secretary. In addition to the information required under chapter 355, RSMo, the articles of amendment shall set forth the fact that such amendment was approved by the commission and the date of such approval.

4. The articles of incorporation, and any amendments thereto, shall be duly authenticated and filed by the corporation with the secretary of state and with the commission to be effective.

   (L. 1990 S.B. 479 & 649 § 15)
   Effective 5-30-90

238.315. Board, members, terms--expense reimbursement--advisors, commission to appoint--officers, appointment of.

1. The corporation shall have a board of directors. All powers of the corporation shall be vested in the board which shall consist of any number of directors, not less than six, each of whom shall be appointed by the commission for a term of no more than six years. Each director may be removed by the commission for cause. The terms shall be staggered in length, so that not more than one-third of the terms of the board of directors shall expire in a given year. The directors shall serve as such without compensation except that they shall be reimbursed by the corporation for their actual expenses incurred in the performance of their duties.

2. No person shall be appointed or continue to serve on the board who owns land on which or adjacent to which a project to be developed by the corporation shall be located.

3. The commission shall appoint one or more advisors to the board, who shall have no vote but shall have authority to participate in all board meetings and discussions, whether open or closed, and shall have access to all records of the corporation and its board of directors.

4. At the first meeting of the board, it shall elect a chairman from its members. The board shall appoint an executive director, corporation secretary, treasurer and such other officers or employees as it deems necessary.

5. The board may appoint any number of advisory directors to advise and assist the directors in the development of a project. The advisory directors shall serve at the will of the directors, but advisory directors shall have no vote in the affairs of the corporation, shall not receive any compensation for their services, and shall not receive any reimbursement for expenses incurred by them.

   (L. 1990 S.B. 479 & 649 § 16)
   Effective 5-30-90

238.317. Bylaws, adoption and approval. The board shall adopt corporation bylaws which shall be approved by a minute of the commission. The bylaws of a corporation shall not be amended without approval by a minute of the commission.

   (L. 1990 S.B. 479 & 649 § 17)
   Effective 5-30-90

238.320. Project plans, commission approval of. Before construction of any project, the corporation shall submit the final financing plan and final construction plans and specifications to the commission for its approval. The corporation shall make any revisions in the plans and specifications required by the commission. After the commission approves the final financing plan, construction plans and specifications, the corporation shall obtain prior commission approval of any modification of such plans or specifications.

   (L. 1990 S.B. 479 & 649 § 18)
   Effective 5-30-90
238.322. Funding mechanisms, allowable—deposits with commission, purpose.

1. A corporation may use any one or more of the funding methods specifically authorized by sections 238.300 to 238.360 and any other lawful funding the corporation may obtain for the project.

2. The commission may by contract with a corporation receive any revenue received by a corporation from any funding method authorized by sections 238.300 to 238.360. Such revenue shall be deposited by the commission pursuant to section 227.180, RSMo, and applied by the commission to project costs including debt service on revenue bonds or refunding bonds issued by the corporation or the commission under sections 238.300 to 238.360.

   (L. 1990 S.B. 479 & 649 § 19)
   Effective 5-30-90

238.325. Fees, tolls and charges, allowed when, enforcement authority—relocation of highways and roads, authority.

1. The corporation may, subject to commission approval:

   (1) Establish and impose fees for services provided by the corporation; and
   (2) Charge and collect tolls, fees and rents for use of a project to pay project costs or operation and anticipated future maintenance costs of a project; and
   (3) Enforce collection of tolls in conjunction with the Missouri department of transportation, Missouri highway patrol or any other law enforcement official in the state of Missouri.

2. To construct a toll facility, a corporation may relocate an existing state highway subject to approval by the commission or an existing local public street or road subject to approval by the local transportation authority having control and jurisdiction over such street or road. A corporation shall not incorporate an existing free public street, road, or highway into a corporation project that will be subject to tolls.


238.327. Indebtedness authorized—bonds, may be issued.

1. A corporation may contract and incur liabilities appropriate to accomplish its purposes.

2. It may borrow money for its corporate purposes at such rates of interest as the corporation may determine.

3. It may issue bonds, notes and other obligations, and may secure any of such obligations by mortgage, pledge, or deed of trust of any or all of the property and income of the corporation, subject to the restrictions provided in sections 238.300 to 238.360. The corporation shall not mortgage, pledge or give a deed of trust on any real property or interests which it obtained by eminent domain or acquired from the state of Missouri or any agency or political subdivision thereof.

   (L. 1990 S.B. 479 & 649 § 21)
   Effective 5-30-90

238.330. Revenue bonds, authorized—procedures, requirements—refunding bonds—tax-exempt status.

1. A corporation may at any time authorize or issue revenue bonds for the purpose of paying all or any part of the cost of any project. Every issue of such bonds shall be payable out of the property and revenues of the corporation and may be further secured by other property of the district which may be pledged, assigned, mortgaged, or a security interest granted for such payment, without preference or priority of the first bonds issued, subject to any agreement with the holders of any other bonds pledging any specified property or revenues. Such bonds shall be authorized by resolution of the corporation board, and if issued by the corporation, shall bear such date or dates, and shall mature at such time or times, but not in excess of forty years, as the resolution shall specify. Such bonds shall be in such denomination, bear interest at such rate or rates, be in such form, either coupon or registered, be issued as current interest bonds, compound interest bonds, variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner, be payable in such place or places and be subject to redemption as such resolution may provide notwithstanding the provisions of section 108.170, RSMo. The bonds may be sold at either public or private sale, at such interest rates, and at such price or prices as the corporation shall determine.

2. Any issue of corporation bonds outstanding may be refunded at any time by the corporation by issuing its refunding bonds in such amount as the district may deem necessary. Such bonds may not exceed the amount sufficient to refund the principal of the bonds so to be refunded together with any unpaid interest thereon and any premiums, commissions, service fees, and other expenses necessary to be paid in connection with the refunding. Any such refunding may be effected whether the bonds to be refunded then shall have matured or thereafter shall mature, either by sale of the refunding bonds and the application of the proceeds thereof to the payment of the bonds being refunded or by the exchange of the refunding bonds for the bonds being refunded with the consent of the holder or holders of the bonds being refunded. Refunding bonds may be
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issued regardless of whether the bonds being refunded were issued in connection with the same project or a separate project and regardless of whether or not the bonds proposed to be refunded shall be payable on the same date or different dates or shall be serially or otherwise.

3. The corporation may contract with the commission to assist it in issuing corporation revenue bonds and refunding bonds. The corporation may also contract with the commission to issue commission revenue bonds and refunding bonds and to loan the proceeds thereof to the corporation. Such bonds shall be authorized by commission minute and shall be issued subject to conditions applicable to bonds issued by the corporation but as determined by the commission rather than the corporation.

4. Bonds issued under this section shall exclusively be the responsibility of the corporation payable solely out of corporation funds and property provided in sections 238.300 to 238.360 and shall not constitute debt or liability of the state of Missouri or any agency or political subdivision of the state. Neither the corporation nor the commission shall be obligated to pay such bonds with any funds other than those specifically pledged to repayment of the bonds. Any such bonds issued by a corporation or the commission shall state on their face that they are not obligations of the state of Missouri or any agency or political subdivision thereof.

5. Bonds issued under this section, the interest thereon, or any proceeds from such bonds, are exempt from taxation in the state of Missouri for all purposes except the state estate tax.

(L. 1990 S.B. 479 & 649 § 22)
Effective 5-30-90

238.332. Property, corporation may purchase and control access. The corporation may, subject to commission approval:

(1) Purchase land or receive contributions of land and cash for project right-of-way;
(2) Limit and control access from adjacent property to a corporation project; and
(3) Sell and convey excess right-of-way for fair market value to any person or entity.

(L. 1990 S.B. 479 & 649 § 23)
Effective 5-30-90

238.335. Condemnation, subject to commission approval—procedures—relocation expenses to be paid, how.

1. The commission is authorized to condemn lands for the corporation in the name of the state of Missouri, upon prior approval by the commission as to the necessity for the taking, the description of the parcel, and the interest taken in that parcel.

2. If condemnation becomes necessary, the commission shall act for the corporation under chapter 523, RSMo, and may condemn a fee simple or other interest in land.

3. Whenever a corporation undertakes any project which results in the acquisition of real property or in any person or persons being displaced from their homes, businesses, or farms, the commission shall act for the corporation to provide relocation assistance and to make relocation payments to such displaced persons and to do such other acts and follow such procedures as would be necessary to comply with the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

4. The corporation after prior notice to the owner may enter upon private property to survey and determine the most advantageous route and design. The corporation shall be liable for all damages done to the property by such inspection.

5. Any person who involuntarily transfers any interest in land to a corporation which becomes insolvent and comes under the jurisdiction of a court may reacquire that property by paying to the corporation the total amount of the condemnation award for that parcel, plus simple interest at the statutory rate from the date of taking on the amount of that award, if the project will not be completed by either the corporation or the commission.

(L. 1990 S.B. 479 & 649 § 24)
Effective 5-30-90

238.337. Contractual powers. The corporation may contract with:

(1) A federal agency, a state or its agencies and political subdivisions*, the commission, a local transportation authority, a corporation, partnership or individual regarding funding, promotion, planning, designing, constructing, improving, maintaining or operating a project or to assist in such activity;
(2) The commission to transfer the project to the commission free of cost or encumbrance on such terms set forth by contract; and
(3) A person, a corporation, a local transportation authority, the commission, the state, or a federal agency for the purpose of jointly paying the cost of a project.

(L. 1990 S.B. 479 & 649 § 25)
Effective 5-30-90

*Words “a federal agency,” appear here—an apparent redundancy.


In addition to all other powers granted by sections 238.300 to 238.360 and all powers granted to general not-for-profit corporations under chapter 355, RSMo, the corporation shall have the following general powers:

(1) To sue and be sued in its own name, and to receive service of process, which shall be served upon the corporation secretary;

(2) To fix compensation of its employees and contractors and to disburse funds for its activities. The corporation shall advertise and let construction contracts in the same manner as the letting of public works contracts by the department of transportation;

(3) To purchase, lease, lease-purchase, or acquire by gift or grant any real or personal property necessary or convenient for its activities;

(4) To purchase insurance; and

(5) To exercise such other implied powers necessary or convenient for the corporation to accomplish its purposes which are not inconsistent with its express powers.

(L. 1990 S.B. 479 & 649 § 26)
Effective 5-30-90

238.342. Indemnification of directors, employees.

1. The corporation may indemnify any current or former director or employee for expenses actually and reasonably incurred by him in connection with any claim asserted against him in the absence of his gross negligence, intentional misconduct, or other willful and wrongful acts or omissions.

2. If the corporation has not fully indemnified him, the court in the proceeding in which any claim against such director or employee has been asserted or any court having the jurisdiction of an action instituted by such director or employee on his claim for indemnity may assess indemnity against the corporation, its receiver, or trustee for expenses authorized by this section.

(L. 1990 S.B. 479 & 649 § 27)
Effective 5-30-90

238.345. Commission may provide assistance, how.

The commission may contract with a corporation to provide it assistance in project funding, promotion, planning, design, right-of-way acquisition, relocation assistance services, construction, maintenance, and operation. The commission may charge the corporation a reasonable fee, not exceeding the actual cost of providing the service.

(L. 1990 S.B. 479 & 649 § 28)
Effective 5-30-90

238.347. Rules, commission may adopt.

The commission is authorized to adopt reasonable administrative rules regarding transportation corporations under chapter 536, RSMo.

(L. 1990 S.B. 479 & 649 § 29)
Effective 5-30-90

238.350. Projects, regulation of—treatment as part of highway system, when.

1. For the purpose of law enforcement, a corporation project shall be treated as a commission highway under chapter 43, RSMo.

2. All laws of this state relating to maintaining, signing, damaging, and obstructing roads shall apply to corporation projects. The duties and powers imposed by such laws on certain officials shall devolve upon the corporation engineer or other employee designated by the board.

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3. For outdoor advertising and junkyard control purposes, a corporation project may be designated by the commission as a part of the state primary highway system.

   (L. 1990 S.B. 479 & 649 § 30)
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238.352. Transfer of project to commission, when—dissolution of corporation, required when—procedures.

1. When a project is completed and all outstanding bonds, notes, obligations, liabilities or other debts of the corporation have been paid and retired or the corporation has provided for payment or retirement as determined by the commission, title to the project shall be transferred to the commission pursuant to contract. The commission shall then be responsible for all future maintenance costs of the project pursuant to contract. At such time, the corporation shall be dissolved unless the board amends the articles of incorporation as provided by sections 238.300 to 238.360 to allow the corporation to commence work on another project.

2. If a corporation is dissolved or liquidated and after all of its outstanding debts have been paid in full, all other income or assets of the corporation shall be liquidated and deposited in the state road fund and shall become the property of the commission.

3. If a corporation must be dissolved or liquidated before all of its outstanding debts and obligations have been paid in full, such liquidation shall be through a receivership action instituted in the appropriate circuit court of this state or as otherwise provided by law.

4. If the corporation or the commission does not elect to complete a project, any real property obtained for the project from the state of Missouri or any agency or political subdivision shall be returned. The state, its agency or political subdivision shall repay or return to the corporation all moneys or property it received from the corporation as consideration for the original transaction.

5. Bonds, notes, obligations, liabilities or other debts of the corporation shall exclusively be the responsibility of the corporation payable solely out of corporation funds and property provided herein and shall not constitute debt or liability of the state of Missouri or any agency or political subdivision of the state.

   (L. 1990 S.B. 479 & 649 § 31)
   Effective 5-30-90

238.355. Dissolution by commission, procedures, limitations.

1. The commission may alter the organization, project or activities of the corporation by written directions to the board.

2. The commission may dissolve the corporation. The commission shall not dissolve the corporation until all outstanding debts and obligations of the corporation have been paid in full, or until any receivership or other appropriate action to conclude the affairs of an insolvent corporation has been completed. The commission shall only dissolve a corporation by judicial proceedings as specified in chapter 355, RSMo.

   (L. 1990 S.B. 479 & 649 § 32)
   Effective 5-30-90

238.357. Dissolution by board, procedures.

1. Whenever the board by resolution shall determine that the purposes for which the corporation was formed have been complied with and that all obligations of the corporation have been fully paid or that appropriate judicial action to conclude the affairs of an insolvent corporation has been completed, the board shall, with the commission’s prior written approval, dissolve the corporation.

2. It is unnecessary for the board of an insolvent corporation or the commission to take any action to dissolve that corporation if a receivership or other appropriate judicial action has already concluded the affairs of that corporation. A copy of the appropriate order or decree in the judicial proceeding shall be filed with the secretary of state, who shall issue a certificate of dissolution of that insolvent corporation without charge.

   (L. 1990 S.B. 479 & 649 § 33)
   Effective 5-30-90

238.360. Articles of dissolution, execution of—secretary of state to issue certificate, when.

1. Articles of dissolution shall be executed in triplicate by the corporation by its president and attested to by its secretary. Triplicate originals of such articles of dissolution shall be delivered to the secretary of state. If the secretary of state finds that such articles of dissolution conform to the requirements of sections 238.300 to 238.360 and chapter 355, RSMo, he shall, without charge:

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(1) Endorse on each of such originals the word “filed” and the month, day, and year of the filing thereof;

(2) File one of such originals in his office; and

(3) Issue two certificates of dissolution to each of which he shall affix an original.

2. A certificate of dissolution together with an original of the articles of dissolution affixed thereto by the secretary of state shall be returned to the representative of the dissolved corporation and to the commission. Upon the issuance of such certificate of dissolution the existence of the corporation shall cease, except for the purpose of suits, other proceedings, and appropriate corporate action by members, directors and officers as provided in chapter 355, RSMo.

(L. 1990 S.B. 479 & 649 § 34)

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238.362. Toll enforcement, authority--toll assessment and collection, methods--notice to be posted near toll facility.

1. The commission may authorize transportation corporations which operate a toll facility to enforce the payment of tolls against the operator of a vehicle for the failure of an operator of such vehicle to comply with the toll collection regulations in accordance with the provisions of sections 238.365 and 238.367. Such authorizations shall be made in accordance with rules promulgated pursuant to chapter 536, RSMo.

2. An authorized corporation may use any method for assessing and collecting tolls, including but not limited to toll tickets, barrier toll facilities, billing accounts, commuter passes and electronic recording or identification devices. The display of a recording or identification device issued or authorized by a corporation for these purposes on or near the windshield of a motor vehicle shall not be a violation of any law or rule in the state of Missouri, unless the device is attached in a way that obstructs the driver’s clear view of the highway or an intersecting highway.

3. A corporation operating a toll facility shall post notice on or around a toll facility in the plain view of drivers of vehicles which reads as follows:

NOTICE FAILURE TO PAY THE REQUIRED TOLL IS A TRAFFIC VIOLATION. TOLL BOOTH OPERATORS WILL REPORT ANY FAILURE TO PAY REQUIRED TOLLS TO LAW ENFORCEMENT OFFICIALS WHO WILL ISSUE A TRAFFIC CITATION.

(L. 1997 S.B. 67)

238.365. Infraction for violation of toll collection regulation--report, admissibility, photo is rebuttable presumption, multiple vehicle owners.

1. The driver of a vehicle involved in a violation of toll collection regulations is guilty of an infraction and upon conviction thereof, shall be punished by a fine to be determined by the court.

2. A written report or telephone call from a toll enforcement officer or law enforcement officer, or photo monitoring system evidence that indicates a required toll was not paid is admissible in any proceeding to enforce this section, subject to foundation evidence to establish the authenticity of the report, call or photographs. Photo monitoring system evidence which shows that the driver of a vehicle has failed to pay a toll shall raise a rebuttable presumption that the motor vehicle shown in the photographic evidence was used in violation of this section. In the event that charges are filed against multiple owners of a motor vehicle, only one of the owners may be convicted and court costs may be assessed against only one of the owners. If the vehicle which is involved in the violation is registered in the name of a rental or leasing company and the vehicle is rented or leased to another person at the time of the violation, the rental or leasing company may rebut the presumption by providing the peace officer or prosecuting authority with a copy of the rental or lease agreement in effect at the time of the violation. No prosecuting authority may bring any legal proceedings against a rental or leasing company under this section unless prior written notice of the violation has been given to that rental or leasing company by registered mail at the address appearing on the registration and the rental or leasing company has failed to provide the rental or lease agreement copy within fifteen days of receipt of such notice.

(L. 1997 S.B. 67)

238.367. Procedures to collect tolls and issue traffic citation for toll violation, report of violation. The following procedures must be taken for the collection of tolls and issuance of traffic citations under the toll collection regulations:

(1) Any toll booth operator witnessing a violation of the toll collection regulations is authorized to report such violation to a law enforcement official or agency. The report may be in one of the following forms:

(a) A telephone call from a toll enforcement officer to a law enforcement agency indicating a violation, and a reasonable description of the vehicle violating the toll enforcement regulations including, but not limited to, the license plate of the vehicle, the make, model and color of the vehicle;

(b) A certificate, or written report sworn to or affirmed by a toll enforcement officer, agent of the corporation, state patrolman or sheriff’s department deputy which charged that the violation occurred, or facsimile thereof, based upon inspection of photographs, microphotographs, videotape or other recorded images produced by a photo monitoring system or a photo from a photo monitoring system, shall be prima facie
evidence of the facts contained therein, subject to foundation evidence to establish the authenticity of such photographs, microphotographs, videotape or other recorded images produced by a photo monitoring system, and shall be admissible in any proceeding charging a violation of toll collection regulations, provided that any photographs, microphotographs, videotape or other recorded images evidencing such a violation shall be available for inspection and admission into evidence in any proceeding to adjudicate the liability for such violations;

(2) After a report has been given to a Missouri law enforcement agency, such agency is authorized to issue a traffic citation for failure to pay the required toll;

(3) The law enforcement agency issuing the traffic citation is responsible for prosecution of such citation; and

(4) The provisions of this section supplement the enforcement of sections 238.300 to 238.367 by law enforcement officers, and this section does not prohibit a law enforcement officer from issuing a citation for a violation of sections 238.300 to 238.367 or any violation of traffic regulations in accordance with normal traffic enforcement procedures.

(L. 1997 S.B. 67)
NEIGHBORHOOD IMPROVEMENT DISTRICTS (NID)

§§ 67.453 - 67.475 RSMo

67.453. Neighborhood improvement districts--definitions. Sections 67.453 to 67.475 are known and may be cited as the “Neighborhood Improvement District Act”, and the following words and terms, as used in sections 67.453 to 67.475 mean:

(1) “Acquire”, the acquisition of property or interests in property by purchase, gift, condemnation or other lawful means and may include the acquisition of existing property and improvements already owned by the city or county;

(2) “Consultant”, engineers, architects, planners, attorneys, financial advisors, accountants, investment bankers and other persons deemed competent to advise and assist the governing body of the city or county in planning and making improvements;

(3) “Cost”, all costs incurred in connection with an improvement, including, but not limited to, costs incurred for the preparation of preliminary reports, the preparation of plans and specifications, the preparation and publication of notices of hearings, resolutions, ordinances and other proceedings, fees and expenses of consultants, interest accrued on borrowed money during the period of construction, underwriting costs and other costs incurred in connection with the issuance of bonds or notes, establishment of reasonably required reserve funds for bonds or notes, the cost of land, materials, labor and other lawful expenses incurred in planning, acquiring and doing any improvement, reasonable construction contingencies, and work done or services performed by the city or county in the administration and supervision of the improvement;

(4) “Improve”, to construct, reconstruct, maintain, restore, replace, renew, repair, install, equip, extend, or to otherwise perform any work which will provide a new public facility or enhance, extend or restore the value or utility of an existing public facility;

(5) “Improvement”, any one or more public facilities or improvements which confer a benefit on property within a definable area and may include or consist of a reimprovement of a prior improvement. Improvements include, but are not limited to, the following activities:

(a) To acquire property or interests in property when necessary or desirable for any purpose authorized by sections 67.453 to 67.475;

(b) To open, widen, extend and otherwise to improve streets, paving and other surfacing, gutters, curbs, sidewalks, crosswalks, driveway entrances and structures, drainage works incidental thereto, and service connections from sewer, water, gas and other utility mains, conduits or pipes;

(c) To improve main and lateral storm water drains and sanitary sewer systems, and appurtenances thereto;

(d) To improve street lights and street lighting systems;

(e) To improve waterworks systems;

(f) To improve parks, playgrounds and recreational facilities;

(g) To improve any street or other facility by landscaping, planting of trees, shrubs, and other plants;

(h) To improve dikes, levees and other flood control works, gates, lift stations, bridges and streets appurtenant thereto;

(i) To improve vehicle and pedestrian bridges, overpasses and tunnels;

(j) To improve retaining walls and area walls on public ways or land abutting thereon;

(k) To improve property for off-street parking facilities including construction and equipment of buildings thereon;

(l) To acquire or improve any other public facilities or improvements deemed necessary by the governing body of the city or county; and

(m) To improve public safety;

(6) “Neighborhood improvement district”, an area of a city or county with defined limits and boundaries which is created by vote or by petition under sections 67.453 to 67.475 and which is benefited by an improvement and subject to special assessments against the real property therein for the cost of the improvement.

(L. 1991 S.B. 8 § 1, A.L. 1993 H.B. 759 & 772)

67.455. Neighborhood improvements--bonds, special assessments. As a complete alternative to all other methods provided by law or charter, the governing body of any city or county may make, or cause to be made, improvements which confer a benefit upon property within a neighborhood improvement district pursuant to sections 67.453 to 67.475. The governing body of such city or county may incur indebtedness and issue temporary notes and general obligation bonds of such city or county pursuant to sections 67.453 to 67.475 to pay for all or part of the cost of such improvements. An improvement may be combined with one or more other improvements for the purpose of issuing a single series of general obligation bonds to pay all or part of the cost of such improvements, but separate funds or accounts shall be established within the records of the city or county for each improvement as provided in section 67.473. Such city or county shall assess special assessments on the property deemed by the governing body to be benefited by each such improvement pursuant to section 67.457. The city or county shall use the moneys
collected from such special assessments to reimburse the city or county for all amounts paid or to be paid by it as principal of and interest on its general obligation bonds issued for such improvements.


67.456. Neighborhood improvement districts--duration of bond maturity--maintenance provisions required, when--assessed costs on divided property recalculated, how, restrictions.

1. The average maturity of bonds or notes issued under the neighborhood improvement district act after August 28, 2004, shall not exceed one hundred twenty percent of the average economic life of the improvements for which the bonds or notes are issued.

2. Any improvement for which a petition is filed or an election is held under section 67.457 after August 28, 2004, including improvements to or located on property owned by a city or county, shall include provisions for maintenance of the project during the term of the bonds or notes.

3. In the event that, after August 28, 2004, any parcel of property within the neighborhood improvement district is divided into more than one parcel of property, the final costs of the improvement that was divided shall be recalculated and reassessed proportionally to each of the parcels resulting from the division of the original parcel, based on the assessed valuation of each resulting parcel. No parcel of property which has had the assessment against it paid in full by the property owner shall be reassessed under this section. No parcel of property shall have the initial assessment against it changed, except for any changes for special, supplemental, or additional assessments authorized under the state neighborhood improvement district act.

(L. 2004 H.B. 1321)


1. To establish a neighborhood improvement district, the governing body of any city or county shall comply with either of the procedures described in subsection 2 or 3 of this section.

2. The governing body of any city or county proposing to create a neighborhood improvement district may by resolution submit the question of creating such district to all qualified voters residing within such district at a general or special election called for that purpose. Such resolution shall set forth the project name for the proposed improvement, the general nature of the proposed improvement, the estimated cost of such improvement, the boundaries of the proposed neighborhood improvement district to be assessed, and the proposed method or methods of assessment of real property within the district, including any provision for the annual assessment of maintenance costs of the improvement in each year during the term of the bonds issued for the original improvement and after such bonds are paid in full. The governing body of the city or county may create a neighborhood improvement district when the question of creating such district has been approved by the vote of the percentage of electors within such district voting thereon that is equal to the percentage of voter approval required for the issuance of general obligation bonds of such city or county under article VI, section 26 of the constitution of this state. The notice of election containing the question of creating a neighborhood improvement district shall contain the project name for the proposed improvement, the general nature of the proposed improvement, the estimated cost of such improvement, the boundaries of the proposed neighborhood improvement district to be assessed, the proposed method or methods of assessment of real property within the district, including any provision for the annual assessment of maintenance costs of the improvement in each year after the bonds issued for the original improvement are paid in full, and a statement that the final cost of such improvement assessed against real property within the district and the amount of general obligation bonds issued therefor shall not exceed the estimated cost of such improvement, as stated in such notice, by more than twenty-five percent, and that the annual assessment for maintenance costs of the improvements shall not exceed the estimated annual maintenance cost, as stated in such notice, by more than twenty-five percent. The ballot upon which the question of creating a neighborhood improvement district is submitted to the qualified voters residing within the proposed district shall contain a question in substantially the following form:

Shall .......... (name of city or county) be authorized to create a neighborhood improvement district proposed for the .......... (project name for the proposed improvement) and incur indebtedness and issue general obligation bonds to pay for all or part of the cost of public improvements within such district, the cost of all indebtedness so incurred to be assessed by the governing body of the .......... (city or county) on the real property benefited by such improvements for a period of ...... years, and, if included in the resolution, an assessment in each year thereafter with the proceeds thereof used solely for maintenance of the improvement?

3. As an alternative to the procedure described in subsection 2 of this section, the governing body of a city or county may create a neighborhood improvement district when a proper petition has been signed by the owners of record of at least two-thirds by area of all real property located within such proposed district. The petition, in order to become effective, shall be filed with the city clerk or county clerk. A proper petition for the creation of a neighborhood improvement district shall set forth the project name for the proposed improvement, the general nature of the proposed improvement, the estimated cost of such improvement, the boundaries of the proposed neighborhood improvement district to be assessed, the proposed method or methods of assessment of real property within the district, including any provision for the annual assessment of maintenance costs of the improvement in each year during the term of the bonds issued for the original improvement and after such bonds are paid in full, a notice that the names of the signers may not be withdrawn later than seven days after the petition is filed with the city clerk or county clerk, and a notice that the final cost of such improvement assessed against real property within the district and the amount of general obligation bonds issued therefor shall not exceed the estimated cost of such improvement, as stated in such petition, by more than twenty-five percent, and that the annual assessment for maintenance costs of the improvements shall not exceed the estimated annual maintenance cost, as stated in such petition, by more than twenty-five percent.

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4. Upon receiving the requisite voter approval at an election or upon the filing of a proper petition with the city clerk or county clerk, the governing body may by resolution or ordinance determine the advisability of the improvement and may order that the district be established and that preliminary plans and specifications for the improvement be made. Such resolution or ordinance shall state and make findings as to the project name for the proposed improvement, the nature of the improvement, the estimated cost of such improvement, the boundaries of the neighborhood improvement district to be assessed, the proposed method or methods of assessment of real property within the district, including any provision for the annual assessment of maintenance costs of the improvement in each year after the bonds issued for the original improvement are paid in full, and shall also state that the final cost of such improvement assessed against the real property within the neighborhood improvement district and the amount of general obligation bonds issued therefor shall not, without a new election or petition, exceed the estimated cost of such improvement by more than twenty-five percent.

5. The boundaries of the proposed district shall be described by metes and bounds, streets or other sufficiently specific description. The area of the neighborhood improvement district finally determined by the governing body of the city or county to be assessed may be less than, but shall not exceed, the total area comprising such district.

6. In any neighborhood improvement district organized prior to August 28, 1994, an assessment may be levied and collected after the original period approved for assessment of property within the district has expired, with the proceeds thereof used solely for maintenance of the improvement, if the residents of the neighborhood improvement district either vote to assess real property within the district for the maintenance costs in the manner prescribed in subsection 2 of this section or if the owners of two-thirds of the area of all real property located within the district sign a petition for such purpose in the same manner as prescribed in subsection 3 of this section.


67.458. Adjoining counties, contract to improve roads, district may be formed—unanimous decision required—fund, expenditures, appraisal. The governing bodies of two or more adjoining counties may, pursuant to section 70.220, RSMo, contract to improve a road or street located within such adjoining counties. In addition, the governing bodies of two or more adjoining counties may create a neighborhood improvement district for the purpose of improving a road or street located within such adjoining counties. Except as otherwise provided in this section, all provisions of sections 67.453 to 67.475 shall apply to such a district and all powers included within sections 67.453 to 67.475 shall be available to the governing bodies of the district; however, any decision required of the governing bodies under sections 67.453 to 67.475 must be made in a unanimous manner by all governing bodies of the counties in the district. In forming such a district, the governing body of each county shall separately comply with the provisions of either subsection 2 or 3 of section 67.457, and all proposed portions of the district must be joined as part of the district or the district shall not be formed. The separate fund or account required by section 67.473 shall be a fund or account maintained in the county treasury of the county containing the largest percentage of the assessed valuation of the district; however, the governing body of each county within the district shall be required to approve expenditures from the fund in accordance with section 67.473.

(L. 1995 H.B. 87)

67.459. Apportionment of improvement costs—governing body to establish classifications. The portion of the cost of any improvement to be assessed against the real property in a neighborhood improvement district shall be apportioned against such property in accordance with the benefits accruing thereto by reasons of such improvement. The cost may be assessed equally per front foot or per square foot against property within the district or by any other reasonable assessment plan determined by the governing body of the city or county which results in imposing substantially equal burdens or share of the cost upon property similarly benefited and which may include, in the case of condominium or equitable owner association ownership, a determination that all units within the condominium or equitable owner association are equally benefited. The governing body of the city or county may from time to time determine and establish by ordinance or resolution reasonable general classifications and formulae for the methods of assessing the benefits.


1. After the governing body has made the findings specified in section 67.457 and plans and specifications for the proposed improvements have been prepared, the governing body shall by ordinance or resolution order assessments to be made against each parcel of real property deemed to be benefited by an improvement based on the revised estimated cost of the improvement or, if available, the final cost thereof, and shall order a proposed assessment roll to be prepared.

2. The plans and specifications for the improvement and the proposed assessment roll shall be filed with the city clerk or county clerk, as applicable, and shall be open for public inspection. Such clerk shall thereupon, at the direction of the governing body, publish notice that the governing body will conduct a hearing to consider the proposed improvement and proposed assessments. Such notice shall be published in a newspaper of general circulation at least once not more than twenty days and not less than ten days before the hearing and shall state the project name for the improvement, the date, time and place of such hearing, the general nature of the improvement, the revised estimated cost or, if available, the final cost of the improvement, the boundaries of the neighborhood improvement district to be assessed, and that written or oral objections will be considered at the hearing. At the same time, the clerk shall mail to the owners of record of the real property made liable to pay the assessments, at their last known post office address, a notice of the hearing and a statement of the cost proposed to be assessed against the real property so owned and assessed. The failure of any owner to receive such notice shall not invalidate the proceedings.


1. At the hearing to consider the proposed improvements and assessments, the governing body shall hear and pass upon all objections to the proposed improvements and proposed assessments, if any, and may amend the proposed improvements, and the plans and specifications therefor, or assessments as to any property, and thereupon by ordinance or resolution the governing body of the city or county shall order that the improvement be made and direct that financing for the cost thereof be obtained as provided in sections 67.453 to 67.475.

2. After construction of the improvement has been completed in accordance with the plans and specifications therefor, the governing body shall compute the final costs of the improvement and apportion the costs among the property benefited by such improvement in such equitable manner as the governing body shall determine, charging each parcel of property with its proportionate share of the costs, and by resolution or ordinance, assess the final cost of the improvement or the amount of general obligation bonds issued or to be issued therefor as special assessments against the property described in the assessment roll.

3. After the passage or adoption of the ordinance or resolution assessing the special assessments, the city clerk or county clerk shall mail a notice to each property owner within the district which sets forth a description of each parcel of real property to be assessed which is owned by such owner, the special assessment assigned to such property, and a statement that the property owner may pay such assessment in full, together with interest accrued thereon from the effective date of such ordinance or resolution, or may pay such assessment in annual installments as provided in subsection 4 of this section.

4. The special assessments shall be assessed upon the property included therein concurrent with general property taxes, and shall be payable in substantially equal annual installments for a duration stated in the ballot measure prescribed in subsection 2 of section 67.457 or in the petition prescribed in subsection 3 of section 67.457, and, if authorized, an assessment in each year thereafter levied and collected in the same manner with the proceeds thereof used solely for maintenance of the improvement, taking into account such assessments and interest thereon, as the governing body determines. The first installment shall be payable after the first collection of general property taxes following the adoption of the assessment ordinance or resolution unless such ordinance or resolution was adopted and certified too late to permit its collection at such time. All assessments shall bear interest at such rate as the governing body determines, not to exceed the rate permitted for bonds by section 108.170, RSMo. Interest on the assessment between the effective date of the ordinance or resolution assessing the assessment and the date the first installment is payable shall be added to the first installment. The interest for one year on all unpaid installments shall be added to each subsequent installment until paid. In the case of a special assessment by a city, all of the installments, together with the interest accrued or to accrue thereon, may be certified by the city clerk to the county clerk in one instrument at the same time. Such certification shall be good for all of the installments, and the interest thereon payable as special assessments.

5. Special assessments shall be collected and paid over to the city treasurer or county treasurer in the same manner as taxes of the city or county are collected and paid.

67.465. Period of limitation, lawsuits. No suit to set aside the special assessments made under sections 67.453 to 67.475 or to otherwise question the validity of the proceedings relating thereto shall be brought after the expiration of ninety days from the date of mailing of notice to property owners of the assessments required by section 67.463.

67.467. Supplemental assessments authorized, when—reassessments.

1. To correct omissions, errors or mistakes in the original assessment which relate to the total cost of an improvement, the governing body of the city or county may, without a notice or hearing, make supplemental or additional assessments on property within a neighborhood improvement district, except that such supplemental or additional assessments shall not, without a new election or new petition as provided in section 67.457, exceed twenty-five percent of the estimated cost of the improvement determined pursuant to section 67.457.

2. When an assessment is, for any reason whatever, set aside by a court of competent jurisdiction as to any property, or in the event the governing body finds that the assessment or any part thereof is excessive or determines on advice of counsel in writing that it is or may be invalid for any reason, the governing body may, upon notice and hearing as provided for the original assessment, make a reassessment or a new assessment as to such property.

67.469. Assessment treated as tax lien, payable upon foreclosure. A special assessment authorized under the provisions of sections 67.453 to 67.475 shall be a lien, from the date of the assessment, on the property against which it is assessed on behalf of the city or county assessing the same to the same extent as a tax upon real property. The lien may be foreclosed in the same manner as a tax upon real property by land tax sale pursuant to chapter 140, RSMo, or by judicial foreclosure proceeding, at the option of the governing body. Upon the foreclosure of any such lien, whether by land tax sale or by judicial foreclosure proceeding, the entire remaining assessment may become due and payable and may be recoverable in such foreclosure proceeding at the option of the governing body.
67.471. **Temporary notes, general obligation bonds.** After an improvement has been authorized pursuant to section 67.457, the governing body of the city or county may issue temporary notes of the city or county to pay the costs of such improvement in an amount not to exceed the estimated cost of such improvement, and such temporary notes shall be general obligations of the city or county. General obligation bonds of the city or county shall be issued and sold as provided in section 67.455 to refund, retire and pay off such temporary notes and any accrued interest thereon to the date of payment.

(L. 1991 S.B. 8 § 10)
Effective 4-3-91

67.473. **Funds to be created--use of funds--use of balance upon completion of improvements.** A separate fund or account shall be created in the city treasury or county treasury for each improvement project and each such fund or account shall be identified by a suitable title. The proceeds from the sale of bonds and temporary notes and any other moneys appropriated thereto by the governing body shall be credited to such funds or accounts. Such funds or accounts shall be used solely to pay the costs incurred in making each respective improvement. Upon completion of an improvement, the balance remaining in the fund or account established for such improvement, if any, shall be credited against the amount of the original assessment of each parcel of property, on a pro rata basis based on the amount of the original assessment, and with respect to property owners that have prepaid their assessments in accordance with section 67.463, the amount of each such credit shall be refunded to the appropriate property owner, and with respect to all other property owners, the amount of each such credit shall be transferred and credited to the city or county bond and interest fund to be used solely to pay the principal of and interest on the bonds or temporary notes and the assessments shall be reduced accordingly by the amount of such credit.

(L. 1991 S.B. 8 § 11)
Effective 4-3-91

67.475. **Maximum bond indebtedness--advisory committee in certain cities.** The total amount of city or county general obligation bond indebtedness incurred for improvements under sections 67.453 to 67.475, including temporary notes issued pursuant to sections 67.453 to 67.475, shall not exceed ten percent of the assessed valuation of all taxable tangible property, as shown by the last completed property assessment for state or local purposes, within the city or county. Any city with a population of three hundred fifty thousand or more inhabitants shall appoint a citizen advisory committee composed of members of each council districts on proposed neighborhood improvement district.

(L. 1991 S.B. 8 § 12)
Effective 4-3-91
DEV ELOPMENT/COOPERATION AGREEMENTS

[§§ 70.210 - 70.320 RSMo]

70.210. Definitions. As used in sections 70.210 to 70.320, the following terms mean:

(1) “Governing body”, the board, body or persons in which the powers of a municipality or political subdivision are vested;

(2) “Municipality”, municipal corporations, political corporations, and other public corporations and agencies authorized to exercise governmental functions;

(3) “Political subdivision”, counties, townships, cities, towns, villages, school, county library, city library, city-county library, road, drainage, sewer, levee and fire districts, soil and water conservation districts, watershed subdistricts, county hospitals, and any board of control of an art museum, and any other public subdivision or public corporation having the power to tax.


Effective 7-14-89

70.220. Political subdivisions may cooperate with each other, with other states, the United States or private persons--tax distribution agreement, authorized for certain county and city (Greene County and city of Springfield).

1. Any municipality or political subdivision of this state, as herein defined, may contract and cooperate with any other municipality or political subdivision, or with an elective or appointive official thereof, or with a duly authorized agency of the United States, or of this state, or with other states or their municipalities or political subdivisions, or with any private person, firm, association or corporation, for the planning, development, construction, acquisition or operation of any public improvement or facility, or for a common service; provided, that the subject and purposes of any such contract or cooperative action made and entered into by such municipality or political subdivision shall be within the scope of the powers of such municipality or political subdivision. If such contract or cooperative action shall be entered into between a municipality or political subdivision and an elective or appointive official of another municipality or political subdivision, said contract or cooperative action must be approved by the governing body of the unit of government in which such elective or appointive official resides.

2. In the event an agreement for the distribution of tax revenues is entered into between a county of the first classification without a charter form of government and a constitutional charter city with a population of more than one hundred forty thousand that is located in said county prior to a vote to authorize the imposition of such tax, then all revenue received from such tax shall be distributed in accordance with said agreement for so long as the tax remains in effect or until the agreement is modified by mutual agreement of the parties.


CROSS REFERENCES: City-county library, establishment, RSMo 182.291, 182.301 Cooperation with other political subdivisions authorized, RSMo 246.271 Courthouses and jails, certain cities may cooperate with county, RSMo 71.300 Defense area improvements, additional powers conferred on certain municipalities, RSMo 91.640 Drainage, districts may contract for outlets, RSMo 243.260 Drainage, districts may contract to furnish drainage for cities, RSMo 243.270 Electric current, cities may contract to sell or buy, RSMo 91.020, 91.030

70.225. Emergency dispatching system, eligible for membership in local government retirement system, when (St. Louis County).

1. Notwithstanding the provisions of section 70.600 to the contrary, a centralized emergency dispatching system created by a joint municipal agreement under section 70.220 existing within any county with a charter form of government and with more than one million inhabitants may be considered a political subdivision for the purposes of sections 70.600 to 70.755, and employees of the centralized emergency dispatching system shall be eligible for membership in the Missouri local government employees’ retirement system upon the centralized emergency dispatching system becoming an employer as defined in subdivision (11) of section 70.600.

2. Any political subdivision participating in a centralized emergency dispatching system granted membership under subsection 1 of this section shall be subject to the delinquent recovery procedures under section 70.735 for any contribution payments due the system. Any political subdivision withdrawing from membership shall be subject to payments for any unfunded liabilities existing for its past and current employees. Any political subdivision becoming a new member shall be subject to the same terms and conditions then existing including liabilities in proportion to all participating political subdivisions.

(L. 2004 H.B. 795, et al.)

70.230. Procedure for exercising power. Any municipality may exercise the power referred to in section 70.220 by ordinance duly enacted, or, if a county, then by order of the county commission duly made and entered, or if other political subdivision, then by resolution of its governing body or officers made and entered in its journal or minutes of proceedings, which shall provide the terms agreed upon by the contracting parties to such contract or cooperative action.

(L. 1947 V. I p. 401 § 7403c)
70.240. Lands may be acquired—how—by whom. The parties to such contract or cooperative action or any of them, or any joint board or commission formed pursuant to section 70.260 for the purpose of providing water or sewer services, may acquire, by gift or purchase, or by the power of eminent domain exercised by one or more of the parties thereto in the same manner as now or hereafter provided for corporations created under the law of this state for public use, chapter 523, RSMo, and amendments thereto, or any joint board or commission formed pursuant to section 70.260 for the purpose of providing water or sewer services, the lands necessary or useful for the joint use of the parties for the purposes provided in section 70.220 or section 70.260, either within or without the corporate or territorial limits of one or more of the contracting parties, and shall have the power to hold or acquire said lands as tenants in common with the parties to such contract or in the name of any joint board or commission formed pursuant to section 70.260; provided, however, that in no event shall any joint board or commission formed pursuant to section 70.260 for the purpose of providing water or sewer services exercise the power of eminent domain within the corporate or territorial limits of one of the contracting parties without such party’s consent.

CROSS REFERENCES: Fire departments, cities may contract for joint maintenance, costs how shared, bonds issued, when, RSMo 71.370 to 71.510 Fire protection, cities may contract to furnish, RSMo 71.370 Fire protection districts, may contract with municipalities, RSMo 321.220 Housing authorities, may join or cooperate, RSMo 99.110 Housing authority, to borrow or accept grants from federal government, RSMo 99.210 Levee district may contract with Mississippi River Commission, RSMo 245.390 National park or plaza, certain cities to have additional powers, RSMo 95.510 to 95.527 Sewerage facilities, authority of municipalities to contract with each other, RSMo 250.220 Street lighting districts may contract with other political subdivisions, RSMo 235.150 Taxes, delinquent, drainage and levee districts may cooperate to redeem, RSMo 246.140 Water, cities may contract to furnish or to buy, RSMo 91.060 Water supply, cities may contract jointly for, RSMo 71.540, 71.550 Water supply district may contract with city for water service, procedure, RSMo 247.085

(1964) City had authority to enter into contract with school district for erection of library by school district on land acquired by city by condemnation proceedings for purpose of parkway. School District of Kansas City v. Kansas City (Mo.), 382 S.W.2d 688.

(1967) Cities’ cooperative sewer agreement which conditioned obligation of a fourth class city to build facilities on its passage of a bond issue did not, until the passage of the bond issue, create an indebtedness of the city within constitutional debt limitation, and was not ultra vires or void ab initio. The passage of the bond issue obligated the city to perform the construction and established corresponding obligation of the other contracting city to perform its duties conditioned on the passage of the bond issue. Kansas City v. City of Raytown (Mo.), 421 S.W.2d 504.

70.250. Method of financing. Any such municipality or political subdivision may provide for the financing of its share or portion of the cost or expenses of such contract or cooperative action in a manner and by the same procedure for the financing by such municipality or political subdivision of the subject and purposes of said contract or cooperative action if acting alone and on its own behalf.

(1.947 V. I p. 401 § 7403c)

70.260. Provisions which may be included in the joint contract.

1. The joint contract may also provide for the establishment and selection of a joint board, commission, officer or officers to supervise, manage and have charge of such joint planning, development, construction, acquisition, operation or service and provide for the powers and duties, terms of office, compensation, if any, and other provisions relating to the members of such joint board, commission, officers or officer. Such contract may include and specify terms and provisions relative to the termination or cancellation by ordinance, order or resolution, as the case may be, of such contract or cooperative action and the notice, if any, to be given of such cancellation, provided that such cancellation termination shall not relieve any party participating in such contract or cooperative action from any obligation or liability for its share of the cost or expense incurred prior to the effective date of any such cancellation.

2. Any joint board or commission created pursuant to this section shall be a separate legal entity and shall constitute a body corporate and politic, and shall have, in addition to any other powers reasonably necessary to the exercise of its function under the contract, the following powers:

(1) To sue and be sued in its corporate name;
(2) To take and hold any property, real or personal, in fee simple or otherwise;
(3) To sell, lease, lend or otherwise transfer any property or interest in property owned by it;
(4) To make contracts;
(5) To have and use a corporate seal; and

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6. To issue bonds, notes or other evidence of indebtedness, in its own name, on behalf of the municipalities or political subdivisions that are parties to the joint contract, subject, however, to any requirements for voter approval as may be imposed by law on any of the contracting municipalities or political subdivisions.

3. Such bonds, notes or other indebtedness may be payable from or secured by any property, interest or income of the separate legal entity or the contracting entities, from whatever source derived, but shall not constitute a charge against or indebtedness of the municipalities or political subdivisions on behalf of which such bonds, notes or other indebtedness are issued. In issuing such bonds, notes or other indebtedness, the separate legal entity shall act as the constituted authority of the municipalities or political subdivisions on behalf of which the bonds, notes or other indebtedness are issued.

4. The duration of any joint board or commission referred to in this section may be perpetual or as otherwise provided in the joint contract under which it was created; however, any property owned or held by such legal entity shall become the property of the municipalities or political subdivisions that are parties to the joint contract upon dissolution of the legal entity.


70.270. Sovereignty to be retained. Sovereignty shall be retained over any real property used under the terms of any contract or cooperative action within the jurisdiction and territorial limits of the municipality or political subdivision in which it is located, and to that extent shall be a limitation upon the contracting parties under the provisions of sections 70.210 to 70.320.

(L. 1947 V. I p. 401 § 7403e)

70.280. Office of facility taken over may be abolished and duties transferred. The governing body of any municipality or political subdivision shall have the power to abolish the office of the facility taken over by any other municipality or political subdivision, and the powers and duties thereof may be transferred to the officer who is to perform them under the terms of the contract or cooperative action.

(L. 1947 V. I p. 401 § 7403f)

70.290. Immunities and liabilities of officers. All officers acting under the authority of the municipality or political subdivision pursuant to such agreement or cooperative action under the provisions of sections 70.210 to 70.320 shall be deemed to be acting for a governmental purpose and shall enjoy all the immunities and shall be subject to the same liabilities which they would have within their own territorial limits.

(L. 1947 V. I p. 401 § 7403g)

70.300. Execution of contracts. Whenever the contracting party is a political subdivision of this state, the execution of all contracts shall be authorized by a majority vote of the members of the governing body. Each contract shall be in writing.

(L. 1947 V. I p. 401 § 7403h, A.L. 2004 S.B. 951)

70.310. Disbursement of funds. All money received pursuant to any such contract or cooperative action, under the provisions of sections 70.210 to 70.320, unless otherwise provided by law, shall be deposited in such fund or funds and disbursed in accordance with the provisions of such contract or cooperative action.

(L. 1947 V. I p. 401 § 7403i)

70.320. Suits may be brought in circuit courts. Suits affecting any of the terms of any contract may be brought in the circuit court of the county in which any contracting municipality or political subdivision is located or in the circuit court of the county in which a party to the contract resides.

(L. 1947 V. I p. 401 § 7403j)
BUSINESS USE INCENTIVES FOR LARGE SCALE DEVELOPMENT (BUILD)

[§§ 100.700 - 100.850]

100.700. Title. Sections 100.700 to 100.850 shall be known as the “Missouri Business Use Incentives for Large-Scale Development Act”.

(L. 1996 H.B. 1237 § 7)

100.710. Definitions.

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

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

(2) “Board”, the Missouri development finance board as created by section 100.265;

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

(4) “Credit”, the amount agreed to between the board and an eligible industry, but not to exceed the assessment attributable to the eligible industry’s project;

(5) “Department”, the Missouri department of economic development;

(6) “Director”, the director of the department of economic development;

(7) “Economic development project”:

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

(b) The fee ownership of real property by the eligible industry or its affiliate; and

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

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

(9) “Eligible industry”, a business located within the state of Missouri which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing or assembling products, conducting research and development, or providing services in interstate commerce, office industries, or agricultural processing, but excluding retail, health or professional services. “Eligible industry” does not include a business which closes or substantially reduces its operation at one location in the state and relocates substantially the same operation to another location in the state. This does not prohibit a business from expanding its operations at another location in the state provided that existing operations of a similar nature located within the state are not closed or substantially reduced. This also does not prohibit a business from moving its operations from one location in the state to another location in the state for the purpose of expanding such operation provided that the board determines that such expansion cannot reasonably be accommodated within the municipality in which such business is located, or in the case of a business located in an incorporated area of the county, within the county in which such business is located, after conferring with the chief elected official of such municipality or county and taking into consideration any evidence offered by such municipality or county regarding the ability to accommodate such expansion within such municipality or county. An eligible industry must:

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

(b) Create a minimum of one hundred new jobs for eligible employees at the economic development project or a minimum of five hundred jobs if the economic development project is an office industry or a minimum of two hundred new jobs if the economic development project is an office industry located within a distressed community as defined in section 135.530, RSMo, or in the case of an approved company for a project for a world headquarters of a business whose primary function is tax return preparation in any home rule city with more than four hundred thousand inhabitants and located in more than one county, create a minimum of one hundred new jobs for eligible employees at the economic development project. An industry that meets the definition of “essential industry” may be considered an eligible industry for the purposes of the program authorized by sections 100.700 to 100.850.
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Notwithstanding the preceding provisions of this subdivision, a development agency, as such term is defined in subdivision (3) of section 100.255, or a corporation, limited liability company, or partnership formed on behalf of a development agency, at the option of the board, may be authorized to act as an eligible industry with such obligations and rights otherwise applicable to an eligible industry, including the rights of an approved company under section 100.850, so long as the eligible industry otherwise meets the requirements imposed by this subsection;

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

(a) Be a targeted industry;
(b) Be located in a home rule city with more than twenty-six thousand but less than twenty-seven thousand inhabitants located in any county with a charter form of government and with more than one million inhabitants;
(c) Have maintained at least two thousand jobs at the proposed economic development project site each year for a period of four years preceding the year in which application for the program authorized by sections 100.700 to 100.850 is made and during the year in which said application is made;
(d) For the duration of the certificates, retain at the proposed economic development project site the level of employment that existed at the site in the taxable year immediately preceding the year in which application for the program authorized by sections 100.700 to 100.850 is made; and
(e) Invest a minimum of five hundred million dollars in the economic development project by the end of the third year after the issuance of the certificates under this program;

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

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

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

(a) Obligations incurred for labor and obligations incurred to contractors, subcontractors, builders and materialmen in connection with the acquisition, construction, installation or equipping of an economic development project;
(b) The cost of acquiring land or rights in land and any cost incidental thereto, including recording fees;
(c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction, installation or equipping of an economic development project which is not paid by the contractor or contractors or otherwise provided for;
(d) All costs of architectural and engineering services, including test borings, surveys, estimates, plans and specifications, preliminary investigations and supervision of construction, as well as the costs for the performance of all the duties required by or consequent upon the acquisition, construction, installation or equipping of an economic development project;
(e) All costs which are required to be paid under the terms of any contract or contracts for the acquisition, construction, installation or equipping of an economic development project; and
(f) All other costs of a nature comparable to those described in this subdivision;

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

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


Contingent expiration date, see § 135.284

100.720. Additional powers of Missouri development finance board--certificates, state credit for.

1. The Missouri development finance board shall have, in addition to the powers provided to it in sections 100.250 to 100.297, and with the approval of the department, all the powers necessary to carry out and effectuate the purposes and provisions of sections 100.700 to 100.850, including, but not limited to, the power to:
(1) Provide and finance economic development projects, pursuant to the provisions of sections 100.700 to 100.850, and cooperate with eligible industries in order to promote, foster and support economic development within the state;

(2) Conduct hearings and inquiries, in the manner and by the methods as it deems desirable, for the purpose of gathering information with respect to eligible industries and economic development projects, and for the purpose of making any determinations necessary or desirable in the furtherance of sections 100.700 to 100.850; and

(3) Negotiate the terms of, including the amount of project costs, and enter into financing agreements with eligible industries, and in connection therewith to acquire, convey, sell, mortgage, finance or otherwise dispose of any property, real or personal, loan bond proceeds, and permit the use of assessments, in connection with an economic development project, and to pay, or cause to be paid, in accordance with the provisions of a financing agreement, the program costs of an economic development project from any funds available therefor.

2. Certificates issued by the board pursuant to the provisions of sections 100.700 to 100.850 shall not constitute an indebtedness or liability of the state of Missouri within the meaning of any state constitutional provision or statutory limitation, shall not constitute a pledge of the faith and credit of the state of Missouri, shall not be guaranteed by the credit of the state, and unless approved by a concurrent resolution of the general assembly, no certificate in default shall be paid by the state of Missouri.

(L. 1996 H.B. 1237 § 9)

100.730. Establishment of procedures to determine eligible industries --authority to request information.

1. The department, in conjunction with the board, shall establish the procedures and standards for the determination and approval of eligible industries and their economic development projects by the promulgation of rules or regulations in accordance with sections 100.700 to 100.850, chapter 536, RSMo, and section 620.1066, RSMo. These rules or regulations shall mandate the evaluation of the credit worthiness of eligible industries, the number of new jobs to be provided by an economic development project to residents of the state, and the likelihood of the economic success of the economic development project. No economic development project which will result in the replacement of facilities existing in the state shall be approved by the board.

2. With respect to each eligible industry making an application to the board for incentives, and with respect to the economic development project described in the application, the board shall request relevant information, documentation and other materials and make inquiries of the applicant as necessary or appropriate. After a diligent review of relevant materials and completion of its inquiries, the board may by resolution designate an economic development project.

(L. 1996 H.B. 1237 § 10)

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

100.740. Financing agreement, authority to enter into. The board may enter into, with the approval of the department and in consultation with the office of administration, with any eligible industry, a financing agreement with respect to its economic development project. Subject to the inclusion of the mandatory provisions set forth in sections 100.700 to 100.850, the terms and provisions of each financing agreement shall be determined by negotiations between the board and the eligible industry.

(L. 1996 H.B. 1237 § 11)

100.750. Financing agreement, contents.

The financing agreement shall provide in substance that:

(1) It may be assigned by the eligible industry only upon the prior written consent of the board following the adoption of a resolution by the board to such effect; and

(2) Upon default by the eligible industry in any obligations under the financing agreement or other documents evidencing, securing or related to the eligible industry's obligations, the board shall have the right, at its option, to:

(a) Declare the financing agreement or other such documents in default;

(b) Accelerate and declare the total of all such payments due by the eligible industry and sell the economic development project at public, private, or judicial sale;

(c) Pursue any remedy provided under the financing agreement or other such documents;

(d) Be entitled to the appointment of a receiver by the circuit court wherein any part of the economic development project is located; and

(e) Pursue any other applicable legal remedy.

(L. 1996 H.B. 1237 § 12)

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100.760. Credit agreement, conditions.

After receipt of an application, the board may, with the approval of the department, enter into an agreement with an eligible industry for a credit pursuant to sections 100.700 to 100.850 if the board determines that all of the following conditions exist:

(1) The applicant’s project will create new jobs that were not jobs previously performed by employees of the applicant in Missouri;

(2) The applicant’s project is economically sound and will benefit the people of Missouri by increasing opportunities for employment and strengthening the economy of Missouri;

(3) Significant local incentives with respect to the project or eligible industry have been committed, which incentives may consist of:

(a) Cash or in-kind incentives derived from any nonstate source, including incentives provided by the affected political subdivisions, private industry and/or local chambers of commerce or similar such organizations; and/or

(b) Relief from local taxes, in either case as acceptable to the board;

(4) Receiving the credit is a major factor in the applicant’s decision to go forward with the project and not receiving the credit will result in the applicant not creating new jobs in Missouri;

(5) Awarding the credit will result in an overall positive fiscal impact to the state;

(6) There is at least one other state that the applicant verifies is being considered for the project; and

(7) A significant disparity is identified, using best available data in the projected costs for the applicant’s project compared to the costs in the competing state, including the impact of the competing state’s incentive programs. The competing state’s incentive program shall include state, local, private and federal funds.


100.770. Factors considered in awarding credit. In determining the credit that should be awarded, the board shall take into consideration the following factors:

(1) The economy of the county where the projected investment is to occur;

(2) The potential impact on the economy of Missouri;

(3) The payroll attributable to the project;

(4) The capital investment attributable to the project;

(5) The amount the average wage paid by the applicant exceeds the average wage paid within the county in which the project will be located;

(6) The costs to Missouri and the affected political subdivisions with respect to the project;

(7) The financial assistance that is otherwise provided by Missouri and the affected political subdivisions; and

(8) The magnitude of the cost differential between Missouri and the competing state.

(L. 1996 H.B. 1237 § 14)

100.780. Board authority to determine projects, assessments, credits and refunds, credit and assessment time limit. The board shall determine the amount and duration of a project and its associated assessments, credits and refunds. The credit amount may not exceed the estimated assessment. Assessments made for any project may not exceed a period of fifteen years.

(L. 1996 H.B. 1237 § 15)

100.790. Agreement contents. An agreement between the board and an eligible industry shall include all of the following:

(1) A detailed description of the project that is the subject of the agreement;

(2) A specific method for determining the number of new employees employed during a taxable year who are performing jobs not previously performed by an employee of the eligible industry;
(3) A requirement that the taxpayer shall annually report to the board the number of new employees who are performing jobs not previously performed by an employee, the total amount of salaries and wages paid to eligible employees in new jobs, and any other information the board needs to perform its duties pursuant to sections 100.700 to 100.850;

(4) A requirement that the taxpayer shall provide written notification to the director and the board not more than thirty days after the taxpayer makes or receives a proposal that would transfer the taxpayer’s state tax liability obligations to a successor taxpayer;

(5) Any other performance conditions that the board and the director determine are appropriate; and

(6) A requirement that the taxpayer shall maintain operations at the project location for at least a period of time equal to the number of years for which credits are authorized in the financing agreement with the board.

(L. 1996 H.B. 1237 § 16)

100.800. Noncompliance by eligible industry, determination, penalty. If the board determines that an eligible industry, which has received a credit pursuant to sections 100.700 to 100.850, is not complying with the requirements of the credit agreement or all of the provisions of sections 100.700 to 100.850, the board shall, after giving the industry an opportunity to explain the noncompliance, notify the department of revenue of the noncompliance and request a penalty. The board shall state the amount of the penalty, which may not exceed the sum of any previously allowed assessments pursuant to sections 100.700 to 100.850.

(L. 1996 H.B. 1237 § 17)

100.810. Evaluation of program. On an annual basis, the director shall provide for an evaluation of the program. The evaluation shall include an assessment of the effectiveness of the program in creating new jobs in Missouri and of the revenue impact of the program. The director shall submit a report on the evaluation to the governor, the president pro tem of the senate, and the speaker of the house of representatives.

(L. 1996 H.B. 1237 § 18)

100.820. Program costs, how paid, assessments. An agreement between the board and an eligible industry shall provide that all or part of program costs are to be met by receipt of assessments. Assessments shall be based upon wages paid to eligible employees. If business or employment conditions cause the amount of the assessment to be less than the amount projected in the agreement for any time period, then the employer shall pay to the board the amount of such difference, then a portion of withholding tax paid by the employer pursuant to sections 143.191 to 143.265, RSMo, may be credited to the board by the amount of such difference. The employer shall remit the amount of the assessment to the board. When all program costs, including the principal of, premium, if any, and interest on the certificates have been paid, the employer credits shall cease.

(L. 1996 H.B. 1237 § 19)

100.830. Special fund, purposes—certification by employer.

1. The board shall establish a special fund for and in the name of each project. All received by the board in respect of the project and required by the agreement to be used to pay program costs for the project shall be deposited in the special fund. Amounts held in the special fund may be used and disbursed by the board only to pay program costs for the project.

2. Any disbursement in respect of a project pursuant to the provisions of sections 100.700 to 100.850, and the special fund into which it is paid, may be irrevocably pledged by the board for the payment of the principal of, premium, if any, and interest on the certificate issued by the board to finance or refinance, in whole or in part, the project.

3. The employer shall certify to the department of revenue that the assessment is in accordance with an agreement and shall provide other information the department may require.

4. If an agreement provides that all or part of program costs are to be met by receipt of assessments, the provisions of this section shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.

(L. 1996 H.B. 1237 § 20)

100.840. Board, powers to borrow money—issue and sell certificates—sale or exchange of refunding certificates—certificates not indebtedness of state.

1. To provide funds for the present payment of the costs of economic development projects, the board may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement. The receipts shall be pledged to the payment of principal of and interest on the certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount of not less than ninety-five percent of the par value thereof, at the discretion of the board, and may bear interest at such rate or rates as the board shall
determine, notwithstanding the provisions of section 108.170, RSMo, to the contrary. Certificates may be issued with respect to a single project or multiple projects and may contain terms or conditions as the board may provide by resolution authorizing the issuance of the certificates.

2. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded. Certificates may be issued for the purpose of refunding a like, greater or lesser principal amount of certificates and may bear a higher, lower or equivalent rate of interest than the certificates being renewed or refunded.

3. The board shall determine if revenues provided in the agreement are sufficient to secure the faithful performance of obligations in the agreement.

4. Certificates issued pursuant to this section shall not be deemed to be an indebtedness of the state or the board or of any political subdivision of the state.

Effective 7-7-03

*This section was amended by both H.B. 289 and S.B. 620 during the first regular session of the Ninety-second general assembly, 2003. Due to a contingent expiration date in § 135.284, two versions of this section appear here.

100.840. Board, powers to borrow money--issue and sell certificates--sale or exchange of refunding certificates--certificates not indebtedness of state.

1. To provide funds for the present payment of the costs of economic development projects, the board may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement. The receipts shall be pledged to the payment of principal of and interest on the certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount of not less than ninety-five percent of the par value thereof, at the discretion of the board, and may bear interest at such rate or rates as the board shall determine, notwithstanding the provisions of section 108.170, RSMo, to the contrary. Certificates may be issued with respect to a single project or multiple projects and may contain terms or conditions as the board may provide by resolution authorizing the issuance of the certificates.

2. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded. Certificates may be issued for the purpose of refunding a like, greater or lesser principal amount of certificates and may bear a higher, lower or equivalent rate of interest than the certificates being renewed or refunded.

3. The board shall determine if revenues provided in the agreement are sufficient to secure the faithful performance of obligations in the agreement.

4. Certificates issued pursuant to this section shall not be deemed to be an indebtedness of the state or the board or of any political subdivision of the state.

Effective 6-18-03

*This section was amended by both H.B. 289 and S.B. 620 during the first regular session of the Ninety-second general assembly, 2003. Due to a contingent expiration date in § 135.284, two versions of this section appear here.

100.850. Assessments remittal, job development assessment fee--company records available to board, when--when remitted assessment ceases--tax credit amount, cap, claiming credit--refunds.

1. The approved company shall remit to the board a job development assessment fee, not to exceed five percent of the gross wages of each eligible employee whose job was created as a result of the economic development project, or not to exceed ten percent if the economic development project is located within a distressed community as defined in section 135.530, RSMo, for the purpose of retiring bonds which fund the economic development project.

2. Any approved company remitting an assessment as provided in subsection 1 of this section shall make its payroll books and records available to the board at such reasonable times as the board shall request and shall file with the board documentation respecting the assessment as the board may require.

3. Any assessment remitted pursuant to subsection 1 of this section shall cease on the date the bonds are retired.

4. Any approved company which has paid an assessment for debt reduction shall be allowed a tax credit equal to the amount of the assessment. The tax credit may be claimed against taxes otherwise imposed by chapters 143 and 148, RSMo, except withholding taxes imposed under the provisions of sections 143.191 to 143.265, RSMo, which were incurred during the tax period in which the assessment was made.

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5. In no event shall the aggregate amount of tax credits authorized by subsection 4 of this section exceed fifteen million dollars annually. Of such amount, nine hundred fifty thousand dollars shall be reserved for an approved project for a world headquarters of a business whose primary function is tax return preparation that is located in any home rule city with more than four hundred thousand inhabitants and located in more than one county, which amount reserved shall end in the year of the final maturity of the certificates issued for such approved project.

6. The director of revenue shall issue a refund to the approved company to the extent that the amount of credits allowed in subsection 4 of this section exceeds the amount of the approved company’s income tax.

620.1875. Title of law. Sections 620.1875 to 620.1890 shall be known and may be cited as the “Missouri Quality Jobs Act”.

(L. 2005 S.B. 343)

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

1. “Average wage”, the new payroll divided by the number of new jobs;
2. “Commencement of operations”, the starting date for the qualified company’s first new employee, which must be no later than twelve months from the date of the proposal;
3. “County average wage”, the average wages in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county. The department shall publish the county average wage for each county at least annually;
4. “Department”, the Missouri department of economic development;
5. “Director”, the director of the department of economic development;
6. “Employee”, a person employed by a qualified company;
7. “Full-time equivalent employees”, employees of the qualified company converted to reflect an equivalent of the number of full-time, year-round employees. The method for converting part-time and seasonal employees into an equivalent number of full-time, year-round employees shall be published in a rule promulgated by the department as authorized in section 620.1884;
8. “Full-time, year-round employee”, an employee of the company that works an average of at least thirty-five hours per week for a twelve-month period, and one for which the qualified company offers health insurance and pays at least fifty percent of such insurance premiums;
9. “High-impact project”, a qualified company that, within two years from commencement of operations, creates one hundred or more new jobs;
10. “Local incentives”, the present value of the dollar amount of direct benefit received by a qualified company for a project facility from one or more local political subdivisions, but shall not include loans or other funds provided to the qualified company that must be repaid by the qualified company to the political subdivision;
11. “NAICS”, the 1997 edition of the North American Industry Classification System as prepared by the Executive Office of the President, Office of Management and Budget. Any NAICS sector, subsector, industry group or industry identified in this section shall include its corresponding classification in subsequent federal industry classification systems;
12. “New direct local revenue”, the present value of the dollar amount of direct net new tax revenues of the local political subdivisions likely to be produced by the project over a ten-year period as calculated by the department and net new utility revenues, provided the local incentives include a discount or other direct incentives from utilities owned or operated by the political subdivision;
13. “New investment”, the purchase or leasing of new tangible assets to be placed in operation at the project facility, which will be directly related to the new jobs;
14. “New job”, the number of full-time, year-round employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time equivalent employees at related facilities below the related facility base employment;
15. “New payroll”, the amount of wages paid by a qualified company to employees in new jobs;
16. “Notice of intent”, a form developed by the department, completed by the qualified company and submitted to the department which states the qualified company’s intent to hire new jobs and request benefits under this program;
17. “Percent of local incentives”, the amount of local incentives divided by the amount of new direct local revenue;
18. “Program”, the Missouri quality jobs program provided in sections 620.1875 to 620.1890;
19. “Project facility”, the building used by a qualified company at which the new jobs and new investment will be located. A project facility may include separate buildings that are located within one mile of each other such that their purpose and operations are interrelated;
20. “Project facility base employment”, for the twelve-month period prior to the date of the proposal, the average number of full-time equivalent employees located at the project facility. In the event the project facility has not been in operation for a full twelve-month period, project facility base employment is the average number of full-time equivalent employees for the number of months the project facility has been in operation prior to the date of the proposal;
(21) “Project period”, the time period that the benefits are provided to a qualified company;

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

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

(a) Gambling establishments (NAICS industry group 7132);

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

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

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

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

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

(24) “Related company” means:

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

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

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

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

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

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

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

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

(30) “Technology business project”, a qualified company that within two years of the date of the proposal creates a minimum of ten new jobs with at least seventy-five percent of the new jobs directly involved in the operations of a technology company as determined by a regulation promulgated by the department under the provisions of section 620.1884 and classified by NAICS codes;

(31) “Withholding tax”, the state tax imposed by sections 143.191 to 143.265, RSMo.

(L. 2005 S.B. 343)

620.1881. Project notice of intent, department to respond with a proposal or a rejection—benefits available—effect on withholding tax—projects eligible for benefits—annual report—cap on tax credits—allocation of tax credits.

1. The department of economic development shall respond within thirty days to a company who provides a notice of intent with either a proposal or a rejection of the notice of intent. Failure to respond on behalf of the department of economic development shall result in the notice of intent being deemed a proposal for the purposes of this section. A qualified company who is provided a proposal for a project shall be allowed a benefit as provided in this program in the amount and duration provided in this section. A qualified company may receive additional periods for subsequent new jobs at the same facility after the full initial period if the minimum thresholds are met as set forth in sections 620.1875 to 620.1890. There is no limit on the number of periods a qualified company may participate in the program, as long as the minimum thresholds are
achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program or other state programs. A qualified company may elect to file a notice of intent to start a new project period concurrent with an existing project period if the minimum thresholds are achieved and the qualified company provides the department with the required reporting and is in proper compliance for this program and other state programs; however, the qualified company may not receive any further benefit under the original proposal for jobs created after the date of the new notice of intent, and any jobs created before the new notice of intent may not be included as new jobs for the purpose of benefit calculation in relation to the new proposal.

2. Notwithstanding any provision of law to the contrary, any qualified company that is awarded benefits under this program may not also receive tax credits or exemptions under sections 135.100 to 135.150, sections 135.200 to 135.286, section 135.535, or sections 135.900 to 135.906, RSMo, for the same new jobs at the project facility. The benefits available to the company under any other state programs for which the company is eligible and which utilize withholding tax from the new jobs of the company must first be credited to the other state program before the withholding retention level applicable under the Missouri quality jobs act will begin to accrue. These other state programs include, but are not limited to, the new jobs training program under sections 178.892 to 178.896, RSMo, the job retention program under sections 178.760 to 178.764, RSMo, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, RSMo, or the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980, RSMo. If any qualified company also participates in the new jobs training program in sections 178.892 to 178.896, RSMo, the company shall retain no withholding tax, but the department shall issue a refundable tax credit for the full amount of benefit allowed under this subdivision.

3. The types of projects and the amount of benefits to be provided are:

(1) Small and expanding business projects: in exchange for the consideration provided by the new tax revenues and other economic stimulus that will be generated by the new jobs created by the program, a qualified company may retain an amount equal to a maximum of five percent of new payroll for a period of five years from the date the required number of jobs were created. The benefits available to the company under any other state programs for which the company is eligible and which utilize withholding tax from the new jobs of the company must first be credited to the other state program before the withholding retention level applicable under the Missouri quality jobs act will begin to accrue. These other state programs include, but are not limited to, the new jobs training program under sections 178.892 to 178.896, RSMo, the job retention program under sections 178.760 to 178.764, RSMo, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, RSMo, or the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980, RSMo. If any qualified company also participates in the new jobs training program in sections 178.892 to 178.896, RSMo, the company shall retain no withholding tax, but the department shall issue a refundable tax credit for the full amount of benefit allowed under this subdivision.

(2) Technology business projects: in exchange for the consideration provided by the new tax revenues and other economic stimulus that will be generated by the new jobs created by the program, a qualified company may retain an amount equal to a maximum of five percent of new payroll for a period of five years from the date the required number of jobs were created. The benefits available to the company under any other state programs for which the company is eligible and which utilize withholding tax from the new jobs of the company must first be credited to the other state program before the withholding retention level applicable under the Missouri quality jobs act will begin to accrue. These other state programs include, but are not limited to, the new jobs training program under sections 178.892 to 178.896, RSMo, the job retention program under sections 178.760 to 178.764, RSMo, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, RSMo, or the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980, RSMo. If any qualified company also participates in the new jobs training program in sections 178.892 to 178.896, RSMo, the company shall retain no withholding tax, but the department shall issue a refundable tax credit for the full amount of benefit allowed under this subdivision.

(3) High impact projects: in exchange for the consideration provided by the new tax revenues and other economic stimulus that will be generated by the new jobs created by the program, a qualified company may retain an amount equal to a maximum of five percent of new payroll for a period of five years from the date the required number of jobs were created. The benefits available to the company under any other state programs for which the company is eligible and which utilize withholding tax from the new jobs of the company must first be credited to the other state program before the withholding retention level applicable under the Missouri quality jobs act will begin to accrue. These other state programs include, but are not limited to, the new jobs training program under sections 178.892 to 178.896, RSMo, the job retention program under sections 178.760 to 178.764, RSMo, the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, RSMo, or the Missouri downtown and rural economic stimulus act under sections 99.915 to 99.980, RSMo. If any qualified company also participates in the new jobs training program in sections 178.892 to 178.896, RSMo, the company shall retain no withholding tax, but the department shall issue a refundable tax credit for the full amount of benefit allowed under this subdivision.

(4) Job retention projects: a qualified company may receive a tax credit for the retention of jobs in this state, provided the qualified company and the project meets all of the following conditions:

(a) For each of the twenty-four months preceding the year in which application for the program is made the qualified company must have maintained at least one thousand full-time, year-round employees at the employer’s site in the state at which the jobs are based, and the average wage of such employees must meet or exceed the county average wage;
(b) The qualified company retained at the project facility the level of full-time, year-round employees that existed in the taxable year immediately preceding the year in which application for the program is made;

(c) The qualified company is considered to have a significant statewide effect on the economy, and has been determined to represent a substantial risk of relocation from the state by the quality jobs advisory task force established in section 620.1887; provided, however, until such time as the initial at-large members of the quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development;

(d) The qualified company in the project facility will cause to be invested a minimum of seventy million dollars in new investment prior to the end of two years or will cause to be invested a minimum of thirty million dollars in new investment prior to the end of two years and maintain an annual payroll of at least seventy million dollars during each of the years for which a credit is claimed; and

(e) The local taxing entities shall provide local incentives of at least fifty percent of the new direct local revenues created by the project over a ten-year period.

The quality jobs advisory task force may recommend to the department of economic development that appropriate penalties be applied to the company for violating the agreement. The amount of the job retention credit granted may be equal to up to fifty percent of the amount of withholding tax generated by the full-time, year-round jobs at the project facility for a period of five years. The calendar year annual maximum amount of tax credit that may be issued to any qualified company for a job retention project or combination of job retention projects shall be seven hundred fifty thousand dollars per year, but the maximum amount may be increased up to one million dollars if such action is proposed by the department and approved by the quality jobs advisory task force established in section 620.1887; provided, however, until such time as the initial at-large members of the quality jobs advisory task force are appointed, this determination shall be made by the director of the department of economic development. In considering such a request, the task force shall rely on economic modeling and other information supplied by the department when requesting the increased limit on behalf of the job retention project. In no event shall the total amount of all tax credits issued for the entire job retention program under this subdivision exceed three million dollars annually. Notwithstanding the above, no tax credits shall be issued for job retention projects approved by the department after August 30, 2007.

4. The qualified company shall provide an annual report of the number of jobs and such other information as may be required by the department to document the basis for the benefits of this program. The department may withhold the approval of any benefits until it is satisfied that proper documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time, year-round employees.

5. The maximum calendar year annual tax credits issued for the entire program shall not exceed twelve million dollars. Notwithstanding any provision of law to the contrary, the maximum annual tax credits authorized under section 135.535, RSMo, are hereby reduced from ten million dollars to eight million dollars, with the balance of two million dollars transferred to this program. There shall be no limit on the amount of withholding taxes that may be retained by approved companies under this program.

6. The department shall allocate the annual tax credits based on the date of the proposal, reserving such tax credits based on the department’s best estimate of new jobs and new payroll of the project, and the other factors in the determination of benefits of this program. However, the annual issuance of tax credits is subject to the annual verification of the actual new payroll. The allocation of tax credits for the period assigned to a project shall expire if, within two years from the date of commencement of operations, or proposal if applicable, the minimum thresholds have not been achieved. The qualified company may retain authorized amounts from the withholding tax under this section once the minimum new jobs thresholds are met for the duration of the project period. No benefits shall be provided under this program until the qualified company meets the minimum new jobs thresholds. In the event the qualified company does not meet the minimum new job threshold, the qualified company may submit a new notice of intent or the department may provide a new proposal for a new project of the qualified company at the project facility or other facilities.

7. For a qualified company with flow-through tax treatment to its members, partners, or shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion to their share of ownership on the last day of the qualified company’s tax period.

8. Tax credits may be claimed against taxes otherwise imposed by chapters 143 and 148, RSMo, and may not be carried forward but shall be claimed within one year of the close of the taxable year for which they were issued.

9. Tax credits authorized by this section may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department.

10. The director of revenue shall issue a refund to the qualified company to the extent that the amount of credits allowed in this section exceeds the amount of the qualified company’s income tax.

11. An employee of a qualified company will receive full credit for the amount of tax withheld as provided in section 143.221, RSMo.

12. If any provision of sections 620.1875 to 620.1890 or application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or application of these sections which can be given effect without the invalid provisions or application, and to this end, the provisions of sections 620.1875 to 620.1890 are hereby declared severable.

(L. 2005 S.B. 343)

*Word “is” appears in original rolls.

As of August 28, 2005
620.1884. **Rulemaking authority**. The department may adopt such rules, statements of policy, procedures, forms, and guidelines as may be necessary to carry out the provisions of sections 620.1875 to 620.1890. 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, 2005, shall be invalid and void.

(L. 2005 S.B. 343)

620.1887. **Quality jobs advisory task force created, members**. There is hereby created a volunteer task force, to be known as the “Quality Jobs Advisory Task Force”, which shall consist of the chairperson of the economic development committee of the Missouri senate or his or her designee, a member of the economic development committee of the Missouri senate appointed by the minority leader of the Missouri senate, the chairperson of the economic development committee of the Missouri house of representatives or his or her designee, a member of the economic development committee of the Missouri house of representatives appointed by the minority leader of the Missouri house of representatives, the director of the department of economic development or his or her designee, and two members to be appointed by the governor with the advice and consent of the senate.

(L. 2005 S.B. 343)

620.1890. **Report to the general assembly, contents**. Prior to March first each year, the department will provide a report on the program to the general assembly including the names of participating companies, location of such companies, the annual amount of benefits provided, the estimated net state fiscal impact (direct and indirect new state taxes derived from the project), the number of new jobs created or jobs retained, the average wages of each project, and the types of qualified companies using the program.

(L. 2005 S.B. 343)
INDUSTRIAL DEVELOPMENT BONDS ISSUED FOR TAX ABATEMENT  
[§§ 100.010 - 100.200 RSMo]

100.010. Definitions. As used in sections 100.010 to 100.200, unless the context clearly indicates otherwise, the following words and terms have the following meanings:

(1) “Division”, an appropriate division of the department of economic development of the state of Missouri, or any agency which succeeded to the functions of the division of commerce and industrial development;

(2) “Facility”, an industrial plant purchased, constructed, extended or improved pursuant to sections 100.010 to 100.200, including the real estate, buildings, fixtures and machinery;

(3) “Governing body”, bodies and boards, by whatever names they may be known, charged with the governing of a municipality as herein defined;

(4) “Municipality”, any county, city, incorporated town or village of the state;

(5) “Office industry”, a regional, national or international headquarters, a telecommunications operation, a computer operation, an insurance company or a credit card billing and processing center;

(6) “Project for industrial development” or “project”, the purchase, construction, extension and improvement of warehouses, distribution facilities, research and development facilities, office industries, agricultural processing industries, service facilities which provide interstate commerce, and industrial plants, including the real estate either within or without the limits of such municipalities, buildings, fixtures, and machinery; except that any project of a municipality having fewer than eight hundred inhabitants shall be located wholly within the limits of the municipality;

(7) “Revenue bonds”, bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality and secured by revenues of a project for industrial development.

100.020. Municipality may carry out industrial development projects. The municipality may carry out projects for industrial development under the terms of sections 100.010 to 100.200.

100.030. Acceptance of federal grants or gifts. The municipality may accept grants from the federal and state governments for industrial development purposes, and may enter into such agreements as are not contrary to the laws of this state and which may be required as a condition of grants by the federal government or its agencies. The municipality may also receive gifts and donations from private sources to be expended for industrial development purposes.

100.040. Plans for industrial development to be made. Any municipality desiring to avail itself of the provisions of sections 100.010 to 100.200 shall prepare plans for the industrial development of such municipality. In preparing the plans, the municipality shall cooperate with local private agencies and with other state and local agencies concerned with industrial development.
100.050. Approval of plan by governing body of municipality--information required--additional information required, when--payments in lieu of taxes, applied how.

1. Any municipality proposing to carry out a project for industrial development shall first, by majority vote of the governing body of the municipality, approve the plan for the project. The plan shall include the following information pertaining to the proposed project:

(1) A description of the project;
(2) An estimate of the cost of the project;
(3) A statement of the source of funds to be expended for the project;
(4) A statement of the terms upon which the facilities to be provided by the project are to be leased or otherwise disposed of by the municipality; and
(5) Such other information necessary to meet the requirements of sections 100.010 to 100.200.

2. If the plan for the project is approved after August 28, 2003, and the project plan involves issuance of revenue bonds or involves conveyance of a fee interest in property to a municipality, the project plan shall additionally include the following information:

(1) A statement identifying each school district, junior college district, county, or city affected by such project except property assessed by the state tax commission pursuant to chapters 151 and 153, RSMo;
(2) The most recent equalized assessed valuation of the real property and personal property included in the project, and an estimate as to the equalized assessed valuation of real property and personal property included in the project after development;
(3) An analysis of the costs and benefits of the project on each school district, junior college district, county, or city; and
(4) Identification of any payments in lieu of taxes expected to be made by any lessee of the project, and the disposition of any such payments by the municipality.

3. If the plan for the project is approved after August 28, 2003, any payments in lieu of taxes expected to be made by any lessee of the project shall be applied in accordance with this section. The lessee may reimburse the municipality for its actual costs of issuing the bonds and administering the plan. All amounts paid in excess of such actual costs shall, immediately upon receipt thereof, be disbursed by the municipality’s treasurer or other financial officer to each school district, junior college district, county, or city in proportion to the current ad valorem tax levy of each school district, junior college district, county, or city; however, in any county of the first classification with more than ninety-three thousand eight hundred but fewer than ninety-three thousand nine hundred inhabitants, if the plan for the project is approved after May 15, 2005, such amounts shall be disbursed by the municipality’s treasurer or other financial officer to each affected taxing entity in proportion to the current ad valorem tax levy of each affected taxing entity.

100.059. Notice of proposed project for industrial development, when, contents--limitation on indebtedness, inclusions--applicability, limitation.

1. The governing body of any municipality proposing a project for industrial development which involves issuance of revenue bonds or involves conveyance of a fee interest in property to a municipality shall, not less than twenty days before approving the plan for a project as required by section 100.050, provide notice of the proposed project to the county in which the municipality is located and any school district that is a school district, junior college district, county, or city; however, in any county of the first classification with more than ninety-three thousand eight hundred but fewer than ninety-three thousand nine hundred inhabitants, if the plan for the project is approved after May 15, 2005, such notice shall be provided to all affected taxing entities in the county. Such notice shall include the information required in section 100.050, shall state the date on which the governing body of the municipality will first consider approval of the plan, and shall invite such school districts, junior college districts, counties, or cities to submit comments to the governing body and the comments shall be fairly and duly considered.

2. Notwithstanding any other provisions of this section to the contrary, for purposes of determining the limitation on indebtedness of local government pursuant to section 26(b), article VI, Constitution of Missouri, the current equalized assessed value of the property in an area selected for redevelopment attributable to the increase above the total initial equalized assessed valuation shall be included in the value of taxable tangible property as shown on the last completed assessment for state or county purposes.

3. The county assessor shall include the current assessed value of all property within the school district, junior college district, county, or city in the aggregate valuation of assessed property entered upon the assessor’s book and verified pursuant to section 137.245, RSMo, and such value shall be utilized for the purpose of the debt limitation on local government pursuant to section 26(b), article VI, Constitution of Missouri.

4. This section is applicable only if the plan for the project is approved after August 28, 2003.
100.090. **General obligation bonds authorized.** Any municipality may issue its general obligation bonds in an amount not in excess of ten percent of the assessed valuation of the taxable tangible property in the municipality to provide funds for the carrying out of a project under sections 100.010 to 100.200. Proposals for the issuance of general obligation bonds shall be submitted in the manner provided by sections 95.135 to 95.170, RSMo, and if the issuance of the bonds is approved by the constitutionally required percentage of the voters voting on the proposition, the bonds shall be issued and a tax shall be levied for their payment in the same manner as other general obligation bonds of the municipality.

*(Transferred 1967; formerly 71.817)*

100.100. **Revenue bonds authorized, how paid.** Any municipality may issue revenue bonds to provide funds for the carrying out of a project under sections 100.010 to 100.200. The revenue bonds shall be paid solely from revenue received from the project, and shall not be a general obligation of the municipality.

Effective 3-11-92
*(Transferred 1967; formerly 71.820)*

100.105. **Municipality to file annual report on bond issuances with department, content.** No later than January thirty-first of each year, the municipality shall file a report with the department of economic development on the previous year’s revenue bond issuances and general obligation bond issuances, which report shall contain only the following information:

1. The name, address, spokesperson, and telephone number of the issuing entity;
2. The name, address, age, and type of business of the beneficiary firm;
3. The amount, term, interest rate or rates, and date of issuance of the bonds issued;
4. The name and address of the underwriter, if any, of such bonds;
5. The name and address of the guarantor, if any;
6. The size, by assets and previous year’s sales, and the current number of employees, of the beneficiary firm;
7. A copy of the preliminary official statement used when offering the bonds for sale;
8. The estimated number of new jobs to be generated by the proposed project;
9. A list of the use of bond proceeds, including whether the purpose of the project and the funds generated by the issuance of such bonds is to open a new business, build a branch plant, expand an existing facility, or acquire an existing business together with a general description of the real property or personal property purchased by or on behalf of the municipality with such proceeds; and
10. The estimated total cost of the project.


100.120. **Time for election--subsequent elections.** The question of issuing general obligation bonds under a plan to finance a project which has been approved by the governing body of the municipality shall be submitted within one year from the date of approval by the governing body. If the question of issuing general obligation bonds is submitted and does not pass, the question shall not be submitted to the voters until the governing body determines that the question may be submitted.

Effective 6-22-83
*(Transferred 1967; formerly 71.827)*

100.130. **Municipality to fix terms and form of revenue bonds.** The municipality shall, by ordinance, provide the form of the revenue bonds to be issued hereunder and shall set out the terms under which such bonds shall be issued, including the rate of interest which they shall bear and the number of years within which they are to be redeemed.

(L. 1961 p. 189 § 13)
100.140. Sinking fund for revenue bonds. At or before the issuance of the revenue bonds the governing body shall, by ordinance, create a sinking fund for the payment of the bonds and the interest thereon, and shall set aside and pledge a sufficient amount of the revenues of the project to be paid into the sinking fund at intervals to be determined by ordinance prior to the issuance of the bonds, for

(1) The interest upon the bonds as such interest shall fall due;

(2) The necessary fiscal agent charges for paying bonds and interest; and

(3) The payment of the bonds as they fall due or if all of the bonds mature at the same time, the proper maintenance of a sinking fund sufficient for their payment at maturity.

(L. 1961 p. 189 § 14)

100.150. Revenue bonds payable from revenues only--statement on bond. Revenue bonds issued under sections 100.010 to 100.200 shall not be payable from or charged upon any funds, other than the revenue pledged to the payment thereof, nor shall the municipality issuing the bonds be subject to any pecuniary liability thereon. Each revenue bond issued under sections 100.010 to 100.200 shall recite, in substance, that the bond, including interest thereon, is payable solely from the revenue pledged to the payment thereof and that the bond does not constitute a debt of the municipality within the meaning of any constitutional or statutory limitation.

(L. 1961 p. 189 § 15)

100.155. Revenue bonds, municipalities, refunding issue authorized--form and terms. 1. Any municipality which has revenue bonds issued pursuant to the provisions of sections 100.010 to 100.200 may issue refunding revenue bonds to provide funds to refund any or all of such revenue bonds, including payment of unpaid interest, premiums and other expenses connected therewith, whether the bonds to be refunded have or have not matured. The form of such refunding revenue bonds, and the terms under which such refunding revenue bonds may be issued, including the number of the years within which they are to be redeemed and their interest rate or rates, which interest rate or rates may be less than, the same, or greater than that of the revenue bonds being refunded, shall be specified by the ordinance, order, indenture or resolution authorizing the refunding bonds. Refunding under the provisions of this section may be effected by a private or public sale of the refunding revenue bonds, and the application of the proceeds to the purchase, redemption or payment of the revenue bonds to be refunded, or by an exchange of the refunding revenue bonds for the revenue bonds being refunded with the consent of the holder or holders of the revenue bonds being refunded. The refunding revenue bonds shall be paid solely from revenue received from the project or projects financed by the revenue bonds being refunded, and shall not be a general obligation of the municipality.

2. Any municipality proposing to issue refunding revenue bonds shall issue those bonds pursuant to the provisions of sections 100.010 to 100.200.

(L. 1981 S.B. 250 §§ 1, 2, A.L. 1983 S.B. 316)

Effective 6-22-83

100.160. Municipality to carry out plan on receipt of funds. When funds have been received by the municipality for the carrying out of the project, the municipality shall purchase, construct, extend or improve the facilities as provided by the plan.

(L. 1961 p. 189 § 16)

*(Transferred 1967; formerly 71.840)

100.170. Construction to be under contract--how let, notice. Whenever the approved plan for the project calls for the construction, improvement or extension of facilities, the municipality shall enter into a contract for the purpose. All contracts shall be let on competitive bidding to the lowest and best bidder. Notice of the letting of the contracts shall be given in the manner provided by section 8.250, RSMo.

(L. 1961 p. 189 § 17)

*(Transferred 1967; formerly 71.843)
(1967) This section is ordinarily applicable only to contracts whereby city itself assumes obligation or indebtedness, and a third class city is not required to let construction contracts for projects financed by industrial revenue bonds by competitive bidding to lowest and best bidder. Wring v. City of Jefferson (Mo.), 413 S.W.2d 292.

100.180. Municipality’s power to enter into loans, sales, leases or mortgages--terms--requirements. The municipality shall have the authority to enter into loan agreements, sell, lease, or mortgage to private persons, partnerships or corporations the facilities purchased, constructed or extended by the municipality for manufacturing and industrial development purposes. In the event that the facility has been financed by revenue bonds, the installments of charges or rents shall be sufficient to meet the interest and sinking fund requirements on the bonds. The loan agreement, installment sale agreement, lease, or other such document shall contain such other terms as are agreed upon between the municipality and the obligor, provided that such terms shall be consistent with the other provisions of sections 100.010 to 100.200.


*(Transferred 1967; formerly 71.847)

100.190. Property acquired may be sold. Any municipality may sell or otherwise dispose of the property, or buildings or plants acquired with the proceeds from the sale of general obligation bonds issued under sections 100.010 to 100.200, to private persons or corporations for warehousing, manufacturing or industrial development purposes upon approval by the governing body. The terms and method of the sale or other disposal shall be established by the governing body so as to reasonably protect and promote the economic well-being and the industrial development of the municipality.


Effective 6-22-83

*(Transferred 1967; formerly 71.850)

100.200. Sales of industrial development property acquired with revenue bonds. Any municipality may sell or otherwise dispose of the property or buildings or plants, acquired with the proceeds from the sale of revenue bonds issued under sections 100.100 to 100.190, to private persons or corporations for manufacturing or industrial development purposes. The terms and method of the sale or other disposal shall be established so as to reasonably protect and promote the economic well-being and the industrial development of the municipality, but in no case shall the property or buildings or plants be sold for an amount less than one which shall be sufficient to retire all outstanding revenue bonds which were sold for the purchase or construction of the property or buildings or plants.


Effective 6-22-83
As of August 28, 2005
(13) “New business facility employee”, an employee of the taxpayer in the operation of a new business facility during the taxable year for which the credit allowed by section 135.967 is claimed, except that truck drivers and rail and barge vehicle operators and other operators of rolling stock for hire shall not constitute new business facility employees;

(14) “New business facility investment”, the value of real and depreciable tangible personal property, acquired by the taxpayer as part of the new business facility, which is used by the taxpayer in the operation of the new business facility, during the taxable year for which the credit allowed by 135.967 is claimed, except that trucks, truck-trailers, truck semitrailers, rail vehicles, barge vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges, tunnels, and rail yards and spurs shall not constitute new business facility investments. The total value of such property during such taxable year shall be:

(a) Its original cost if owned by the taxpayer; or

(b) Eight times the net annual rental rate, if leased by the taxpayer. The net annual rental rate shall be the annual rental rate paid by the taxpayer less any annual rental rate received by the taxpayer from subrentals. The new business facility investment shall be determined by dividing by twelve the sum of the total value of such property on the last business day of each calendar month of the taxable year. If the new business facility is in operation for less than an entire taxable year, the new business facility investment shall be determined by dividing the sum of the total value of such property on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was in operation by the number of full calendar months during such period;

(15) “Related taxpayer”: 

(a) A corporation, partnership, trust, or association controlled by the taxpayer;

(b) An individual, corporation, partnership, trust, or association in control of the taxpayer; or

(c) A corporation, partnership, trust or association controlled by an individual, corporation, partnership, trust or association in control of the taxpayer. “Control of a corporation” shall mean ownership, directly or indirectly, of stock possessing at least fifty percent of the total combined voting power of all classes of stock entitled to vote, “control of a partnership or association” shall mean ownership of at least fifty percent of the capital or profits interest in such partnership or association, and “control of a trust” shall mean ownership, directly or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such trust; ownership shall be determined as provided in Section 318 of the Internal Revenue Code of 1986, as amended;

(16) “Replacement business facility”, a facility otherwise described in subdivision (12) of this section, hereafter referred to in this subdivision as “new facility”, which replaces another facility, hereafter referred to in this subdivision as “old facility”, located within the state, which the taxpayer or a related taxpayer previously operated but discontinued operating on or before the close of the first taxable year for which the credit allowed by this section is claimed. A new facility shall be deemed to replace an old facility if the following conditions are met:

(a) The old facility was operated by the taxpayer or a related taxpayer during the taxpayer’s or related taxpayer’s taxable period immediately preceding the taxable year in which commencement of commercial operations occurs at the new facility; and

(b) The old facility was employed by the taxpayer or a related taxpayer in the operation of an enhanced business enterprise and the taxpayer continues the operation of the same or substantially similar enhanced business enterprise at the new facility.

Notwithstanding the preceding provisions of this subdivision, a facility shall not be considered a replacement business facility if the taxpayer’s new business facility investment, as computed in subdivision (14) of this section, in the new facility during the tax period for which the credits allowed in section* 135.967 are claimed exceed one million dollars and if the total number of employees at the new facility exceeds the total number of employees at the old facility by at least two;

(17) “Same or substantially similar enhanced business enterprise”, an enhanced business enterprise in which the nature of the products produced or sold, or activities conducted, are similar in character and use or are produced, sold, performed, or conducted in the same or similar manner as in another enhanced business enterprise.

(L. 2004 S.B. 1155 § 135.1050)

*Word “section” does not appear in original rolls.

135.953. Enhanced enterprise zone criteria--zone may be established in certain areas--additional criteria.

1. For purposes of sections 135.950 to 135.970, an area shall meet the following criteria in order to qualify as an enhanced enterprise zone:

(1) The area shall be a blighted area, have pervasive poverty, unemployment and general distress; and

(2) At least sixty percent of the residents living in the area have incomes below ninety percent of the median income of all residents:

(a) Within the state of Missouri, according to the last decennial census or other appropriate source as approved by the director; or

(b) Within the county or city not within a county in which the area is located, according to the last decennial census or other appropriate source as approved by the director; and

As of August 28, 2005
(3) The resident population of the area shall be at least five hundred but not more than one hundred thousand at the time of designation as an enhanced enterprise zone if the area lies within a metropolitan statistical area, as established by the United States Census Bureau, or if the area does not lie within a metropolitan statistical area, the resident population of the area at the time of designation shall be at least five hundred but not more than forty thousand inhabitants. If the population of the jurisdiction of the governing authority does not meet the minimum population requirements set forth in this subdivision, the population of the area must be at least fifty percent of the population of the jurisdiction. However, no enhanced enterprise zone shall be created which consists of the total area within the political boundaries of a county; and

(4) The level of unemployment of persons, according to the most recent data available from the United States Bureau of Census and approved by the director, within the area is equal to or exceeds the average rate of unemployment for:

(a) The state of Missouri over the previous twelve months; or

(b) The county or city not within a county over the previous twelve months.

2. Notwithstanding the requirements of subsection 1 of this section to the contrary, an enhanced enterprise zone may be established in an area located within a county for which public and individual assistance has been requested by the governor pursuant to Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by the governor pursuant to section 44.100, RSMo, due to a natural disaster of major proportions, if the area to be designated is blighted and sustained severe damage as a result of such natural disaster, as determined by the state emergency management agency. An application for designation as an enhanced enterprise zone pursuant to this subsection shall be made before the expiration of one year from the date the governor requested federal relief for the area sought to be designated.

3. Notwithstanding the requirements of subsection 1 of this section to the contrary, an enhanced enterprise zone may be designated in a county of declining population if it meets the requirements of subdivisions (1), (3) and either (2) or (4) of subsection 1 of this section. For the purposes of this subsection, a “county of declining population” is one that has lost one percent or more of its population as demonstrated by comparing the most recent decennial census population to the next most recent decennial census population for the county.

4. In addition to meeting the requirements of subsection 1, 2, or 3 of this section, an area, to qualify as an enhanced enterprise zone, shall be demonstrated by the governing authority to have either:

(1) The potential to create sustainable jobs in a targeted industry; or

(2) A demonstrated impact on local industry cluster development.

(L. 2004 S.B. 1155 § 135.1055)

135.957. Enhanced enterprise zone board required, members--terms--board actions--chair--role of board.

1. A governing authority planning to seek designation of an enhanced enterprise zone shall establish an enhanced enterprise zone board. The number of members on the board shall be seven. One member of the board shall be appointed by the school district or districts located within the area proposed for designation as an enhanced enterprise zone. One member of the board shall be appointed by other affected taxing districts. The remaining five members shall be chosen by the chief elected official of the county or municipality.

2. The school district member and the affected taxing district member shall each have initial terms of five years. Of the five members appointed by the chief elected official, two shall have initial terms of four years, two shall have initial terms of three years, and one shall have an initial term of two years. Thereafter, members shall serve terms of five years. Each commissioner shall hold office until a successor has been appointed. All vacancies shall be filled in the same manner as the original appointment. For inefficiency or neglect of duty or misconduct in office, a member of the board may be removed by the applicable appointing authority.

3. A majority of the members shall constitute a quorum of such board for the purpose of conducting business and exercising the powers of the board and for all other purposes. Action may be taken by the board upon a vote of a majority of the members present.

4. The members of the board annually shall elect a chair from among the members.

5. The role of the board shall be to conduct the activities necessary to advise the governing authority on the designation of an enhanced enterprise zone and any other advisory duties as determined by the governing authority. The role of the board after the designation of an enhanced enterprise zone shall be review and assessment of zone activities as it relates to the annual reports as set forth in section 135.960.

(L. 2004 S.B. 1155 § 135.1057)

135.960. Public hearing required, notice--petition, requirements--effective and expiration date--annual report.

1. Any governing authority that desires to have any portion of a city or unincorporated area of a county under its control designated as an enhanced enterprise zone shall hold a public hearing for the purpose of obtaining the opinion and suggestions of those persons who will be affected by such designation. The governing authority shall notify the director of such hearing at least thirty days prior thereto and shall publish notice of such hearing in a newspaper of general circulation in the area to be affected by such designation at least twenty days prior to the date of the hearing but not more than thirty days prior to such hearing. Such notice shall state the time, location, date, and purpose of the hearing. The director, or the director’s designee, shall attend such hearing.
2. After a public hearing is held as required in subsection 1 of this section, the governing authority may file a petition with the department requesting the designation of a specific area as an enhanced enterprise zone. Such petition shall include, in addition to a description of the physical, social, and economic characteristics of the area:

(1) A plan to provide adequate police protection within the area;

(2) A specific and practical process for individual businesses to obtain waivers from burdensome local regulations, ordinances, and orders which serve to discourage economic development within the area to be designated an enhanced enterprise zone, except that such waivers shall not substantially endanger the health or safety of the employees of any such business or the residents of the area;

(3) A description of what other specific actions will be taken to support and encourage private investment within the area;

(4) A plan to ensure that resources are available to assist area residents to participate in increased development through self-help efforts and in ameliorating any negative effects of designation of the area as an enhanced enterprise zone;

(5) A statement describing the projected positive and negative effects of designation of the area as an enhanced enterprise zone;

(6) A specific plan to provide assistance to any person or business displaced as a result of activities within the enhanced enterprise zone. Such plan shall determine the need of displaced persons for relocation assistance; provide, prior to displacement, information about the type, location, and price of comparable housing or commercial property; provide information concerning state and federal programs for relocation assistance and provide other advisory services to displaced persons. Public agencies may choose to provide assistance under the Uniform Relocation and Real Property Acquisition Act, 42 U.S.C. Section 4601, et seq., to meet the requirements of this subdivision; and

(7) A description or plan that demonstrates the requirements of subsection 4 of section 135.953.

3. An enhanced enterprise zone designation shall be effective upon such approval by the department and shall expire in twenty-five years.

4. Each designated enhanced enterprise zone board shall report to the director on an annual basis regarding the status of the zone and business activity within the zone.

(L. 2004 S.B. 1155 § 135.1060)

135.963. Improvements exempt, when—authorizing resolution, contents—public hearing required, notice—certain property exempt from ad valorem taxes, duration—time period—property affected—assessor’s duties.

1. Improvements made to real property as such term is defined in section 137.010, RSMo, which are made in an enhanced enterprise zone subsequent to the date such zone or expansion thereto was designated, may, upon approval of an authorizing resolution by the governing authority having jurisdiction of the area in which the improvements are made, be exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more affected political subdivisions.

2. Such authorizing resolution shall specify the percent of the exemption to be granted, the duration of the exemption to be granted, and the political subdivisions to which such exemption is to apply and any other terms, conditions, or stipulations otherwise required. A copy of the resolution shall be provided to the director within thirty calendar days following adoption of the resolution by the governing authority.

3. No exemption shall be granted until the governing authority holds a public hearing for the purpose of obtaining the opinions and suggestions of residents of political subdivisions to be affected by the exemption from property taxes. The governing authority shall send, by certified mail, a notice of such hearing to each political subdivision in the area to be affected and shall publish notice of such hearing in a newspaper of general circulation in the area to be affected by the exemption at least twenty days prior to the hearing but not more than thirty days prior to the hearing. Such notice shall state the time, location, date, and purpose of the hearing.

4. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem taxes otherwise imposed on subsequent improvements to real property located in an enhanced enterprise zone shall become and remain exempt from assessment and payment of ad valorem taxes of any political subdivision of this state or municipality thereof for a period of not less than ten years following the date such improvements were assessed, provided the improved properties are used for enhanced business enterprises.

5. No exemption shall be granted for a period more than twenty-five years following the date on which the original enhanced enterprise zone was designated by the department.

6. The provisions of subsection 1 of this section shall not apply to improvements made to real property begun prior to August 28, 2004.

7. The abatement referred to in this section shall not relieve the assessor or other responsible official from ascertaining the amount of the equalized assessed value of all taxable property annually as required by section 99.855, 99.957, or 99.1042, RSMo, and shall not have the effect of reducing the payments in lieu of taxes referred to in subdivision (2) of subsection 1 of section 99.845, RSMo, subdivision (2) of subsection 3 of section 99.957, RSMo, or subdivision (2) of subdivision 3 of section 99.1042, RSMo, unless such reduction is set forth in the plan approved by the governing body of the municipality pursuant to subdivision (1) of subsection 1 of section 99.820, section 99.942, or section 99.1027, RSMo.

(L. 2004 S.B. 1155 § 135.1065)
135.567. Tax credit allowed, duration—prohibition on receiving other tax credits—limitations on issuance of tax credits—cap—eligibility of
certain expansions—employee calculations—computation of credit—flow-through tax treatments—credits may be claimed, when—
certificates—refunds.

1. A taxpayer who establishes a new business facility may, upon approval by the department, be allowed a credit, each tax year for up to ten tax
years, in an amount determined as set forth in this section, against the tax imposed by chapter 143, RSMo, excluding withholding tax imposed by
sections 143.191 to 143.265, RSMo. No taxpayer shall receive multiple ten-year periods for subsequent expansions at the same facility.

2. Notwithstanding any provision of law to the contrary, any taxpayer who establishes a new business facility in an enhanced enterprise zone and
is awarded state tax credits under this section may not also receive tax credits under sections 135.100 to 135.150, sections 135.200 to 135.268, or
section 135.535.

3. No credit shall be issued pursuant to this section unless:

(1) The number of new business facility employees engaged or maintained in employment at the new business facility for the taxable year for
which the credit is claimed equals or exceeds two; and

(2) The new business facility investment for the taxable year for which the credit is claimed equals or exceeds one hundred thousand dollars.

4. The annual amount of credits allowed for an approved enhanced business enterprise shall be the lesser of:

(1) The annual amount authorized by the department for the enhanced business enterprise, which shall be limited to the projected state economic
benefit, as determined by the department; or

(2) The sum calculated based upon the following:

(a) A credit of four hundred dollars for each new business facility employee employed within an enhanced enterprise zone;

(b) An additional credit of four hundred dollars for each new business facility employee who is a resident of an enhanced enterprise zone;

(c) An additional credit of four hundred dollars for each new business facility employee who is paid by the enhanced business enterprise a wage
that exceeds the average wage paid within the county in which the facility is located, as determined by the department; and

(d) A credit equal to two percent of new business facility investment within an enhanced enterprise zone.

5. Prior to January 1, 2007, in no event shall the department authorize more than four million dollars annually to be issued for all enhanced
business enterprises. After December 31, 2006, in no event shall the department authorize more than seven million dollars annually to be issued
for all enhanced business enterprises.

6. If a facility, which does not constitute a new business facility, is expanded by the taxpayer, the expansion shall be considered eligible for the
credit allowed by this section if:

(1) The taxpayer’s new business facility investment in the expansion during the tax period in which the credits allowed in this section are claimed
exceeds one hundred thousand dollars and if the number of new business facility employees engaged or maintained in employment at the
expansion facility for the taxable year for which credit is claimed equals or exceeds two, and the total number of employees at the facility after
the expansion is at least two greater than the total number of employees before the expansion; and

(2) The taxpayer’s investment in the expansion and in the original facility prior to expansion shall be determined in the manner provided in
subdivision (12) of section 135.950.

7. The number of new business facility employees during any taxable year shall be determined by dividing by twelve the sum of the number of
individuals employed on the last business day of each month of such taxable year. If the new business facility is in operation for less than the
entire taxable year, the number of new business facility employees shall be determined by dividing the sum of the number of individuals
employed on the last business day of each full calendar month during the portion of such taxable year during which the new business facility was
in operation by the number of full calendar months during such period. For the purpose of computing the credit allowed by this section in the case
of a facility which qualifies as a new business facility under subsection 6 of this section, and in the case of a new business facility which satisfies
the requirements of paragraph (c) of subdivision (12) of section 135.950, or subdivision (16) of section 135.950, the number of new business
facility employees at such facility shall be reduced by the average number of individuals employed, computed as provided in this subsection, at
the facility during the taxable year immediately preceding the taxable year in which such expansion, acquisition, or replacement occurred and
shall further be reduced by the number of individuals employed by the taxpayer or related taxpayer that was subsequently transferred to the new
business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are
earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

8. In the case where a new business facility employee who* is a resident of an enhanced enterprise zone for less than a twelve-month period is
employed for less than a twelve-month period, the credits allowed by paragraph (b) of subdivision (2) of subsection 4 of this section shall be
determined by multiplying four hundred dollars by a fraction, the numerator of which is the number of calendar days during the taxpayer’s tax
year for which such credits are claimed, in which the employee was a resident of an enhanced enterprise zone, and the denominator of which is
three hundred ** sixty-five.

As of August 28, 2005

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9. For the purpose of computing the credit allowed by this section in the case of a facility which qualifies as a new business facility pursuant to subsection 6 of this section, and in the case of a new business facility which satisfies the requirements of paragraph (c) of subdivision (12) of section 135.950 or subdivision (16) of section 135.950, the amount of the taxpayer’s new business facility investment in such facility shall be reduced by the average amount, computed as provided in subdivision (12) of section 135.950 for new business facility investment, of the investment of the taxpayer, or related taxpayer immediately preceding such expansion or replacement or at the time of acquisition. Furthermore, the amount of the taxpayer’s new business facility investment shall also be reduced by the amount of investment employed by the taxpayer or related taxpayer which was subsequently transferred to the new business facility from another Missouri facility and for which credits authorized in this section are not being earned, whether such credits are earned because of an expansion, acquisition, relocation, or the establishment of a new facility.

10. For a taxpayer with flow-through tax treatment to its members, partners, or shareholders, the credit shall be allowed to members, partners, or shareholders in proportion to their share of ownership on the last day of the taxpayer’s tax period.

11. Credits may not be carried forward but shall be claimed for the taxable year during which commencement of commercial operations occurs at such new business facility, and for each of the nine succeeding taxable years for which the credit is issued.

12. Certificates of tax credit authorized by this section may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department. The sale price cannot be less than seventy-five percent of the par value of such credits.

13. The director of revenue shall issue a refund to the taxpayer to the extent that the amount of credits allowed in this section exceeds the amount of the taxpayer’s income tax.

(L. 2004 S.B. 1155 § 135.1070)

*Word “who” does not appear in original rolls.

**Word “and” appears in original rolls.

135.970. Rulemaking authority. The department may adopt such rules, statements of policy, procedures, forms, and guidelines as may be necessary to carry out the provisions of sections 135.950 to 135.970. 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.

(L. 2004 S.B. 1155 § 135.1075)

135.973. Eligibility of existing enterprise zones. After January 1, 2007, all enterprise zones designated before January 1, 2006, shall be eligible to receive the tax benefits under sections 135.950 to 135.970.

(L. 2004 S.B. 1155 § 135.1078)
NEW JOBS TRAINING PROGRAM

[§§ 178.892 - 178.896 RSMo]

178.892. Definitions. As used in sections 178.892 to 178.896, the following terms mean:

(1) “Agreement”, the agreement, between an employer and a junior college district, concerning a project. An agreement may be for a period not to exceed ten years when the program services associated with a project are not in excess of five hundred thousand dollars. For a project where associated program costs are greater than five hundred thousand dollars, the agreement may not exceed a period of eight years. No agreement shall be entered into between an employer and a community college district which involves the training of potential employees with the purpose of replacing or supplanting employees engaged in an authorized work stoppage;

(2) “Board of trustees”; the board of trustees of a junior college district;

(3) “Certificate”, industrial new jobs training certificates issued pursuant to section 178.895;

(4) “Date of commencement of the project”, the date of the agreement;

(5) “Employee”, the person employed in a new job;

(6) “Employer”, the person providing new jobs in conjunction with a project;

(7) “Essential industry”, a business that otherwise meets the definition of industry but instead of creating new jobs maintains existing jobs. To be an essential industry, the business must have maintained at least two thousand jobs each year for a period of four years preceding the year in which application for the program authorized by sections 178.892 to 178.896 is made and must be located in a home rule city with more than twenty-six thousand but less than twenty-seven thousand inhabitants located in any county with a charter form of government and with more than one million inhabitants;

(8) “Existing job”, a job in an essential industry that pays wages or salary greater than the average of the county in which the project will be located;

(9) “Industry”, a business located within the state of Missouri which enters into an agreement with a community college district and which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail services. “Industry” does not include a business which closes or substantially reduces its operation in one area of the state and relocates substantially the same operation in another area of the state. This does not prohibit a business from expanding its operations in another area of the state provided that existing operations of a similar nature are not closed or substantially reduced;

(10) “New job”, a job in a new or expanding industry not including jobs of recalled workers, or replacement jobs or other jobs that formerly existed in the industry in the state. For an essential industry, an existing job shall be considered a new job for the purposes of the new job training programs;

(11) “New jobs credit from withholding”, the credit as provided in section 178.894;

(12) “New jobs training program” or “program”, the project or projects established by a community college district for the creation of jobs by providing education and training of workers for new jobs for new or expanding industry in the state;

(13) “Program costs”, all necessary and incidental costs of providing program services including payment of the principal of, premium, if any, and interest on certificates, including capitalized interest, issued to finance a project, funding and maintenance of a debt service reserve fund to secure such certificates and wages, salaries and benefits of employees participating in on-the-job training;

(14) “Program services” includes, but is not limited to, the following:

(a) New jobs training;

(b) Adult basic education and job-related instruction;

(c) Vocational and skill-assessment services and testing;

(d) Training facilities, equipment, materials, and supplies;

(e) On-the-job training;

(f) Administrative expenses equal to fifteen percent of the total training costs;

(g) Subcontracted services with state institutions of higher education, private colleges or universities, or other federal, state, or local agencies;

(h) Contracted or professional services; and

(i) Issuance of certificates;
(15) “Project”, a training arrangement which is the subject of an agreement entered into between the community college district and an employer to provide program services;

(16) “Total training costs”, costs of training, including supplies, wages and benefits of instructors, subcontracted services, on-the-job training, training facilities, equipment, skill assessment and all program services excluding issuance of certificates.


Effective 6-18-03 (S.B. 620)

7-07-03 (H.B. 289)

Contingent expiration date, see § 135.284

178.893. Agreement, community college district, employer--approval, terms, provisions. A community college district, with the approval of the department of economic development in consultation with the office of administration, may enter into an agreement to establish a project and provide program services to an employer. As soon as possible after initial contact between a community college district and a potential employer regarding the possibility of entering into an agreement, the district shall inform the division of job development and training of the department of economic development and the office of administration about the potential project. The division of job development and training shall evaluate the proposed project within the overall job training efforts of the state to ensure that the project will not duplicate other job training programs. The department of economic development shall have fourteen days from receipt of the application to approve or disapprove projects. If no response is received by the community college within fourteen days the projects are approved. Any project that is disapproved must be in writing stating the reasons for the disapproval. If an agreement is entered into, the district and the employer shall notify the department of revenue within fifteen calendar days. An agreement may provide, but is not limited to:

(1) Payment of program costs, including deferred costs, which may be paid from one or a combination of the following sources:

(a) Funds appropriated by the general assembly from the Missouri junior college job training program fund and disbursed by the division of job development and training in respect of new jobs credit from withholding to be received or derived from new employment resulting from the project;

(b) Tuition, student fees, or special charges fixed by the board of trustees to defray program costs in whole or in part;

(c) Guarantee of payments to be received under paragraph (a) or (b) of this subdivision;

(2) Payment of program costs shall not be deferred for a period longer than ten years if program costs do not exceed five hundred thousand dollars, or eight years if program costs exceed five hundred thousand dollars from the date of commencement of the project;

(3) Costs of on-the-job training for employees, shall include wages or salaries of participating employees. Payments for on-the-job training shall not exceed the average of fifty percent of the total percent of the total wages paid by the employer to each participant during the period of training. Payment for on-the-job training may continue for up to six months after the placement of the participant in the new job;

(4) A provision which fixes the minimum amount of new jobs credit from withholding, or tuition and fee payments which shall be paid for program costs;

(5) Any payment required to be made by an employer is a lien upon the employer’s business property until paid and has equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to the lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of ordinary taxes. The purchasers at tax sale obtain the property subject to the remaining payments.


Expires 7-1-18

178.894. Job training program costs--new jobs credit from withholding --conditions. If an agreement provides that all or part of program costs are to be met by receipt of new jobs credit from withholding, such new jobs credit from withholding shall be determined and paid as follows:

(1) New jobs credit from withholding shall be based upon the wages paid to the employees in the new jobs;

(2) A portion of the total payments made by the employer pursuant to section 143.221, RSMo, shall be designated as the new jobs credit from withholding. Such portion shall be an amount equal to two and one-half percent of the gross wages paid by the employer for each of the first one hundred jobs included in the project and one and one-half percent of the gross wages paid by the employer for each of the remaining jobs included in the project. If business or employment conditions cause the amount of the new jobs credit from withholding to be less than the amount projected in the agreement for any time period, then other withholding tax paid by the employer pursuant to section 143.221, RSMo, shall be credited to the Missouri junior college job training fund by the amount of such difference. The employer shall remit the amount of the new
jobs credit to the department of revenue in the manner prescribed in section 178.896. When all program costs, including the principal of, premium, if any, and interest on the certificates have been paid, the employer credits shall cease;

(3) The community college district participating in a project shall establish a special fund for and in the name of the project. All funds appropriated by the general assembly from the Missouri community college job training program fund and disbursed by the division of job development and training for the project and other amounts received by the district in respect of the project and required by the agreement to be used to pay program costs for the project shall be deposited in the special fund. Amounts held in the special fund may be used and disbursed by the district only to pay program costs for the project. The special fund may be divided into such accounts and subaccounts as shall be provided in the agreement, and amounts held therein may be invested in investments which are legal for the investment of the district’s other funds;

(4) Any disbursement in respect of a project received from the division of job development and training under the provisions of sections 178.892 to 178.896 and the special fund into which it is paid may be irrevocably pledged by a junior college district for the payment of the principal of, premium, if any, and interest on the certificate issued by a junior college district to finance or refinance, in whole or in part, the project;

(5) The employer shall certify to the department of revenue that the credit from withholding is in accordance with an agreement and shall provide other information the department may require;

(6) An employee participating in a project will receive full credit for the amount designated as a new jobs credit from withholding and withheld as provided in section 143.221, RSMo;

(7) If an agreement provides that all or part of program costs are to be met by receipt of new jobs credit from withholding, the provisions of this subsection shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.


Effective 7-13-90
Expires 7-1-18

178.895. Certificates, issue of, sale of--refunding certificates, issued when--procedure on issuance--not deemed indebtedness of state or political subdivision--rules and regulations, department of economic development to promulgate, procedure--termination of sales of certificates, when.

1. To provide funds for the present payment of the costs of new jobs training programs, a community college district may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement including disbursements from the Missouri community college job training program to the special fund established by the district for each project. The total amount of outstanding certificates sold by all junior college districts shall not exceed twenty million dollars, unless an increased amount is authorized in writing by a majority of members of the Missouri job training joint legislative oversight committee. The certificates shall be marketed through financial institutions authorized to do business in Missouri. The receipts shall be pledged to the payment of principal of and interest on the certificates. Certificates may be sold at public sale or at private sale at par, premium, or discount of not less than ninety-five percent of the par value thereof, at the discretion of the board of trustees, and may bear interest at such rate or rates as the board of trustees shall determine, notwithstanding the provisions of section 108.170, RSMo, to the contrary. However, chapter 176, RSMo, does not apply to the issuance of these certificates. Certificates may be issued with respect to a single project or multiple projects and may contain terms or conditions as the board of trustees may provide by resolution authorizing the issuance of the certificates.

2. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded. They may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates and may bear a higher, lower, or equivalent rate of interest than the certificates being renewed or refunded.

3. Before certificates are issued, the board of trustees shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person may, within fifteen days after the publication of the notice, by action in the circuit court of a county in the district, appeal the decision of the board of trustees to issue the certificates. The action of the board of trustees in determining to issue the certificates is final and conclusive unless the circuit court finds that the board of trustees has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of trustees to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of the notice of intention to issue.

4. The board of trustees shall determine if revenues provided in the agreement are sufficient to secure the faithful performance of obligations in the agreement.

5. Certificates issued under this section shall not be deemed to be an indebtedness of the state or the community college district or of any other political subdivision of the state and the principal and interest on such certificates shall be payable only from the sources provided in subdivision (1) of section 178.893 which are pledged in the agreement.
6. The department of economic development shall coordinate the new jobs training program, and may promulgate rules that districts will use in developing projects with new and expanding industrial new jobs training proposals which shall include rules providing for the coordination of such proposals with the service delivery areas established in the state to administer federal funds pursuant to the federal Job Training Partnership Act. No rule or portion of a rule promulgated under the authority of sections 178.892 to 178.896 shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

7. No community college district may sell certificates as described in this section after July 1, 2008.


Effective 12-23-97
Expires 7-1-18

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

178.896. Community college job training program fund established --administration--expiration date.

1. There is hereby established within the state treasury a special fund, to be known as the “Missouri Community College Job Training Program Fund”, to be administered by the division of job development and training. The department of revenue shall credit to the community college job training program fund, as received, all new jobs credit from withholding remitted by employers pursuant to section 178.894. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. The general assembly, however, shall not provide for any transfer of general revenue funds into the community college job training program fund. Moneys in the Missouri community college job training program fund shall be disbursed to the division of job development and training pursuant to regular appropriations by the general assembly. The division shall disburse such appropriated funds in a timely manner into the special funds established by community college districts for projects, which funds shall be used to pay program costs, including the principal of, premium, if any, and interest on certificates issued by the district to finance or refinance, in whole or in part, a project. Such disbursements by the division of job development and training shall be made to the special fund for each project in the same proportion as the new jobs credit from withholding remitted by the employer participating in such project bears to the total new jobs credit from withholding remitted by all employers participating in projects during the period for which the disbursement is made. Moneys for new jobs training programs established under the provisions of sections 178.892 to 178.896 shall be obtained from appropriations made by the general assembly from the Missouri community college job training program fund. All moneys remaining in the Missouri community college job training program fund at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080, RSMo, but shall remain in the Missouri community college job training program fund.

2. The department of revenue shall develop such forms as are necessary to demonstrate accurately each employer’s new jobs credit from withholding paid into the Missouri community college job training program fund. The new jobs credit from withholding shall be accounted as separate from the normal withholding tax paid to the department of revenue by the employer. Reimbursements made by all employers to the Missouri community college job training program fund shall be no less than all allocations made by the division of job development and training to all community college districts for all projects. The employer shall remit the amount of the new job credit to the department of revenue in the same manner as provided in sections 143.191 to 143.265, RSMo.


Effective 12-23-97
Expires 7-1-18

As of August 28, 2005
RETAINED JOBS TRAINING PROGRAM

§§ 178.760 – 178.764 RSMo

178.760. Definitions. As used in sections 178.760 to 178.764, the following terms mean:

(1) “Agreement”, the agreement between an employer and a junior college district concerning a project. An agreement may be for a period not to exceed ten years when the program services associated with a project are not in excess of five hundred thousand dollars. For a project where the associated program costs are greater than five hundred thousand dollars, the agreement may not exceed a period of eight years;

(2) “Board of trustees”, the board of trustees of a junior college district;

(3) “Capital investment”, an investment in research and development, working capital, and real and tangible personal business property except inventory or property intended for sale to customers. Trucks, truck trailers, truck semi-trailers, rail and barge vehicles and other rolling stock for hire, track, switches, barges, bridges, tunnels, rail yards, and spurs shall not qualify as capital investment. The amount of such investment shall be the original cost of the property if owned, or eight times the net annual rental rate if leased;

(4) “Certificate”, industrial retained jobs training certificates issued under section 178.763;

(5) “Date of commencement of the project”, the date of the agreement;

(6) “Employee”, the person employed in a retained job;

(7) “Employer”, the person maintaining retained jobs in conjunction with a project;

(8) “Industry”, a business located within this state which enters into an agreement with a community college district and which is engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products, conducting research and development, or providing services in interstate commerce, but excluding retail services;

(9) “Program costs”, all necessary and incidental costs of providing program services, including payment of the principal, premium, and interest on certificates, including capitalized interest, issued to finance a project, funding and maintenance of a debt service reserve fund to secure such certificates and wages, salaries and benefits of employees participating in on-the-job training;

(10) “Program services” includes, but is not limited to, the following:
   (a) Retained jobs training;
   (b) Adult basic education and job-related instruction;
   (c) Vocational and skill-assessment services and testing;
   (d) Training facilities, equipment, materials, and supplies;
   (e) On-the-job training;
   (f) Administrative expenses equal to seventeen percent of the total training costs, two percent to be paid to the department of economic development for deposit into the Missouri job development fund created under section 620.478, RSMo;
   (g) Subcontracted services with state institutions of higher education, private colleges or universities, or other federal, state, or local agencies;
   (h) Contracted or professional services; and
   (i) Issuance of certificates;

(11) “Project”, a training arrangement which is the subject of an agreement entered into between the community college district and an employer to provide program services that is not also the subject of an agreement entered into between a community college district and an employer to provide program services under sections 178.892 to 178.896;

(12) “Retained job”, a job in a stable industry, not including jobs for recalled workers, which was in existence for at least two consecutive calendar years preceding the year in which the application for the retained jobs training program was made;

(13) “Retained jobs credit from withholding”, the credit as provided in section 178.762;

(14) “Retained jobs training program”, or “program”, the project or projects established by a community college district for the retention of jobs, by providing education and training of workers for existing jobs for stable industry in the state;

(15) “Stable industry”, a business that otherwise meets the definition of industry and retains existing jobs. To be a stable industry, the business shall have:
(a) Maintained at least one hundred employees per year at the employer’s site in the state at which the jobs are based, for each of the two calendar years preceding the year in which application for the program is made;

(b) Retained at that site the level of employment that existed in the taxable year immediately preceding the year in which application for the program is made; and

(c) Made or agree to make a capital investment aggregating at least one million dollars to acquire or improve long-term assets (including leased facilities) such as property, plant, or equipment (excluding program costs) at the employer’s site in the state at which jobs are based over a period of three consecutive calendar years, as certified by the employer and:

a. Have made substantial investment in new technology requiring the upgrading of worker’s skills; or

b. Be located in a border county of the state and represent a potential risk of relocation from the state; or

c. Be determined to represent a substantial risk of relocation from the state by the director of the department of economic development;

(16) “Total training costs”, costs of training, including supplies, wages and benefits of instructors, subcontracted services, on-the-job training, training facilities, equipment, skill assessment, and all program services excluding issuance of certificates.

(L. 2004 S.B. 1155 § 178.980)

178.761. Community college districts may contract to provide training, application, agreement provisions. A community college district, with the approval of the department of economic development in consultation with the office of administration, may enter into an agreement to establish a project and provide program services to an employer. As soon as possible after initial contact between a community college district and a potential employer regarding the possibility of entering into an agreement, the district shall inform the division of workforce development of the department of economic development and the office of administration about the potential project. The division of workforce development shall evaluate the proposed project within the overall job training efforts of the state to ensure that the project will not duplicate other job training programs. The department of economic development shall have fourteen days from receipt of the application to approve or disapprove projects. If no response is received by the community college within fourteen days, the projects are approved. Any project that is disapproved must be in writing stating the reasons for the disapproval. If an agreement is entered into, the district and the employer shall notify the department of revenue within fifteen calendar days. An agreement may provide, but is not limited to:

(1) Payment of program costs, including deferred costs, which may be paid from one or a combination of the following sources:

(a) Funds appropriated by the general assembly from the Missouri community college job retention program fund and disbursed by the division of workforce development in respect of retained jobs credit from withholding to be received or derived from retained employment resulting from the project;

(b) Tuition, student fees, or special charges fixed by the board of trustees to defray program costs in whole or in part;

(c) Guarantee of payments to be received under paragraph (a) or (b) of this subdivision;

(2) Payment of program costs shall not be deferred for a period longer than ten years if program costs do not exceed five hundred thousand dollars, or eight years if program costs exceed five hundred thousand dollars from the date of commencement of the project;

(3) Costs of on-the-job training for employees shall include wages or salaries of participating employees. Payments for on-the-job training shall not exceed the average of fifty percent of the total percent of the total wages paid by the employer to each participant during the period of training. Payment for on-the-job training may continue for up to six months from the date of the employer’s capital investment;

(4) A provision which fixes the minimum amount of retained jobs credit from withholding, or tuition and fee payments which shall be paid for program costs;

(5) Any payment required to be made by an employer is a lien upon the employer’s business property until paid and has equal precedence with ordinary taxes and shall not be divested by a judicial sale. Property subject to the lien may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of ordinary taxes. The purchasers at tax sale obtain the property subject to the remaining payments.

(L. 2004 S.B. 1155 § 178.981)

178.762. Retained jobs credit from withholding, how determined. If an agreement provides that all or part of program costs are to be met by receipt of retained jobs credit from withholding, such retained jobs credit from withholding shall be determined and paid as follows:

(1) Retained jobs credit from withholding shall be based upon the wages paid to the employees in the retained jobs;

(2) A portion of the total payments made by the employer under section 143.221, RSMo, shall be designated as the retained jobs credit from withholding. Such portion shall be an amount equal to two and one-half percent of the gross wages paid by the employer for each of the first one hundred jobs included in the project and one and one-half percent of the gross wages paid by the employer for each of the remaining jobs included in the project. If business or employment conditions cause the amount of the retained jobs credit from withholding to be less than the
6. The department of economic development shall coordinate the retained jobs training program, and may promulgate rules that districts will use as the board of trustees may provide by resolution authorizing the issuance of the certificates.

3. Before certificates are issued, the board of trustees shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person may, within fifteen days after the publication of the notice, by action in the circuit court of a county in the district, appeal the decision of the board of trustees to issue the certificates. The action of the board of trustees in determining to issue the certificates is final and conclusive unless the circuit court finds that the board of trustees has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of trustees to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of the notice of intention to issue.

4. The board of trustees shall make a finding based on information supplied by the employer that revenues provided in the agreement are sufficient to secure the faithful performance of obligations in the agreement.

5. Certificates issued under this section shall not be deemed to be an indebtedness of the state or the community college district or of any other political subdivision of the state, and the principal and interest on such certificates shall be payable only from the sources provided in subdivision (7) if an agreement provides that all or part of program costs are to be met by receipt of retained jobs credit from withholding, the provisions of this subsection shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.

6. An employee participating in a project will receive full credit for the amount designated as a retained jobs credit from withholding and withheld as provided in section 143.221, RSMo.

7. If an agreement provides that all or part of program costs are to be met by receipt of retained jobs credit from withholding, the provisions of this subsection shall also apply to any successor to the original employer until such time as the principal and interest on the certificates have been paid.

178.763. Powers and duties of community college districts providing retained jobs training programs--certificates--notice--board findings--certificates not state or district indebtedness--rulemaking authority--limitation on certificate sales.

1. To provide funds for the present payment of the costs of retained jobs training programs, a community college district may borrow money and issue and sell certificates payable from a sufficient portion of the future receipts of payments authorized by the agreement including disbursements from the Missouri community college job retention training program to the special fund established by the district for each project. The total amount of outstanding certificates sold by all junior college districts shall not exceed fifteen million dollars, unless an increased amount is authorized in writing by a majority of members of the Missouri job training joint legislative oversight committee. The certificates shall be marketed through financial institutions authorized to do business in Missouri. The receipts shall be pledged to the payment of principal of and interest on the certificates.

2. Certificates issued to refund other certificates may be sold at public sale or at private sale as provided in this section with the proceeds from the sale to be used for the payment of the certificates being refunded. The refunding certificates may be exchanged in payment and discharge of the certificates being refunded, in installments at different times or an entire issue or series at one time. Refunding certificates may be sold or exchanged at any time on, before, or after the maturity of the outstanding certificates to be refunded. They may be issued for the purpose of refunding a like, greater, or lesser principal amount of certificates and may bear a higher, lower, or equivalent rate of interest than the certificates being renewed or refunded.

3. Before certificates are issued, the board of trustees shall publish once a notice of its intention to issue the certificates, stating the amount, the purpose, and the project or projects for which the certificates are to be issued. A person may, within fifteen days after the publication of the notice, by action in the circuit court of a county in the district, appeal the decision of the board of trustees to issue the certificates. The action of the board of trustees in determining to issue the certificates is final and conclusive unless the circuit court finds that the board of trustees has exceeded its legal authority. An action shall not be brought which questions the legality of the certificates, the power of the board of trustees to issue the certificates, the effectiveness of any proceedings relating to the authorization of the project, or the authorization and issuance of the certificates from and after fifteen days from the publication of the notice of intention to issue.

4. The board of trustees shall make a finding based on information supplied by the employer that revenues provided in the agreement are sufficient to secure the faithful performance of obligations in the agreement.

5. Certificates issued under this section shall not be deemed to be an indebtedness of the state or the community college district or of any other political subdivision of the state, and the principal and interest on such certificates shall be payable only from the sources provided in subdivision (1) of section 178.761 which are pledged in the agreement.

6. The department of economic development shall coordinate the retained jobs training program, and may promulgate rules that districts will use in developing projects with industrial retained jobs training proposals which shall include rules providing for the coordination of such proposals with the service delivery areas established in the state to administer federal funds pursuant to the federal Workforce Investment Act. 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 chapter 536, RSMo.

7. No community college district may sell certificates as described in this section after July 1, 2014.

(L. 2004 S.B. 1155 § 178.983)

178.764. Missouri community college job retention training program fund established--forms, reimbursement from the fund.

1. There is hereby established within the state treasury a special fund, to be known as the “Missouri Community College Job Retention Training Program Fund”, to be administered by the division of workforce development. The department of revenue shall credit to the community college job retention training program fund, as received, all retained jobs credit from withholding remitted by employers pursuant to section 178.762. The fund shall also consist of any gifts, contributions, grants, or bequests received from federal, private, or other sources. The general assembly, however, shall not provide for any transfer of general revenue funds into the community college job retention training program fund. Moneys in the Missouri community college job retention training program fund shall be disbursed to the division of workforce development pursuant to regular appropriations by the general assembly. The division shall disburse such appropriated funds in a timely manner into the special funds established by community college districts for projects, which funds shall be used to pay program costs, including the principal, premium, and interest on certificates issued by the district to finance or refinance, in whole or in part, a project. Such disbursements by the division of workforce development shall be made to the special fund for each project in the same proportion as the retained jobs credit from withholding remitted by the employer participating in such project bears to the total retained jobs credit from withholding remitted by all employers participating in projects during the period for which the disbursement is made. Moneys for retained jobs training programs established under sections 178.760 to 178.764 shall be obtained from appropriations made by the general assembly from the Missouri community college job retention training program fund. All moneys remaining in the Missouri community college job retention training program fund at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080, RSMo, but shall remain in the Missouri community college job retention training program fund.

2. The department of revenue shall develop such forms as are necessary to demonstrate accurately each employer’s retained jobs credit from withholding paid into the Missouri community college job retention training program fund. The retained jobs credit from withholding shall be accounted as separate from the normal withholding tax paid to the department of revenue by the employer. Reimbursements made by all employers to the Missouri community college job retention training program fund shall be no less than all allocations made by the division of workforce development to all community college districts for all job retention projects. The employer shall remit the amount of the retained job credit to the department of revenue in the same manner as provided in sections 143.191 to 143.265, RSMo.

(L. 2004 S.B. 1155 § 178.984)
MISSOURI CUSTOMIZED TRAINING

§§ 620.470 - 620-481 RSMo

620.470. Definitions. As used in sections 620.470 to 620.481, unless the context clearly requires otherwise, the following terms mean:

1. “Department”, the Missouri department of economic development;
2. “Fund”, the Missouri job development fund as established by section 620.478;
3. “Industry”, an entity the objective of which is to supply a service or the objective of which is the commercial production and sale of an article of trade or commerce. The term includes a consortium of such entities organized for the purpose of providing for common training to the member entities’ employees, provided that the consortium as a whole meets the requirements for participation in this program;
4. “Manufacturing”, the making or processing of raw materials into a finished product, especially by means of large-scale machines of industry.

(L. 1986 S.B. 628 § 1, A.L. 2001 S.B. 500)

620.472. New or expanding industry training program, purpose, funding—qualified industries—rules and regulations, factors to be considered.

1. The department shall establish a new or expanding industry training program, the purpose of which is to provide assistance for new or expanding industries for the training, retraining or upgrading of the skills of potential employees. Such program may also provide assistance in the locating of skilled employees and in the locating of additional sources of job training funds. Such program shall be operated with appropriations made by the general assembly from the fund.

2. Assistance under the new or expanding industry training program may be available only for industries whose investments relate directly to a projected increase in employment which will result in the need for training of newly hired employees or the retraining or upgrading of the skills of existing employees for new jobs created by the new or expanding industry’s investment.

3. The department shall issue rules and regulations governing the awarding of funds administered through the new or expanding industry training program. When promulgating these rules and regulations, the department shall consider such factors as the potential number of new permanent jobs to be created, the amount of private sector investment in new facilities and equipment, the significance of state funding to the industry’s decision to locate or expand in Missouri, the economic need of the affected community, and the importance of the industry to the economic development of Missouri.

(L. 1986 S.B. 628 § 2)

Effective 5-30-86

620.474. Basic industry retraining program, purpose, funding—qualified industries—rules and regulations, factors to be considered.

1. The department shall establish a basic industry retraining program, the purpose of which is to provide assistance for industries in Missouri for the retraining and upgrading of employees’ skills which are required to support new investment. Such program shall be operated with appropriations made by the general assembly from the fund.

2. Assistance under the basic industry retraining program may be made available for industries in Missouri which make new investments without the creation of new employment.

3. The department shall issue rules and regulations governing the awarding of funds administered through the basic industry retraining fund. When promulgating these rules and regulations, the department shall consider such factors as the number of jobs in jeopardy of being lost if retraining does not occur, the amount of private sector investment in new facilities and equipment, the ratio of jobs retained versus investment, the cost of normal, ongoing training required for the industry, the economic need of the affected community, and the importance of the industry to the economic development of Missouri.


620.475. Industry quality and productivity improvement program, centers, activities.

1. The department shall establish an industry quality and productivity improvement program to help industries and businesses evaluate and enhance quality and productivity, and to encourage the private sector to develop long-range goals to improve quality and productivity and improve the competitive position of private businesses. The quality and productivity improvement program shall include seminars, workshops and short courses on subjects such as long-range planning, new management techniques, automated manufacturing, innovative uses of new materials and the latest philosophies of management and quality improvement. The program shall be available to existing Missouri manufacturing, distribution and service businesses.
2. The department may develop quality and productivity improvement centers at university and community college campuses throughout the state as the demand and need is determined. The department shall have the authority to contract with individuals who possess particular knowledge, ability and expertise in the various subjects which may be essential to the program’s goals. Seminars, workshops, short courses and specific not for credit classes shall be developed on and off campus for personnel engaged in manufacturing, distribution and service businesses. At the discretion of the department, the University of Missouri and Lincoln University extension services, the continuing education offices of the regional universities and community colleges may be used for the promotion and coordination of the off-campus courses that are offered.

3. Activities eligible for reimbursement in the industry quality and productivity program shall include:

   (1) The cost of seminars, workshops, short courses and specific not for credit classes;

   (2) The wages of instructors;

   (3) Productivity materials and supplies, including the purchase of packaged productivity programs when appropriate;

   (4) Travel directly related to the program;

   (5) Tuition payments to third-party productivity providers and to businesses; and

   (6) Teaching and assistance provided by educational institutions in the state.

4. No industry receiving assistance under the industry quality and productivity improvement program shall be reimbursed for more than fifty percent of the total costs of its participation in the program.

   (L. 1995 H.B. 414)

620.476. Activities eligible for reimbursement. Activities eligible for reimbursement by funds administered through the new or expanding industry program and the basic industry retraining program shall include: the wages of instructors, who may or may not be employees of the industry; training development costs, including the cost of training of instructors; training materials and supplies, including the purchase of packaged training programs when appropriate; travel directly related to the program; tuition payments to third-party training providers and to the industry; teaching and assistance provided by educational institutions in the state of Missouri; on-the-job training; and the leasing, but not the purchase, of training equipment and space.

   (L. 1986 S.B. 628 § 4)

   Effective 5-30-86

620.478. Job development fund established--appropriations from fund by general assembly.

1. There is hereby established in the state treasury a special fund to be known as the “Missouri Job Development Fund”. The fund shall consist of all moneys which may be appropriated to it by the general assembly and also any gifts, contributions, grants or bequests received from federal, private or other sources. Appropriations made from the fund shall be for the purpose of providing contractual services through the department of elementary and secondary education for vocational related training or retraining provided by public or private training institutions within Missouri; and for contracted services through the department of economic development for vocational related training or retraining provided by public or private training institutions located outside of Missouri; and for vocational related training or retraining provided on site, within Missouri, by any proprietorship, partnership or corporate entity. Except for state-sponsored preemployment training, no applicant shall receive more than fifty percent of its project training or retraining costs from the development fund. Moneys to operate the new or expanding industry training program, the basic industry retraining program, the industry quality and productivity improvement program and assistance to community college business and technology centers shall be obtained from appropriations made by the general assembly from the fund. No funds shall be awarded or reimbursed to any industry for the training, retraining or upgrading of skills of potential employees with the purpose of replacing or supplanting employees engaged in an authorized work stoppage.

2. The Missouri job development fund shall be able to receive any block grant or other sources of funding relating to job training, school- to-work transition, welfare reform, vocational and technical training, housing, infrastructure development and human resource investment programs which may be provided by the federal government or other sources.


620.479. Department authorized to contract with other entities. The department is authorized to contract with other entities, including businesses, industries, other state agencies and the political subdivisions of the state, for the purpose of carrying out the provisions of sections 620.470 to 620.481.

   (L. 1986 S.B. 628 § 6)

   Effective 5-30-86
620.480. Division’s power for direct contracting for job training and related services. To efficiently carry out the responsibilities of the division of job development and training and to improve job training program coordination, the commissioner of administration shall authorize the division to directly negotiate with and contract for job training and related services with administrative entities designated pursuant to the requirements of the Job Training Partnership Act and any subsequent amendments and any other agencies or entities which may be designated to administer job training and related services pursuant to any succeeding federal or state legislative or regulatory requirements.

(L. 1989 S.B. 90 § 1)

Effective 6-8-89

620.481. Job training joint legislative oversight committee established --members--duties--expenses. There is hereby created the “Missouri Job Training Joint Legislative Oversight Committee”. The committee shall consist of three members of the Missouri senate appointed by the president pro tem of the senate; three members of the house of representatives appointed by the speaker of the house. No more than two of the members of the senate and two of the members of the house of representatives shall be from the same political party. Members of the Missouri job training joint legislative oversight committee shall report to the governor, the president pro tem of the senate and the speaker of the house of representatives on all assistance to industries under the provisions of sections 620.470 to 620.481 provided during the preceding fiscal year and the customized job training program administered by the department of elementary and secondary education. The report of the committee shall be delivered no later than October first of each year. The director of the department of economic development shall report to the committee such information as the committee may deem necessary for its annual report. Members of the committee shall receive no compensation in addition to their salary as members of the general assembly, but may receive their necessary expenses while attending the meetings of the committee, to be paid out of the joint contingent fund.

100.250. Title of act. Sections 100.250 to 100.297 shall be known and may be cited as the “Missouri Development Finance Board Act”.


100.255. Definitions. As used in sections 100.250 to 100.297, the following terms mean:

(1) “Board”, the Missouri development finance board created by section 100.265;

(2) “Borrower”, any person, partnership, public or private corporation, association, development agency or any other entity eligible for funding under sections 100.250 to 100.297;

(3) “Development agency”, any of the following:

(a) A port authority established pursuant to chapter 68, RSMo;

(b) The bi-state development agencies established pursuant to sections 70.370 to 70.440*, RSMo, and sections 238.010 to 238.100, RSMo;

(c) A land clearance for redevelopment authority established pursuant to sections 99.300 to 99.660, RSMo;

(d) A county, city, incorporated town or village or other political subdivision or public body of this state;

(e) A planned industrial expansion authority established pursuant to sections 100.300 to 100.620;

(f) An industrial development corporation established pursuant to sections 349.010 to 349.105, RSMo;

(g) A real property tax increment financing commission established pursuant to sections 99.800 to 99.865, RSMo;

(h) Any other governmental, quasi-governmental or quasi-public corporation or entity created by state law or by resolution adopted by the governing body of a development agency otherwise described in paragraphs (a) through (g) of this subdivision;

(4) “Development and reserve fund”, the industrial development and reserve fund established pursuant to section 100.260;

(5) “Export finance fund”, the Missouri export finance fund established pursuant to section 100.260;

(6) “Export trade activities” includes, but is not limited to, consulting, international market research, advertising, marketing, insurance, product research and design, legal assistance, transportation, including trade documentation and freight forwarding, communication, and processing of foreign orders to and for exporters and foreign purchases and warehousing, when undertaken to export or facilitate the export of goods or services produced or assembled in this state;

(7) “Guarantee fund”, the industrial development guarantee fund established by section 100.260;

(8) “Infrastructure development fund”, the infrastructure development fund established under section 100.263;

(9) “Infrastructure facilities”, the highways, streets, bridges, water supply and distribution systems, mass transportation facilities and equipment, telecommunication facilities, jails and prisons, sewers and sewage treatment facilities, wastewater treatment facilities, airports, railroads, reservoirs, dams and waterways in this state, acquisition of blighted real estate and the improvements thereon, demolition of existing structures and preparation of sites in anticipation of development, public facilities, and any other improvements provided by any form of government or development agency;

(10) “Jobs now fund”, the jobs now fund established under section 100.260;

(11) “Jobs now projects”, the purchase, construction, extension, and improvement of real estate, plants, buildings, structures, or facilities, whether or not now in existence, used or to be used primarily as infrastructure facilities or public facilities. When any entity provides a certified design or operation plan which is demonstrably less than the usual and customary average industry determination of cost for installation, construction, purchasing, extension, and improvement of real estate, manufacturing facilities, buildings, structures or facilities, including public facilities, then the entity or company providing such service may receive payment in an amount equal to the usual and customary fee for such project plus additional compensation equal to two times the percentage by which the cost of such aforementioned criteria of such facility is less than the usual and customary average industrial determination of cost for installation, construction, materials, extension and improvement of real estate, manufacturing facilities, buildings, structures, or facilities, including public facilities. Such entity shall also pay to such company providing such aforementioned service compensation equal to twenty-five percent of the amount of any annual operational costs which are lower than the customary average industry determination of cost for operation for such facility, procedure, or service for a period of time equal to one-fourth the design lifetime of such entity or five years whichever is less;
(12) “Participating lender”, a lender authorized by the board to participate with the board in the making of a loan or to make loans the repayment of which is secured by the development and reserve fund;

(13) “Project”, the purchase, construction, extension, and improvement of real estate, plants, buildings, structures or facilities, whether or not now in existence, used or to be used primarily as a factory, assembly plant, manufacturing plant, fabricating plant, distribution center, warehouse building, office building, port terminal or facility, transportation and transfer facility, industrial plant, processing plant, commercial or agricultural facility, nursing or retirement facility or combination thereof, recreational facility, cultural facility, public facilities, job training or other vocational training facility, infrastructure facility, video-audio telecommunication conferencing facility, office building, facility for the prevention, reduction, disposal or control of pollution, sewage or solid waste, facility for conducting export trade activities, or research and development building in connection with any of the facilities defined as a project in this subdivision. The term “project” shall also include any improvements, including, but not limited to, road or rail construction, alteration or relocation, and construction of facilities to provide utility service for any of the facilities defined as a project under this subdivision, along with any fixtures, equipment, and machinery, and any demolition and relocation expenses used in connection with any such projects and any capital used to promote and facilitate such facilities and notes payable from anticipated revenue issued by any development agency;

(14) "Public facility", any facility or improvements available for use by the general public including facilities for which user or other fees are charged on a nondiscriminatory basis.


*Section 70.440 was repealed by H.B. 1248 & 1048 in 1994.

100.260. Funds established--administration, investment--no transfer to general revenue, when--increase of certain revenue calculated and allocated to Jobs Now fund.

1. There are hereby created four special funds, to be known as the “Industrial Development and Reserve Fund”, the “Industrial Development Guarantee Fund”, the “Export Finance Fund”, and the “Jobs Now Fund”, into which the following may be deposited as and when received and designated for deposit in one of such funds:

(1) Any moneys appropriated by the general assembly for use by the board in carrying out the powers set forth in sections 100.250 to 100.297;

(2) Any moneys made available through the issuance of revenue bonds under the provisions of sections 100.250 to 100.295*;

(3) Any moneys received from grants or which are given, donated, or contributed to the fund from any source;

(4) Any moneys received in repayment of loans or from application fees, reserve participation fees, guarantee fees and premium payments as provided for under sections 100.250 to 100.297;

(5) Any moneys received as interest on deposits or as income on approved investments of the fund;

(6) Any moneys obtained from the issuance of revenue bonds or notes by the board;

(7) Any moneys that were in the industrial development fund authorized by this section, the economic development reserve authorized by section 620.215*, RSMo, or the industrial revenue bond guarantee fund authorized by section 620.240*, RSMo, respectively, as of September 28, 1985; and

(8) Any moneys obtained from any other available source.

2. The development and reserve fund, the guarantee fund, the jobs now fund, and the export finance fund shall be administered by the board as provided in sections 100.250 to 100.297. Separate accounts may be created within the development and reserve fund and the guarantee fund for moneys specifically appropriated, donated or otherwise received for industrial development purposes. The board may also create such other separate accounts within any of such funds as deemed necessary or appropriate by the board to carry out the duties and purposes of sections 100.250 to 100.297. All such separate accounts may be administered by a corporate trustee on behalf of the board upon the terms and conditions established by the board.

3. Moneys in the jobs now fund, the development and reserve fund, the guarantee fund, and the export finance fund shall be invested by the board in the manner prescribed by the board and any interest earned on invested moneys shall accrue to the benefit of the respective fund.

4. None of the funds and accounts of the board shall be considered a state fund, and money deposited therein may not be appropriated therefrom, nor shall any money deposited therein be subject to the provisions of section 33.080, RSMo.

5. The commissioner of administration shall annually calculate the increased amount of revenue to the state treasury due to the provisions of sections 135.155, 135.286, 135.546, and subsection 7 of section 620.1039, RSMo, as enacted or modified by this act** and shall allocate up to twelve million dollars of such revenue to the jobs now fund.

As of August 28, 2005 -146-
100.263. **Infrastructure development fund, created, purpose—lapse into general revenue, prohibited.** An “Infrastructure Development Fund” shall be established from which moneys shall be used to make low-interest or interest-free loans, loan guarantees, or grants to local political subdivisions and to state agencies. The fund may receive funds from the federal government for infrastructure development purposes, but other public or private funds may be received by the board for deposit in the fund. The general assembly may appropriate state moneys to the fund. The infrastructure development fund shall be administered by the board under the provisions of sections 100.250 to 100.297. Any moneys remaining in the fund at the end of any fiscal year shall not revert to the general revenue fund.

(L. 1989 H.B. 378)

100.265. **Missouri development finance board created—members, qualifications, appointment, terms—meetings—quorum—expenses.**

1. There is hereby created within the department of economic development the “Missouri Development Finance Board”, which shall constitute a body corporate and politic and shall consist of twelve members, including the lieutenant governor, the director of the department of economic development and the director of the department of agriculture. No more than five members appointed by the governor to the board shall be of the same political party. Except for the lieutenant governor, the director of the department of economic development and the director of the department of agriculture, all members shall be appointed by the governor by and with the advice and consent of the senate, and shall serve for terms of four years. The persons serving as members of the Missouri economic development, export and infrastructure board on August 28, 1994, shall become members of the Missouri development finance board for terms to expire at the same time their terms would have expired if they had remained members of the Missouri economic development, export and infrastructure board. The Missouri development finance board shall replace the Missouri economic development, export and infrastructure board. All moneys, property, any other assets or liabilities of the Missouri economic development, export and infrastructure board on August 28, 1994, shall be transferred to the Missouri development finance board. All powers, duties and functions performed by the Missouri economic development, export and infrastructure board pursuant to sections 100.250 to 100.297 shall be transferred to the Missouri development finance board.

2. Each member of the board appointed by the governor shall have resided in this state for at least five years prior to appointment. Except for the lieutenant governor, director of the department of economic development and the director of the department of agriculture, no person may be appointed to the board who is an elected officer or employee of the state, or any agency, board, commission, or authority established by the state.

3. The governor shall designate one of the members of the board to serve as chairman. The board shall meet at such times and places it shall designate. Seven members shall constitute a quorum. No vacancy in the membership shall impair the right of a quorum of the members to exercise all of the rights and powers and to perform all of the duties of the board.

4. Members of the board shall serve without compensation but shall be reimbursed for their reasonable and necessary expenses incurred in the performance of their duties.


*Sections 100.295, 620.215, and 620.240 were repealed by H.B. 416 in 1985.*

**“This act” (S.B. 1155, 2004) contained numerous sections. Consult Disposition of Sections table for a definitive listing.**

100.270. **Board’s powers and duties—rules, authority to promulgate.** The board shall have the power to:

1. Sue and be sued in its official name;

2. Adopt and use an official seal;

3. Confer with agencies of the state and development agencies, and with representatives of business, industry, and labor for the purpose of promoting the economic development of this state;

4. Consider and review applications for loans to be made from the development and reserve fund or for loans, bonds or notes to be made by or secured by the development and reserve fund, the guarantee fund, the export finance fund or the infrastructure development fund or any other available money, under sections 100.250 to 100.297, and for grants or loans to be made by or secured by the jobs now fund;

5. Enter into agreements with development agencies, borrowers, participating lenders and others to implement any of the provisions of sections 100.250 to 100.297;

6. Direct disbursements from the development and reserve fund, the guarantee fund, the export finance fund, the infrastructure development fund, and the jobs now fund as provided in sections 100.250 to 100.297;

7. Administer the development and reserve fund, the guarantee fund, the export finance fund, the infrastructure development fund, and the jobs now fund and invest any portion of such funds not required for immediate disbursement in obligations of the United States, or any agency or
instrumentality of the United States, in obligations of the state of Missouri and its political subdivisions, in certificates of deposit and time deposits or other obligations of banks and savings and loan associations or in such other obligations as may be prescribed by the board;

(8) Apply for and accept gifts, grants, appropriations, loans or contributions to the development and reserve fund, the guarantee fund, the export finance fund, the infrastructure development fund, and the jobs now fund from any source, public or private, and enter into contracts or other transactions with any federal or state agency, any development agency, private organization, or any other source in furtherance of the purposes of sections 100.250 to 100.297, and do any and all things necessary in order to avail itself of such aid and cooperation;

(9) Issue, from time to time, its negotiable revenue bonds or notes in such principal amounts as, in its opinion, shall be necessary to provide sufficient funds for achieving its purposes;

(10) Establish reserves to secure bonds, notes and loans issued or made by the board, development agencies or participating lenders;

(11) Make, purchase, or participate in the making or purchase, of loans, bonds, or notes to finance the costs of projects;

(12) Procure insurance, letters of credit, or other form of credit enhancement, to secure the payment of principal and interest on any loans, bonds or notes or other obligations of the board;

(13) Purchase, receive, take by grant, gift, devise, bequest or otherwise, lease, or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated;

(14) Sell, convey, lease, exchange, transfer or otherwise dispose of, all or any of its property, or any interest therein, wherever situated;

(15) Conduct hearings and other methods of examination, and authorize any of its members to do so, on any matter material for its information and necessary to the exercise of the duties of the board;

(16) Employ and fix the compensation of an executive director and such other agents or employees as it considers necessary;

(17) Adopt, alter, or repeal its own bylaws, rules, and regulations governing the manner in which its business may be transacted;

(18) Assess or charge a fee for each application it receives for funding for a project or a job now project and assess or charge other fees as the board determines to be reasonable to carry out its purposes, including, but not limited to, fees or premiums for loans made from the development and reserve fund and the export finance fund and for loans, bonds or notes secured by the development and reserve fund, the guarantee fund, the export finance fund or the infrastructure development fund or the jobs now fund;

(19) Make all expenditures which are incident and necessary to carry out its purposes and powers;

(20) Take such action, enter into such agreements and exercise all other powers and functions necessary or appropriate to carry out the duties and purposes set forth in sections 100.250 to 100.297;

(21) Insure, coinsure, guarantee loans and make loans relating to qualified export transactions and adopt criteria, by means of rules and regulations, establishing which exporters shall be eligible for the insurance, coinsurance, loan guarantees and loans which may be extended by the board;

(22) Do all things necessary to ensure full participation by the state of Missouri in any federal program which may relate to the construction, repair, replacement or further development of the infrastructure of the state and its political subdivisions;

(23) Receive funds from the federal government for deposit into the infrastructure development fund or the jobs now fund and authorize disbursements therefrom. The board may enter into agreements with agencies of the federal government and may, on behalf of the state of Missouri, do all things necessary to ensure full participation by the state of Missouri in any federal program which may relate to the repair, replacement or further development of the infrastructure of the state and its political subdivisions;

(24) Set guidelines and priorities for loans, loan guarantees or grants from the infrastructure development fund. The board is the sole state agency authorized to set such guidelines and priorities with respect to the infrastructure development fund on behalf of the state or any of its political subdivisions, and loans, loan guarantees, or grants shall only be made upon approval of the board;

(25) Make equity investments in or otherwise acquire ownership interests in: for-profit and not-for-profit federal- or state-authorized community development corporations; small business investment companies, including minority or specialized small business investment companies; and microloan corporations and similar lending institutions, when such investments are deemed to enhance the benefit of the public;

(26) Make investments in Missouri certified capital companies, as defined by subdivision (5) of subsection 2 of section 135.500, RSMo, or other investment companies for investment in qualified Missouri businesses, as defined by subdivision (14) of subsection 2 of section 135.500, RSMo. All investments made by the board for the eventual investment in qualified Missouri businesses shall be matched by an equivalent investment made by the certified capital company or other investment firm for investment into qualified Missouri businesses. All investments made into Missouri qualified businesses under the provisions of this subdivision shall be in the form of equity or unsecured debt financing. No investment shall be made by the board under the provisions of this subdivision without the approval of the director of the department of economic development; and

(27) Make loans and grants from the jobs now fund in accordance with the provisions of section 100.293.
100.275. Bonds and notes issued—approved as investment, who may invest—tax exemptions, exceptions—power to contract with development agency.

1. The board may at any time issue revenue bonds for the purpose of paying any part of the cost of any project or projects, or part thereof, and for the purpose of refunding any of its bonds or the bonds of any development agency. Every issue of its bonds shall be payable out of the revenues of the board which may be pledged for such payment, without preference or priority of the first bonds issued, subject to any agreement with the holders of any other bonds or pledging any specified revenues. The bonds shall be authorized by resolution of the board, shall bear such date or dates, and shall mature at such time or times, but not in excess of thirty years, as the resolution of the board shall specify. The bonds shall be in such denominations, bear interest at such rates, be in such form, either coupon or registered, be issued in such manner, be payable in such place or places and be subject to redemption as such resolution may provide. The bonds of the board may be sold at public or private sale, as the board may specify, at such price or prices as the board shall determine, but at not less than ninety-five percent of the principal amount thereof, and at such interest rate as the board shall determine, notwithstanding the provisions of section 108.170, RSMo.

2. The board may issue notes payable from the proceeds of bonds to be issued in the future or from such other sources as the board may specify as in the case of bonds. Such notes shall mature in not more than five years and shall be sold at public or private sale, as the board may specify, at not less than ninety-five percent of the principal amount thereof and at such interest rate as the board shall determine, notwithstanding the provisions of section 108.170, RSMo. The other details with respect to such notes shall be determined by the board as in the case of bonds.

3. The state shall not be liable on any notes or bonds of the board. Such notes or bonds shall not be a debt of the state and shall contain on the faces thereof a statement to such effect.

4. No member of the board nor any person authorized to execute notes or bonds of the board shall be liable personally on such notes or bonds or shall be subject to any personal liability or accountability by reason of the issuance thereof.

5. The notes and bonds of the board are securities in which all public bodies and political subdivisions of this state; all insurance companies and associations and all other persons carrying on an insurance business; all banks, trust companies, saving associations, savings and loan associations, credit unions, and investment companies; all administrators, guardians, executors, trustees, and other fiduciaries; and all other persons who now or may hereafter be authorized to invest in notes and bonds or other obligations of this state may properly and legally invest funds, including capital, in their control or belonging to them.

6. The board shall not be required to pay any taxes or any assessments whatsoever to this state, any political subdivision of this state, or any other governmental agency of this state. The notes and bonds of the board, and the income therefrom, shall, at all times, be exempt from any taxes and any assessments, except for estate taxes, gift taxes, and taxes on transfers.

7. Nothing contained in sections 100.250 to 100.297 shall be deemed to constitute a use of state funds or credit in violation of the provisions of article III, sections 37, 38(a) and 39, of the Missouri Constitution.

8. The board shall have the power to contract with any development agency to perform any governmental service, activity or undertaking which the contracting development agency is authorized by law to perform or to issue any bonds or notes which the contracting development agency is authorized by law to issue. Any such contract shall be authorized by the governing body of the development agency and by the board and shall state the purpose of the contract and the powers and duties of the parties thereunder. Any bonds or notes issued by the board on behalf of a development agency shall be entitled to the same security as if such bonds or notes were issued directly by the development agency. In addition to any other security for such bonds or notes, the board may secure such bonds, notes or other indebtedness in the manner described in section 100.297.

1. A request for a loan from the development and reserve fund, the infrastructure development fund or the export finance fund to fund export trade activities or to carry out a project shall be in the form of an application for the project to the board, which application shall be in such form as the board may specify. After reviewing the application and such other information as the board may require, the board may grant all or a part of the loan request, provided the board determines that:

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2. Notwithstanding any other provision of law to the contrary, all development agencies, as defined in section 100.255, shall have the power to borrow funds from the board for any project, to contract with the board, and to furnish a security interest in any of their revenues or properties to the board to secure a loan from the board and to issue notes in evidence thereof upon such terms as such development agencies shall determine.

3. When the board issues bonds to provide loans for more than one infrastructure project, the board shall make a reasonable effort to sell the bonds to a purchaser that represents a group consisting of more than one underwriter.

(1) The project will be a benefit to the economy or infrastructure of the state;

(2) The project will generate sufficient revenues or the borrower will otherwise have sufficient revenues available to enable the borrower to repay the loan to the development and reserve fund, the infrastructure development fund or the export finance fund, along with any interest to be charged; and

(3) In the case of an infrastructure facility project, the loan will not exceed ten million dollars.

4. The securing of any loans by the development and reserve fund, the infrastructure development fund or the export finance fund shall be conditioned upon the application by the board which loan:

(1) Is requested to finance any project or export trade activity;

(2) Is requested by a borrower who is demonstrated to be financially responsible;

(3) Can reasonably be expected to provide a benefit to the economy of this state;

(4) Is otherwise secured by a mortgage or deed of trust on real or personal property or other security satisfactory to the board; provided that loans to finance export trade activities may be secured by export accounts receivable or inventories of exportable goods satisfactory to the board;

(5) Does not exceed five million dollars;

(6) Does not have a term longer than five years if such loan is made to finance export trade activities; and

(7) Is, when used to finance export trade activities, made to small or medium size businesses or agricultural businesses, as may be defined by the board.

5. The securing of any loan by the development and reserve fund, the infrastructure development fund or the export finance fund shall be conditioned upon approval of the application by the board, and receipt of an annual reserve participation fee, as prescribed by the board, submitted by or on behalf of the borrower.

6. Any taxpayer shall be entitled to a tax credit against any tax otherwise due under the provisions of chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in the amount of fifty percent of any amount contributed in money or property by the taxpayer to the development and reserve fund, the infrastructure development fund or the export finance fund during the taxpayer’s tax year, provided, however, the total tax credits awarded in any calendar year beginning after January 1, 1994, shall not exceed the greater of ten million dollars or five percent of the average growth in general revenue receipts in the preceding three fiscal years. This limit may be exceeded only upon joint agreement by the commissioner of administration, the director of the department of economic development, and the director of the department of revenue that such action is essential to ensure retention or attraction of investment in Missouri. If the board receives, as a contribution, real property, the contributor at such contributor’s own expense shall have two independent appraisals conducted by appraisers certified by the Master Appraisal Institute. Both appraisals shall be submitted to the board, and the tax credit certified by the board to the contributor shall be based upon the value of the lower of the two appraisals. The board shall not certify the tax credit until the

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property is deeded to the board. Such credit shall not apply to reserve participation fees paid by borrowers under sections 100.250 to 100.297. The portion of earned tax credits which exceeds the taxpayer’s tax liability may be carried forward for up to five years.

7. Notwithstanding any provision of law to the contrary, any taxpayer may sell, assign, exchange, convey or otherwise transfer tax credits allowed in subsection 6 of this section under the terms and conditions prescribed in subdivisions (1) and (2) of this subsection. Such taxpayer, hereinafter the assignor for the purpose of this subsection, may sell, assign, exchange or otherwise transfer earned tax credits:

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

(2) In an amount not to exceed one hundred percent of annual earned credits.

The taxpayer acquiring earned credits, hereinafter the assignee for the purpose of this subsection, may use the acquired credits to offset up to one hundred percent of the tax liabilities otherwise imposed by chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo. Unused credits in the hands of the assignee may be carried forward for up to five years, provided all such credits shall be claimed within ten years following the tax years in which the contribution was made. The assignor shall enter into a written agreement with the assignee establishing the terms and conditions of the agreement and shall perfect such transfer by notifying the board in writing within thirty calendar days following the effective day of the transfer and shall provide any information as may be required by the board to administer and carry out the provisions of this section. Notwithstanding any other provision of law to the contrary, the amount received by the assignor of such tax credit shall be taxable as income of the assignor, and the excess of the par value of such credit over the amount paid by the assignee for such credit shall be taxable as income of the assignee.


CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

100.287. Default procedure--subrogation to rights of lender upon payment from fund, amount.

1. The development and reserve fund shall be used to prevent a default in payment of principal or interest or to defray losses which may be incurred in connection with bonds, notes or loans secured by the development and reserve fund in accordance with the terms and provisions of the resolution or trust indenture of the board authorizing such bonds, notes or loans.

2. Upon certification by a participating lender that a loan secured by the development and reserve fund is in default and noncollectible, and that the property which secured the loan has been liquidated and applied against the debt, and after a review by the board and its determination of the same, the board shall distribute, from funds available in the development and reserve fund, an amount not to exceed ninety percent of the balance remaining to be paid by the borrower to the participating lender. Upon payment to a participating lender to repay any loan, the board shall become subrogated to the extent of such payment to all rights which the participating lender had against the borrower.

3. A loan or issue of bonds or notes secured by the development and reserve fund shall in no case constitute or be construed as an obligation or an indebtedness of this state or of the board, and neither the state nor the board shall be liable to repay any such loan, bonds or notes upon any condition.


100.291. Guarantees issued by board, when--application, fee--information required.

1. The board may issue guarantees using moneys in the guarantee fund for bonds or notes issued by the board or by development agencies when the board makes the following findings:

(1) That the owners and lessees, if any, of the projects to be financed are found to be financially responsible, and that sufficient income may reasonably be expected to be derived from the projects to amortize the interest and principal amount of the bonds or notes;

(2) That the projects will benefit the economy of this state.

2. The board shall evaluate the financial condition and business history of project owners and lessees, and may require the attachment to each application for guarantee under sections 100.250 to 100.297 a financial report and evaluation by an independent certified public accounting firm, in addition to such examination and evaluation as the board may make, in determining whether the owner or lessee meets prescribed minimum standards and qualifications before entering into any guarantee under sections 100.250 to 100.297.

3. Every development agency requesting a bond or note guarantee under sections 100.250 to 100.297 shall submit to the board supporting documents, instruments, and other evidence showing the circumstances surrounding the issuance of the bonds or notes, and an initial guarantee fee and a premium payment as required by the board, to the guarantee fund. Such fees and payments may be collected by the development agency from the owners or lessees of the projects involved.

(L. 1985 H.B. 416)
100.292. Guarantee agreement provisions.

1. Guarantee agreements for bonds or notes entered into by the board pursuant to the provisions of sections 100.250 to 100.297 shall provide that:

   (1) The board guarantees, and is hereby required, to use the moneys in the guarantee fund to meet amortization payments as guaranteed under the provisions of sections 100.250 to 100.297, as the same become due, in the event, and to the extent, the board or the development agency issuing the bonds or notes is unable to meet such payments in accordance with the terms of the bond or note indenture when called on to do so; and

   (2) The guarantee shall not be a general obligation of the state of Missouri, but shall be a special obligation, and in no event shall the guarantee be deemed an indebtedness of the state of Missouri, or of any political subdivision thereof, and shall not be deemed to be an indebtedness within the meaning of any constitutional or statutory limitation upon the incurring of indebtedness.

2. Whenever the board, acting under the terms of any guarantee agreement, deems it necessary to assume the obligation of maintenance of any project the amortization payments of which have been guaranteed by the board, the board may use funds available in the guarantee fund to pay insurance and maintenance costs required for the preservation of the project and to protect such fund from loss, or to minimize loss, in such manner as deemed necessary by the board.

3. In addition to the provisions required by this section the guarantee agreement shall include such other additional provisions, restrictions, and conditions as the board shall determine to be necessary, including, but not limited to, a detailing of the remedies that must be exhausted by the bondholders or noteholders prior to any enforcement of the guarantee agreement and the subrogation or other rights of the board with reference to the project and its operation in the event the board makes payment pursuant to the applicable guarantee agreement.

   (L. 1985 H.B. 416)

100.293. Citation—jobs now recommendation committee created, membership, duties—applications—preference given to certain projects—requests granted, determinations required.

1. This section, section 100.277, *sections 135.950 to 135.973, RSMo,* and sections 178.760 to 178.764, RSMo, shall be known and may be cited as the “Jobs Now Act”.

2. There shall be created a “Jobs Now Recommendation Committee”, comprised of representatives of the department of economic development, the department of agriculture, the department of natural resources, and the department of transportation. The committee shall establish application materials and procedures for development agencies to apply to the board for grants or low-interest or interest-free loans for the purpose of funding jobs now projects.

3. Applications shall be submitted simultaneously to the committee and the board. The committee shall review the applications and prepare and submit analyses and recommendations to the board for a determination as to approval or denial of grants or loans from the jobs now fund.

4. In reviewing applications, the board shall give preference to redevelopment projects that protect natural resources or rehabilitate existing dilapidated or inadequate infrastructure in areas defined under section 135.530, RSMo.

5. After reviewing applications and such other information as the board may require, the board may grant all or a part of a grant or loan request, provided the board determines:

   (1) The jobs now project:

      (a) Will not happen without the grant or loan from the board; or

      (b) Will have a significant local economic impact; or

      (c) Demonstrates high levels of job creation;

   (2) In the case of a low-interest or interest-free loan, the jobs now project will generate sufficient revenues or the borrower will otherwise have sufficient revenues available to enable the borrower to repay the loan to the jobs now fund, along with any interest to be charged; and

   (3) No loan or grant may exceed two million dollars.

   (L. 2004 S.B. 1155)

   *Word “and” appears in original rolls.

100.296. Application of provisions of other sections—state and local records laws—meetings of governmental bodies—conflict of interest or lobbying—prohibited loans—notifications of certain campaign contributions.

1. Except as provided in section 620.014, RSMo, sections 100.250 to 100.297 shall be subject to the provisions of sections 109.200 to 109.310, RSMo, the state and local records law, or the provisions of sections 610.010 to 610.030, RSMo, relating to the meetings of governmental bodies, and a member appointed pursuant to section 100.265 shall be exempt from the provisions of chapter 105, RSMo, provided that the member shall not vote or participate in any matter in which the member has a direct or indirect interest. For the purposes of sections 100.250 to 100.297, a
“direct or indirect interest” means the ownership of ten percent or more of any class of equity securities in any corporation seeking a guarantee pursuant to the provisions of sections 100.250 to 100.297, occupying the office of vice president or other office senior to the office of vice president, or a director, of any corporation seeking a guarantee pursuant to the provisions of sections 100.250 to 100.297; provided, nothing contained in sections 100.250 to 100.297, nor the provisions of chapter 105, RSMo, shall prevent any corporation, bank, or trust company from purchasing, selling, or otherwise dealing in bonds or notes or mortgages guaranteed pursuant to the provisions of sections 100.250 to 100.297. The development and reserve fund may be pledged to secure loans made through a participating lender with which a member of the board is affiliated so long as the member does not participate in or attempt to influence the approval of any such loan.

2. The board shall not knowingly extend or secure a loan or grant a tax credit to, or issue any bonds or enter into any other agreement with or on behalf of any business entity in which a board member, statewide elected official, state legislator or employee of this state has a substantial interest as defined in section 105.450, RSMo.

3. The board shall not knowingly extend or secure a loan or grant a tax credit to, or issue any bonds or enter into any other agreement with or on behalf of any business entity until each officer of the business entity has notified the board of all campaign contributions such officer has made within the previous two years, to the extent such contributions are not otherwise reportable by the recipient, pursuant to the provisions of chapter 130, RSMo. For the purposes of this section, “an officer” means a person who is employed by the business entity in a policy-making capacity and whose name is listed in the business entity’s articles of incorporation filed with the secretary of state.


Effective 12-23-97

100.297. Tax credit for owner of revenue bonds or notes, purpose, when, amount, limitation.

1. The board may authorize a tax credit, as described in this section, to the owner of any revenue bonds or notes issued by the board pursuant to the provisions of sections 100.250 to 100.297, for infrastructure facilities as defined in subdivision (9) of section 100.255, if, prior to the issuance of such bonds or notes, the board determines that:

1) The availability of such tax credit is a material inducement to the undertaking of the project in the state of Missouri and to the sale of the bonds or notes;

2) The loan with respect to the project is adequately secured by a first deed of trust or mortgage or comparable lien, or other security satisfactory to the board.

2. Upon making the determinations specified in subsection 1 of this section, the board may declare that each owner of an issue of revenue bonds or notes shall be entitled, in lieu of any other deduction with respect to such bonds or notes, to a tax credit against any tax otherwise due by such owner pursuant to the provisions of chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in the amount of one hundred percent of the unpaid principal of such bonds or notes held by such owner in the taxable year of such owner following the calendar year of the default of the loan by the borrower with respect to the project.

The occurrence of a default shall be governed by documents authorizing the issuance of the bonds. The tax credit allowed pursuant to this section shall be available to the original owners of the bonds or notes or any subsequent owner or owners thereof. Once an owner is entitled to a claim, any such tax credits shall be transferable as provided in subsection 7 of section 100.286. Notwithstanding any provision of Missouri law to the contrary, any portion of the tax credit to which any owner of a revenue bond or note is entitled pursuant to this section which exceeds the total income tax liability of such owner of a revenue bond or note shall be carried forward and allowed as a credit against any future taxes imposed on such owner within the next ten years pursuant to the provisions of chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo. The eligibility of the owner of any revenue bond or note issued pursuant to the provisions of sections 100.250 to 100.297 for the tax credit provided by this section shall be expressly stated on the face of each such bond or note. The tax credit allowed pursuant to this section shall also be available to any financial institution or guarantor which executes any credit facility as security for bonds issued pursuant to this section to the same extent as if such financial institution or guarantor was an owner of the bonds or notes, provided however, in such case the tax credits provided by this section shall be available immediately following any default of the loan by the borrower with respect to the project. In addition to reimbursing the financial institution or guarantor for claims relating to unpaid principal and interest, such claim may include payment of any unpaid fees imposed by such financial institution or guarantor for use of the credit facility.

3. The aggregate principal amount of revenue bonds or notes outstanding at any time with respect to which the tax credit provided in this section shall be available shall not exceed fifty million dollars.


Effective 12-23-97

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

(1987) This section violates section 38(a) of Article III of the Missouri Constitution. Curchin v. Missouri Industrial Development Board, 722 S.W.2d 930 (Mo.banc).
PORT FACILITIES
[Chapter 68 RSMo]

68.010. Cities and counties authorized to form port authorities, when.

1. Every city or county which is situated upon, or adjacent to, or which embraces within its boundaries a navigable waterway, is hereby authorized to form a local port authority, and upon approval of the highways and transportation commission of the state of Missouri, the port authority shall be a political subdivision of this state. In every constitutional charter city not within a county, a local “Port Authority” is created by sections 68.010, 68.015, 68.025, 68.040, 68.045, 68.060 and 68.070 and shall become a political subdivision of this state September 28, 1975.

2. The highways and transportation commission of the state of Missouri is hereby authorized to accept applications, conduct hearings, and approve or disapprove applications for approval of local or regional port authorities as political subdivisions of this state, as provided herein, but in determining the approval or disapproval of such applications, the highways and transportation commission shall consider the following criteria:

   (1) The population of any city and/or county submitting the application;
   (2) The desirability and economic feasibility of having more than a single port authority within the same geographic area;
   (3) The technical and economic capability of participating cities and/or counties, as well as private interests, to plan and carry out port development within the proposed district;
   (4) The amount of actual and potential river traffic that would make use of any facilities developed by a port authority;
   (5) The potential economic impact on the immediate area from which the application originates; and
   (6) The potential impact on the economic development of the entire state and how the proposed port authority’s developmental activities relate to any state plans. Provided, however, any such application shall be granted if it is made by a city or county of at least three hundred thousand population, having a common boundary with the state of Kansas, or by a group of cities or counties at least one of which meets the aforesaid criteria, and if no proposed boundary of the port authority described in such application overlaps the boundary of any then existing port authority.

3. No city shall create a port authority under sections 68.010, 68.015, 68.025, 68.040, 68.045, 68.060 and 68.070 if said city is located within a county that has created a port authority which has received approval as a political subdivision of this state under sections 68.010, 68.015, 68.025, 68.040, 68.045, 68.060 and 68.070.

(L. 1974 H.B. 1646 § 1, A.L. 1975 S.B. 135 § 1)

68.015. Port district, how designated--boundaries, where filed, how altered.

1. The legislative body, or county commission, of each county or city creating a port authority or any port authority created within said city pursuant to section 68.010 hereof shall designate what areas within such county or city shall comprise one or more port districts, subject to the limitation that any area designated as within a port district shall be or could be reasonably connected to the business of a port. The boundaries of any port district shall be filed with the clerk of the county commission, city clerk, or clerk of the legislative or governing body of the county as applicable and shall become effective upon approval of the transportation commission. The legislative body or county commission may from time to time enlarge or reduce the area comprising any port district. Any change of boundaries shall be submitted for approval to the highways and transportation commission and upon approval shall be filed with the appropriate clerk and thereupon become effective.

2. The legislative body or county commission of any county or city authorized to create a local port authority may appropriate, allocate and expend such funds of the county or city for the planning and development of a port district as are reasonable and necessary to carry out the provisions of this chapter.


68.020. Purpose of port authority. It shall be the purposes of every port authority to promote the general welfare, to promote development within the port district, to encourage private capital investment by fostering the creation of industrial facilities and industrial parks within the port district and to endeavor to increase the volume of commerce, and to promote the establishment of a foreign trade zone within the port districts.


(1980) The Port Authority Law serves a public purpose, and any aid provided to private corporations is merely incidental to such purpose, and thus does not violate Art. VI, Sections 23 and 25, in that it is an expenditure of public funds for a public purpose. State ex rel. Wagner v. St. Louis County Port Authority (Mo.), 604 S.W.2d 592.

68.025. Powers of port authority.

1. Every local and regional port authority, approved as a political subdivision of the state, shall have the following powers to:
(1) Confer with any similar body created under laws of this or any other state for the purpose of adopting a comprehensive plan for the future development and improvement of its port districts;

(2) Consider and adopt detailed and comprehensive plans for future development and improvement of its port districts and to coordinate such plans with regional and state programs;

(3) Either jointly with a similar body, or separately, recommend to the proper departments of the government of the United States, or any state or subdivision thereof, or to any other body, the carrying out of any public improvement for the benefit of its port districts;

(4) Provide for membership in any official, industrial, commercial, or trade association, or any other organization concerned with such purposes, for receptions of officials or others as may contribute to the advancement of its port districts and any industrial development therein, and for such other public relations activities as will promote the same, and such activities shall be considered a public purpose;

(5) Represent its port districts before all federal, state and local agencies;

(6) Cooperate with other public agencies and with industry, business, and labor in port district improvement matters;

(7) Enter into any agreement with any other states, agencies, authorities, commissions, municipalities, persons, corporations, or the United States, to effect any of the provisions contained in this chapter;

(8) Approve the construction of all wharves, piers, bulkheads, jetties, or other structures;

(9) Prevent or remove, or cause to be removed, obstructions in harbor areas, including the removal of wrecks, wharves, piers, bulkheads, derelicts, jetties or other structures endangering the health and general welfare of the port districts; in case of the sinking of a facility from any cause, such facility or vessel shall be removed from the harbor at the expense of its owner or agent so that it shall not obstruct the harbor;

(10) Recommend the relocation, change, or removal of dock lines and shore or harbor lines;

(11) Acquire, own, construct, redevelop, lease, maintain, and conduct land reclamation and resource recovery with respect to unimproved land, residential developments, commercial developments, mixed-use developments, recreational facilities, industrial parks, industrial facilities, and terminals, terminal facilities, warehouses and any other type port facility;

(12) Acquire, own, lease, sell or otherwise dispose of interest in and to real property and improvements situate thereon and in personal property necessary to fulfill the purposes of the port authority;

(13) Acquire rights-of-way and property of any kind or nature within its port districts necessary for its purposes. Every port authority shall have the right and power to acquire the same by purchase, negotiation, or by condemnation, and should it elect to exercise the right of eminent domain, condemnation proceedings shall be maintained by and in the name of the port authority, and it may proceed in the manner provided by the laws of this state for any county or municipality. The power of eminent domain shall not apply to property actively being used in relation to or in conjunction with river trade or commerce, unless such use is by a port authority pursuant to a lease in which event the power of eminent domain shall apply;

(14) Contract and be contracted with, and to sue and be sued;

(15) Accept gifts, grants, loans or contributions from the United States of America, the state of Missouri, political subdivisions, municipalities, foundations, other public or private agencies, individual, partnership or corporations;

(16) Employ such managerial, engineering, legal, technical, clerical, accounting, advertising, stenographic, and other assistance as it may deem advisable. The port authority may also contract with independent contractors for any of the foregoing assistance;

(17) Improve navigable and nonnavigable areas as regulated by federal statute;

(18) Disburse funds for its lawful activities and fix salaries and wages of its employees; and

(19) Adopt, alter or repeal its own bylaws, rules and regulations governing the manner in which its business may be transacted; however, said bylaws, rules and regulations shall not exceed the powers granted to the port authority by this chapter.

2. In implementing its powers, the port authority shall have the power to enter into agreements with private operators or public entities for the joint development, redevelopment, and reclamation of property within a port district or for other uses to fulfill the purposes of the port authority.


68.030. State or its subdivisions may transfer property to port authority, when. This state and any political subdivision or municipal corporation thereof may in its discretion, with or without consideration, transfer or cause to be transferred to any port authority or may place in its possession or control, by lease or other contract or agreement, either for a limited period or in fee, any property within a port district or any property wherever situated. Nothing in this section, however, shall in any way impair, alter or change any obligations, contractual or otherwise, heretofore entered into by said entities.

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68.035. State authorized to make grants to port authorities.

1. The state may make grants to a state port fund, as appropriated by the general assembly, to be allocated by the department of transportation to local port authorities or regional port coordinating agencies. These grants, administered on a nonmatching basis, could be used for managerial, engineering, legal, research, promotion, planning and any other expenses.

2. In addition the state may make capital improvement matching grants contributing eighty percent of the funds and local port authorities contributing twenty percent of the funds for specific projects of port development such as land acquisitions, construction, terminal facility development and other related port facilities.

3. The grants provided herein may be used as the local share in applying for other grant programs.


68.040. Bonds of port authority, issued, when—authorized as investments—tax exemption—procedure for issuance of bonds and notes.

1. Every local and regional port authority, approved as a political subdivision of the state, may from time to time issue its negotiable revenue bonds or notes in such principal amounts as, in its opinion, shall be necessary to provide sufficient funds for achieving its purposes, including the construction of port facilities; establish reserves to secure such bonds and notes; and make other expenditures, incident and necessary to carry out its purposes and powers.

2. This state shall not be liable on any notes or bonds of any port authority. Any such notes or bonds shall not be a debt of the state and shall contain on the faces thereof a statement to such effect.

3. No commissioner of any port authority or any authorized person executing port authority notes or bonds shall be liable personally on said notes or bonds or shall be subject to any personal liability or accountability by reason of the issuance thereof.

4. The notes and bonds of every port authority are securities in which all public officers and bodies of this state and all political subdivisions and municipalities, all insurance companies and associations, and other persons carrying on an insurance business, all banks, trust companies, savings and loan associations, credit unions, investment companies, all administrators, guardians, executors, trustees, and other fiduciaries, and all other persons whatsoever, who now or may hereafter, be authorized to invest in notes and bonds or other obligations of this state, may properly and legally invest funds, including capital, in their control or belonging to them.

5. No port authority shall be required to pay any taxes or any assessments whatsoever to this state or to any political subdivisions, municipality or other governmental agency of this state. The notes and bonds of every port authority and the income therefrom shall, at all times, be exempt from any taxes and any assessments, except for death and gift taxes and taxes on transfers.

6. Every port authority shall have the powers and be governed by the procedures now or hereafter conferred upon or applicable to the environmental improvement authority, chapter 260, RSMo, relating to the manner of issuance of revenue bonds and notes, and the port authority shall exercise all such powers and adhere to all such procedures insofar as they are consistent with the necessary and proper undertaking of its purposes.


(1980) The Port Authority Law serves a public purpose, and any aid provided to private corporations is merely incidental to such purpose, and thus does not violate Art. VI, Sections 23 and 25, in that it is an expenditure of public funds for a public purpose. State ex rel. Wagner v. St. Louis County Port Authority (Mo.), 604 S.W.2d 592.

(1980) Port Authority Law does not violate Art. III, Section 38(a) in that its purposes are legitimate public ones. State ex rel. Wagner v. St. Louis County Port Authority (Mo.), 604 S.W.2d 592.

(1980) Since port authority is recognized separate entity from the state and state’s credit would in no way be involved in bonds for which the authority is responsible, Port Authority Law does not violate Art. III, Section 39(1,2). State ex rel. Wagner v. St. Louis County Port Authority (Mo.), 604 S.W.2d 592.

68.045. Board of port authority commissioners minimum number required—compensation, terms, duties, how fixed. Every local port authority shall be administered by a board of port authority commissioners which shall consist of at least seven members; provided, however, that the number of members of one political party shall not exceed the number of members of the other party by more than one. Newly created port authorities as well as those presently constituted shall structure the terms of those commissioners so that no more than three members’ terms shall expire in any one year. The legislative body or county commission of the county or city creating the port authority or in the case of a port authority created in this act* in a constitutional charter city not within a county, the legislative body of that constitutional charter city shall determine the method of appointment, and subject to the limitations expressed in the first sentence of this section, shall determine their
qualifications, salaries, powers and duties consistent with the provisions of this chapter. The legislative body or county commission shall also provide for the filing of annual reports by the board of port authority commissioners and for periodic independent audits of the accounts of the port authority.


**"This act" apparently refers to chapter 68.**

68.050. Conflict of interest by port authority commissioners prohibited. No port authority commissioner shall participate in any deliberations or decisions concerning issues where the port authority commissioner has a direct financial interest in contracts, property, supplies, services, facilities or equipment purchased, sold, or leased by the port authority. Such port authority commissioners shall additionally be subject to the limitations regarding the conduct of public officials as provided in chapter 105, RSMo.


68.055. Letting of contracts, manner, amounts.

1. Every port authority shall let contracts for all work to be done and for equipment, supplies or materials to be purchased. Excepting as otherwise provided herein, such contracts shall be given to the lowest responsible bidder therefor, upon not less than twenty days’ notice of the letting, given by publication in a newspaper of general circulation in the city or county creating the port authority; and in the discretion of the commissioners, in one or more newspapers of general circulation among contractors. The port authority shall have the power and authority to reject any and all bids and to readvertise the work or proposed purchase.

2. Notwithstanding the provisions of subsection 1 of this section, every port authority may let contracts in a manner consistent with the procedures set forth in 24 CFR Section 85.36, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government”, as may be revised from time to time, regardless of the source of funds for the procurement, except that if a funding source mandates specific procedures for letting contracts as a condition to receipt of funds which are inconsistent with the procedures authorized in this section for letting contracts, a port authority may use such procedures required by the funding source.

3. Notwithstanding the provisions of subsection 2 of this section, the dollar limit of procurements which may, pursuant to subsection 2 of this section, be accomplished using “small purchase procedures”, shall, for the purposes of procurements to be paid for with funds other than federal funds, adjust annually based on the rate of inflation according to the Consumer Price Index, commencing in 1995.


68.060. Consolidation of port districts by contract, how.

1. Any combination of cities and counties individually eligible to form local port authorities, and cities and counties with existing local port authorities, are authorized to directly apply to the highways and transportation commission of the state for approval of a regional port authority as a political subdivision of the state.

2. The legislative bodies or county commissions of cities or counties desiring to form a regional port authority are hereby authorized to enter into contractual agreements with each other for the purpose of creating within each jurisdiction regional port districts administered by the regional port authority. All terms and provisions of said contractual agreements shall be consistent with the provisions of this chapter. The contractual agreement shall be filed in the office of county clerk, city clerk or clerk of the county council of each party to the agreement.

3. The boundaries of any regional port district, and the number, method of appointment, terms, qualifications, salaries, powers and duties of a regional board of commissioners shall be fixed by the contractual agreement; provided, however, that any contractual agreement shall not become effective until it has been submitted to and approved by all of the legislative bodies or county commissions entering into said contractual agreement.

4. The port districts to be included within the regional port authority need not be contiguous, adjacent, or abutting.

5. Any local port authority is authorized to contract with an existing regional port authority for inclusion in the regional port authority. The contractual agreement shall be formulated by the terms and procedures expressed in subsections 2 and 3 of this section. Approval of the highways and transportation commission shall be required to make the annexation effective.

6. Any local port authority established by a city or county, that subsequently enters into a contractual agreement and is approved as part of a regional port authority, is dissolved as of the date that the annexation is approved by the highways and transportation commission of the state. On said date, all funds and other assets of the local port authority shall be transferred to the regional port authority. The regional port authority shall faithfully perform all existing contracts and assume all legal obligations of the local port authority.


68.065. Powers of state highways and transportation commission. The state highways and transportation commission is hereby granted, has and may exercise all powers necessary or convenient to effectuate its purposes, including the following:

As of August 28, 2005
(1) To develop a statewide plan for waterborne commerce and to review the plans of local or regional port authorities for major public capital improvements to encourage coordination with a state plan;

(2) To establish procedures and standards for applications by one or more local political subdivisions for the creation of local or regional port authorities;

(3) To review locally or regionally determined port authority boundaries, and to mediate any disagreements on such matters that cannot be resolved locally;

(4) To petition any interstate commerce commission (or like body), public service commission, public utilities commission (or like body), or any other federal, state, local or municipal authority, administrative, judicial or legislative, having jurisdiction, for the adoption and execution of any physical improvements, which, in the opinion of the state highways and transportation commission, may be designed to improve the handling of commerce or terminal and transportation facilities on or adjacent to the navigable rivers of the state;

(5) To represent the state in any programs to achieve financial assistance for waterborne commerce;

(6) To provide for official membership by the state highways and transportation commission and designated employees in any industrial, commercial or trade association, or any other organization concerned with waterborne commerce and the purposes of sections 68.010 to 68.065;

(7) To enter into agreements consistent with its lawful activities and purposes with the United States or any agency thereof; the state of Missouri or any agency thereof; other states or agencies thereof under applicable provisions of law; any local port district, municipality, county or other political subdivision of this or any other state; any agency created by interstate compact; any person, firm, partnership, corporation, trust or foundation, either public or private; or with any foreign government, partnership, firm or corporation under any conditions prescribed by state or federal law;

(8) To contract and to sue and be sued thereon;

(9) To receive for its lawful activities any contributions, moneys, gifts, grants, or loans from the United States; the state of Missouri; any other state; any local port district, municipality, county, or other political subdivision or agency of this or any other state; any agency created by interstate compact; or any public or private person, firm, corporation, trust or foundation for purposes consistent with the provisions of this chapter;

(10) To employ staff as the state highways and transportation commission shall recommend and the governor and the general assembly shall approve through the annual appropriation of the state department of transportation;

(11) To provide technical advice and assistance to local and regional port authorities in their activities, including planning, issuing bonds, financing port facilities, availability of state and federal grants, interagency coordination, and related matters of importance in port development.

(L. 1974 H.B. 1646 § 12)

68.070. Dissolution, procedure for. If, at any time, the legislative body or county commission of a city or county, in which a local port authority is situated, votes, by majority, to dissolve said port authority, the local port authority shall be dissolved effective the date of approval of the dissolution by the highways and transportation commission of the state. If, at any time, all of the legislative bodies or county commissions of members of a regional port authority vote, by majority, to dissolve the regional port authority, it shall be dissolved effective the date of the approval of dissolution by the highways and transportation commission of the state. In the event of dissolution of a local or regional port authority, all funds and other assets shall be distributed among the cities and counties, who were members, on a pro rata basis.

(L. 1975 S.B. 135 § 13)

68.100. Mid-America port commission agreement, commission, powers, duties. The general assembly of the state of Missouri hereby ratifies an agreement on behalf of the state of Missouri with the states of Illinois and Iowa if those states legally join the agreement, in the form substantially as follows:

AGREEMENT

This agreement shall be known as and may be cited as the “Mid-America Port Commission Agreement”. This agreement allows for the states of Illinois and Iowa to join the effort of the state of Missouri for developing the Mid-America port commission.

PORT COMMISSION

There is created a Mid-America port commission to be governed by a nine-member port commission. The governors of Missouri, Illinois and Iowa shall appoint one member to the port commission in accordance with the laws of the respective state. Each state shall also be represented by two members elected through the county governance in the geographical jurisdiction of the port commission. The port commission members shall hold office for a period of six years. The port commission members shall elect a chairperson of the port commission after all the members are selected. The position of chairperson shall rotate among the Missouri, Iowa and Illinois members for two-year periods. A member of the port commission shall not serve more than two terms.
POWERS OF COMMISSION

The port commission shall have the power to acquire, purchase, install, lease, construct, own, hold, maintain, equip, use, control or operate ports, harbors, waterways, channels, wharves, piers, docks, quays, elevators, tipples, compresses, bulk loading and unloading facilities, warehouses, dry docks, marine support railways, tugboats, ships, vessels, shipyards, shipbuilding facilities, machinery and equipment, dredges or any other facilities required or incidental to the construction, outfitting, dry docking or repair of ships or vessels, or water, air, or rail terminals, or roadways or approaches thereto, or other structures or facilities necessary for the convenient use of the same in the aid of commerce, including the dredging, deepening, extending, widening, or enlarging of any ports, harbors, rivers, channels, or waterways, the damming of inland waterways, the establishment of a water basin, the acquisition and development of industrial sites, or the reclaiming of submerged lands.

(L. 1998 H.B. 1791 § 1)

68.105. Mid-America port commission act. Sections 68.100 to 68.120 shall be known and may be cited as the “Mid-America Port Commission Act”.

(L. 1998 H.B. 1791 § 2)

68.110. Counties included (Scotland, Knox, Shelby, Clark, Ralls, Monroe, Lewis, Pike and Marion). Any county of the third classification with a population greater than four thousand four hundred but less than five thousand, any county of the third classification greater than six thousand nine hundred but less than seven thousand, any county of the third classification with a population greater than seven thousand five hundred but less than seven thousand six hundred, any county of the third classification with a population greater than eight thousand four hundred seventy but less than eight thousand five hundred fifty, any county of the third classification with a population greater than nine thousand but less than nine thousand two hundred, any county of the third classification with a population greater than ten thousand but less than ten thousand five hundred, any county of the third classification with a population greater than fifteen thousand six hundred but less than sixteen thousand, and any county of the third classification with a population greater than twenty-seven thousand six hundred but less than twenty-eight thousand shall be included in the jurisdiction of the Mid-America port commission agreement.

(L. 1998 H.B. 1791 § 3)

68.115. Powers of commission.

1. Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with the Mid-America port commission according to the powers delegated to the commission pursuant to sections 68.100 to 68.120.

2. A public agency of this state may enter into a letter of understanding with the commission to advance the purposes of the commission.

3. The Mid-America port commission shall exercise no control over the operation of port authorities established pursuant to sections 68.010 to 68.070, except by voluntary agreement between said port authority and the commission.

(L. 1998 H.B. 1791 § 4)

*Word “to” appears in original rolls.

68.120. County commissioners to elect two members. The county commissions of the counties included in the jurisdiction of the Mid-America port commission pursuant to section 68.110 shall jointly elect two members to serve on the port commission.

(L. 1998 H.B. 1791 § 5)
99.300. Citation of law. Sections 99.300 to 99.660 shall be known and may be cited as the “Land Clearance for Redevelopment Authority Law”.

(L. 1951 p. 300 § 1)

(1954) This law is constitutional. State on Inf. Dalton v. Land Clearance for Redevelopment Authority, 364 Mo. 974, 270 S.W.2d 44,

(1954) Land Clearance for Redevelopment Authority v. City of St. Louis (Mo.), 270 S.W.2d 58.

(1964) Election of city by resolution and vote of people, to come under this law could not be revoked by initiative proceedings since law was not enacted for solely municipal objectives but for state purposes as well, and law remains effective until legislature repeals it or provides by statute for means of withdrawal. Anderson v. Smith (A.), 377 S.W.2d 554.


(1968) Where redevelopment authority had condemned plaintiff’s land and was now owner and possessor, plaintiff had no legally protectable interest and there was no justiciable controversy for plaintiff to maintain action for declaratory judgment on question of authority’s compliance with statutory requirements. Brooks v. Land Clearance for Redevelopment Authority (A.), 425 S.W.2d 481.

99.310. Declaration of policy. It is hereby found and declared that there exists in municipalities of the state insanitary, blighted, deteriorated and deteriorating areas which constitute a serious and growing menace injurious to the public health, safety, morals and welfare of the residents of the state; that the existence of such areas contributes substantially and increasingly to the spread of disease and crime, necessitating excessive and disproportionate expenditures of public funds for the preservation of the public health and safety, for crime prevention, correction, prosecution, punishment and the treatment of juvenile delinquency; and for the maintenance of adequate police, fire and accident protection and other public services and facilities, constitutes an economic and social liability, substantially impairs or arrests the sound growth of communities and retards the provision of housing accommodations; that this menace is beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids herein provided; that the existence of such areas constitutes a serious and growing menace injurious to the public health, safety, morals and welfare of the residents of the state; that insanitary, blighted, deteriorated and deteriorating areas, or portions thereof, may require acquisition and clearance, as provided in this law, since the prevailing condition of decay may make impracticable the reclamation of the area by conservation or rehabilitation, but other areas or portions thereof, through the means provided in this law may be susceptible of conservation or rehabilitation in such a manner that the conditions and evils hereinbefore enumerated may be eliminated, remedied or prevented, and to the extent feasible, valuable, insanitary and blighted areas should be conserved and rehabilitated through voluntary action and the regulatory process. A municipality, to the greatest extent it determines to be feasible in carrying out the provisions of this law, shall afford maximum opportunity, consistent with the sound needs of the municipality as a whole, to the rehabilitation or redevelopment or renewal of areas by private enterprise.

(L. 1951 p. 300 § 2, A.L. 1955 p. 279)

99.320. Definitions. As used in this law, the following terms mean:

(1) “Area of operation”, in the case of a municipality, the area within the municipality except that the area of operation of a municipality under this law shall not include any area which lies within the territorial boundaries of another municipality unless a resolution has been adopted by the governing body of the other municipality declaring a need therefor; and in the case of a county, the area within the county, except that the area of operation in such case shall not include any area which lies within the territorial boundaries of a municipality unless a resolution has been adopted by the governing body of the municipality declaring a need therefor; and in the case of a regional authority, the area within the communities for which the regional authority is created, except that a regional authority shall not undertake a land clearance project within the territorial boundaries of any municipality unless a resolution has been adopted by the governing body of the municipality declaring a need therefor; and in the case of a regional authority, the area within the communities for which the regional authority is created, except that a regional authority shall not undertake a land clearance project within the territorial boundaries of any municipality unless a resolution has been adopted by the governing body of the municipality declaring that there is a need for the regional authority to undertake the land clearance project within such municipality; no authority shall operate in any area of operation in which another authority already established is undertaking or carrying out a land clearance project without the consent, by resolution, of the other authority;

(2) “Authority” or “land clearance for redevelopment authority”, a public body corporate and politic created by or pursuant to section 99.330 or any other public body exercising the powers, rights and duties of such an authority;
(3) “Blighted area”, an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

(4) “Bond”, any bonds, including refunding bonds, notes, interim certificates, debentures, or other obligations issued by an authority pursuant to this law;

(5) “Clerk”, the clerk or other official of the municipality or county who is the custodian of the official records of the municipality or county;

(6) “Community”, any county or municipality except that such term shall not include any municipality containing less than seventy-five thousand inhabitants until the governing body thereof shall have submitted the proposition of accepting the provisions of this law to the qualified voters therein at an election called and held as provided by law for the incurring of indebtedness by such municipality, and a majority of the voters voting at the election shall have voted in favor of such proposition;

(7) “Federal government”, the United States of America or any agency or instrumentality, corporate or otherwise, of the United States of America;

(8) “Governing body”, the city council, common council, board of aldermen or other legislative body charged with governing the municipality or the county commission or other legislative body charged with governing the county;

(9) “Insanitary area”, an area in which there is a predominance of buildings and improvements which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air sanitation or open spaces, high density of population and overcrowding of buildings, overcrowding of land, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare;

(10) “Land clearance project”, any work or undertaking:

(a) To acquire blighted, or insanitary areas or portions thereof, including lands, structures, or improvements the acquisition of which is necessary or incidental to the proper clearance, development or redevelopment of the blighted or insanitary areas or to the prevention of the spread or recurrence of substandard or insanitary conditions or conditions of blight;

(b) To clear any such areas by demolition or removal of existing buildings, structures, streets, utilities or other improvements thereon and to install, construct or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with a redevelopment plan;

(c) To sell, lease or otherwise make available land in such areas for residential, recreational, commercial, industrial or other use or for public use or to retain such land for public use, in accordance with a redevelopment plan;

(d) To develop, construct, reconstruct, rehabilitate, repair or improve residences, houses, buildings, structures and other facilities;

(e) The term “land clearance project” may also include the preparation of a redevelopment plan, the planning, survey and other work incident to a land clearance project and the preparation of all plans and arrangements for carrying out a land clearance project and wherever the words “land clearance project” are used in this law, they shall also mean and include the words “urban renewal project” as defined in this section;

(11) “Mayor”, the elected mayor of the city or the elected officer having the duties customarily imposed upon the mayor of the city or the executive head of a county;

(12) “Municipality”, any incorporated city, town or village in the state;

(13) “Obligee”, any bondholders, agents or trustees for any bondholders, lessor demising to the authority property used in connection with land clearance project, or any assignee or assignees of the lessor’s interest or any part thereof, and the federal government when it is a party to any contract with the authority;

(14) “Person”, any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and shall include any trustee, receiver, assignee, or other similar representative thereof;

(15) “Public body”, the state or any municipality, county, township, board, commission, authority, district, or any other subdivision of the state;

(16) “Real property”, all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens;

(17) “Redeveloper”, any person, partnership, or public or private corporation or agency which enters or proposes to enter into a redevelopment or rehabilitation or renewal contract;

(18) “Redevelopment contract”, a contract entered into between an authority and redeveloper for the redevelopment, rehabilitation or renewal of an area in conformity with a redevelopment plan or an urban renewal plan;
(19) “Redevelopment”, the process of undertaking and carrying out a redevelopment plan or urban renewal plan;

(20) “Redevelopment plan”, a plan other than a preliminary or tentative plan for the acquisition, clearance, reconstruction, rehabilitation, renewal or future use of a land clearance project area, and shall be sufficiently complete to comply with subdivision (4) of section 99.430 and shall be in compliance with a “workable program” for the city as a whole and wherever used in sections 99.300 to 99.660 the words “redevelopment plan” shall also mean and include “urban renewal plan” as defined in this section;

(21) “Urban renewal plan”, a plan as it exists from time to time, for an urban renewal project, which plan shall conform to the general plan for the municipality as a whole; and shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the area of the urban renewal project, zoning and planning changes, if any, land uses, maximum densities, building requirements, and the relationship of the plan to definite local objectives respecting appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities, and other public improvements; an** urban renewal plan shall be prepared and approved pursuant to the same procedure as provided with respect to a redevelopment plan;

(22) “Urban renewal project”, any surveys, plans, undertakings and activities for the elimination and for the prevention of the spread or development of insanitary, blighted, deteriorated or deteriorating areas and may involve any work or undertaking for such purpose constituting a land clearance project or any rehabilitation or conservation work, or any combination of such undertaking or work in accordance with an urban renewal project; for this purpose, “rehabilitation or conservation work” may include:

(a) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements;

(b) Acquisition of real property and demolition, removal or rehabilitation of buildings and improvements thereon where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate uneconomic, obsolete or other uses detrimental to the public welfare, or to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities;

(c) To develop, construct, reconstruct, rehabilitate, repair or improve residences, houses, buildings, structures and other facilities;

(d) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out the objectives of the urban renewal project; and

(e) The disposition, for uses in accordance with the objectives of the urban renewal project, of any property or part thereof acquired in the area of the project; but such disposition shall be in the manner prescribed in this law for the disposition of property in a land clearance project area;

(23) “Workable program”; an official plan of action, as it exists from time to time, for effectively dealing with the problem in insanitary, blighted, deteriorated or deteriorating areas within the community and for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environment for adequate family life, for utilizing appropriate private and public resources to eliminate and prevent the development or spread of insanitary, blighted, deteriorated or deteriorating areas, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted, insanitary, deteriorated and deteriorating areas, or to undertake such of the aforesaid activities or other feasible community activities as may be suitably employed to achieve the objectives of such a program.

99.330. Authority may be created, when. There is hereby created in each community (as herein defined) a public body corporate and politic, to be known as the “Land Clearance for Redevelopment Authority” of the community; provided, however:

(1) That such authority shall not transact any business or exercise its powers hereunder until or unless the governing body shall approve (by resolution or ordinance as herein provided) the exercise in such community of the powers, functions and duties of an authority under this law; and provided further that, if it deems such action to be in the public interest, the governing body may, instead of such resolution or ordinance adopt a resolution or ordinance approving the exercise of such powers, functions and duties by the community itself or by the housing authority, if one exists or is subsequently established in the community, and in such event, the community or housing authority, as the case may be, shall be vested with all the powers, functions, rights, duties and privileges of a land clearance for redevelopment authority under this law;

(2) The governing body of a community shall not adopt a resolution or ordinance pursuant to subdivision (1) above unless it finds:

(a) That one or more blighted, or insanitary areas (as herein defined) exist in such community, and

(b) That the redevelopment of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of such community.

(L. 1951 p. 300 § 4)

1. When the governing body of a municipality adopts a resolution or ordinance as aforesaid, it shall promptly notify the mayor of such adoption. If the resolution or ordinance adopted is one approving the exercise of powers hereunder by a land clearance for redevelopment authority, the mayor shall appoint a board of commissioners of such authority which shall consist of five commissioners, and when the governing body of a county adopts such a resolution, said body shall appoint a board of commissioners of the authority created for such county which shall consist of five commissioners.

2. All commissioners of an authority shall be taxpayers who have resided for a period of five years in, in the case of a municipality, the area within the municipality; and, in the case of a county, the area within the county.

3. Two of the commissioners who are first appointed shall be designated to serve for terms of one year from the date of their appointment and three shall be designated to serve for terms of two, three and four years respectively from the date of their appointment. Thereafter, commissioners shall be appointed as aforesaid for a term of office for four years except that all vacancies shall be filled for the unexpired term.

(L. 1951 p. 300 § 4, A.L. 1997 H.B. 689)

99.350. Board of commissioners--meetings--quorum--employees.

1. The powers hereunder vested in each land clearance for redevelopment authority shall be exercised by the board of commissioners thereof. A majority of the commissioners shall constitute a quorum of such board for the purpose of conducting business and exercising the powers of the authority and for all other purposes. Action may be taken by the board upon a vote of a majority of the commissioners present, unless in any case the bylaws of the authority shall require a larger number. Meetings of the board of an authority may be held anywhere within the perimeter boundaries of the area of operation of the authority.

2. The commissioners of an authority shall elect a chairman and vice chairman from among the commissioners; however, the first chairman shall be designated by the mayor. An authority may employ an executive director, technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. For such legal services as it may require, an authority may call upon the chief law officer of the communities within its area of operation or may employ its own counsel and legal staff. An authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper.

(L. 1951 p. 300 § 4)

99.360. Regional authority--creation--area of operation increased, how.

1. If a regional authority is created as herein provided, one person shall be appointed as a commissioner of such authority for each community for which such authority is created.

2. When the area of operation of a regional authority is increased to include an additional community or communities as herein provided, one additional person shall be appointed as a commissioner of such authority for each such additional community.

3. Each such commissioner appointed for a municipality shall be appointed by the mayor thereof, and each such commissioner appointed for a county shall be appointed by the governing body thereof. The first appointment of commissioners of a regional authority may be made at or after the time of the adoption of the resolution declaring the need for such authority or declaring the need for the inclusion of such community in the area of operation of such authority. The commissioners of a regional authority and their successors shall be appointed as aforesaid for terms of four years except that all vacancies shall be filled for the unexpired terms.

(L. 1951 p. 300 § 4)

99.370. Regional authority--commissioners--terms--additional commissioner appointed, when and how.

1. If a regional authority is created as herein provided, one person shall be appointed as a commissioner of such authority for each community for which such authority is created.

2. When the area of operation of a regional authority is increased to include an additional community or communities as herein provided, one additional person shall be appointed as a commissioner of such authority for each such additional community.

3. Each such commissioner appointed for a municipality shall be appointed by the mayor thereof, and each such commissioner appointed for a county shall be appointed by the governing body thereof. The first appointment of commissioners of a regional authority may be made at or after the time of the adoption of the resolution declaring the need for such authority or declaring the need for the inclusion of such community in the area of operation of such authority. The commissioners of a regional authority and their successors shall be appointed as aforesaid for terms of four years except that all vacancies shall be filled for the unexpired terms.

4. If the area of operation of a regional authority consists at any time of an even number of communities, the commissioners of the regional authority already appointed in the manner described above shall appoint one additional commissioner whose term of office shall be as provided for a commissioner of a regional authority except that such term shall end at any earlier time that the area of operation of the regional authority shall be changed to consist of an odd number of communities. The commissioners of such authority already appointed in the manner described...
above shall likewise appoint each person to succeed such additional commissioner; provided that the term of office of such person begins during the terms of office of the commissioners appointing him.

5. A certificate of the appointment of any such additional commissioners of such regional authority shall be filed with the other records of the regional authority and shall be conclusive evidence of the due and proper appointment of such additional commissioner.

(L. 1951 p. 300 § 4)

99.380. Commissioner--compensation--certificate of appointment. A commissioner of an authority shall receive no compensation for his services, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties. Each commissioner shall hold office until his successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner shall be filed with the municipal or county clerk, as the case may be, and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner.

(L. 1951 p. 300 § 4)

99.390. Commissioner--misconduct in office--removal--procedure. For inefficiency or neglect of duty or misconduct in office, a commissioner of an authority may be removed by the mayor (or by the governing body of the county in case it appointed such commissioner), but a commissioner shall be removed only after a hearing and after he shall have been given a copy of the charges at least ten days prior to such hearing and have had an opportunity to be heard in person or by counsel. In the event of the removal of any commissioner, a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the municipal or county clerk, as the case may be.

(L. 1951 p. 300 § 4)

99.400. Commissioner not to acquire interest voluntarily in clearance project--penalty.

1. No commissioner or employee of an authority shall voluntarily acquire any interest, direct or indirect, in any land clearance project or in any property included or planned by the authority to be included in any such project, or in any contract or proposed contract in connection with any such project.

2. Where the acquisition is not voluntary such commissioner or employee shall immediately disclose such interest in writing to the authority and such disclosure shall be entered upon the minutes of the authority.

3. A commissioner or employee who owns or controls any interest, direct or indirect, in such property shall not participate in any action by the authority affecting the property. If any commissioner or employee of an authority owned or controlled within the preceding two years an interest, direct or indirect, in any property included or planned by the authority to be included in any land clearance project, he immediately shall disclose such interest in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Upon such disclosure such commissioner or employee shall not participate in any action by the authority affecting such property.


(L. 1951 p. 300 § 4)

99.410. Resolution creating authority deemed conclusive, when--filing.

1. In any suit, action or proceeding involving the validity or enforcement of or relating to any contract of an authority or other public body, such authority or other public body shall be conclusively deemed to have become established and authorized to transact business and exercise its powers hereunder upon proof of the adoption of the appropriate resolution prescribed in subdivision (1) of section 99.330 or subsection 1 of section 99.360 above. Each such resolution shall be deemed sufficient if it authorizes the exercise of powers hereunder by the authority or other public body and finds in substantially the terms provided in subdivision (2) of section 99.330 (no further detail being necessary) that the conditions therein enumerated exist.

2. A copy of such resolution duly certified by the municipal or county clerk, as the case may be, shall be admissible in evidence in any suit, action or proceeding.

(L. 1951 p. 300 § 4)

(1954) In determining the validity of slum clearance legislation granting power of eminent domain, section 28, Article I, and section 21, Article VI, are to be construed together and as so construed a legislative finding that a blighted or insanitary area exists so as to authorize the exercise of the power of eminent domain is conclusive on the courts in absence of allegation and proof that the finding is arbitrary, or induced by fraud, collusion or bad faith. State on Inf. Dalton v. Land Clearance for Redevelopment Auth. (Mo.), 270 S.W.2d 44.

(1954) Land Clearance for Redevelopment Authority v. City of St. Louis, 364 Mo. 974, 270 S.W.2d 58.
99.420. Powers of authority. An authority shall constitute a public body corporate and politic, exercising public and essential governmental functions, and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this law, including the following powers in addition to others herein granted:

(1) To sue and to be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal bylaws, rules and regulations, not inconsistent with this law, to carry out the provisions of this law;

(2) To prepare or cause to be prepared and recommend redevelopment plans and urban renewal plans to the governing body of the community or communities within its area of operation and to undertake and carry out land clearance projects and urban renewal projects within its area of operation;

(3) To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with a land clearance project or urban renewal project; and notwithstanding anything to the contrary contained in this law or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a land clearance project or urban renewal project, and to include in any contract let in connection with such a project provisions to fulfill such of the conditions as it may deem reasonable and appropriate;

(4) Within its area of operation, to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain or otherwise, any real or personal property or any interest therein, including fee simple absolute title, together with any improvements thereon, necessary or incidental to a land clearance project or urban renewal project; to hold, improve, clear or prepare for redevelopment or urban renewal any such property; to develop, construct, reconstruct, rehabilitate, repair or improve residences, houses, buildings, structures and other facilities; to sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with redevelopers of property and with other public agencies containing covenants, restrictions and conditions regarding the use of such property for residential, commercial, industrial, recreational purposes or for public purposes in accordance with the redevelopment or urban renewal plan and such other covenants, restrictions and conditions as the authority may deem necessary to prevent a recurrence of blighted or insanitary areas or to effectuate the purposes of this law; to make any of the covenants, restrictions, or conditions of the foregoing contracts covenants running with the land, and to provide appropriate remedies for any breach of any such covenants, restrictions, including the right in the authority to terminate such contracts and any interest in the property created pursuant thereto; to borrow money and issue bonds and provide security for loans or bonds; to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of this law; provided, however, that no statutory provision with respect to the acquisition, clearance or disposition of property by other public bodies shall restrict an authority or other public bodies exercising powers hereunder, in such functions, unless the legislature shall specifically so state;

(5) To prepare a workable program;

(6) To make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, plans for the enforcement of state and local laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements; the authority may develop, test and report methods and techniques, and carry out demonstrations and other activities, for the prevention and the elimination of insanitary, blighted, deteriorated or deteriorating areas;

(7) To invest any funds held in reserves or sinking funds or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to redeem its bonds at the redemption price, all bonds so redeemed or purchased to be canceled;

(8) To borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the federal government, the state, county, municipality or other public body or from any sources public or private, for the purposes of this law, to give such security as may be required and to enter into and carry out contracts in connection therewith; an authority, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government for a land clearance or urban renewal project such conditions imposed pursuant to federal law as the authority may deem reasonable and appropriate and which are not inconsistent with the purposes of this law;

(9) Acting through one or more commissioners or other persons designated by the authority, to conduct examinations and investigations and to hear testimony and take proof under oath at public or private hearings on any matter material for its information; to administer oaths, issue subpoenas requiring the attendance of witnesses or the production of books and papers and to issue commissions for the examination of witnesses who are outside of the state or unable to attend before the authority, or excused from attendance; to make available to appropriate agencies, including those charged with the duty of abating or requiring the correction of nuisances or like conditions or of demolishing unsafe or insanitary structures or eliminating substandard or insanitary conditions or conditions of blight within its area of operation, its findings and recommendations with regard to any building or property where conditions exist which are dangerous to the public health, safety, morals or welfare;

(10) Within its area of operation, to make or have made all surveys, studies and plans, but not including the preparation of a general plan for the community, necessary to the carrying out of the purposes of this law and in connection therewith to enter into or upon any land, building, or improvement thereon for such purposes and to make soundings, test borings, surveys, appraisals and other preliminary studies and investigations necessary to carry out its powers but such entry shall constitute no cause of action for trespass in favor of the owner of such land, building or improvement except for injuries resulting from wantonness or malice; and to contract or cooperate with any and all persons or agencies, public or private, in the making and carrying out of the surveys, appraisals, studies and plans;
(11) To prepare plans and provide reasonable assistance for the relocation of families displaced from a land clearance project area or an urban renewal project area, to the extent essential for acquiring possession of and clearing or renewing the area or parts thereof;

(12) To make such expenditures as may be necessary to carry out the purposes of this law; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures;

(13) To delegate to a municipality or other public body any of the powers or functions of the authority with respect to the planning or undertaking of a land clearance project or urban renewal project in the area in which the municipality or public body is authorized to act, and the municipality or public body is hereby authorized to carry out or perform such powers or functions for the authority;

(14) To exercise all powers or parts or combinations of powers necessary, convenient or appropriate to undertake and carry out land clearance, redevelopment and urban renewal plans and projects and all the powers herein granted;

(15) To loan the proceeds of the bonds or temporary notes hereinafter authorized to provide for the purchase, construction, extension and improvement of a project by a private or public developer pursuant to a development contract approved by the authority.


*Word “an” appears in original rolls.

CROSS REFERENCES: Bi-state development agency, bonds of, investment in authorized, RSMo 70.377 Multinational banks, securities and obligations of, investment in, when, RSMo 409.950 Savings accounts in insured savings and loan associations, investment in authorized, RSMo 369.194

99.430. Preparation and approval of redevelopment and urban renewal plans -- modification of plan.

1. Preparation and approval of redevelopment and urban renewal plans shall be carried out within the following regulations:

(1) An authority shall not acquire real property for a land clearance or urban renewal project unless the governing body of the community in which the land clearance project area or urban renewal project area is located has approved the redevelopment or urban renewal plan, as prescribed in subdivision (9) of this section.

(2) An authority shall not prepare a redevelopment or an urban renewal plan for a land clearance or urban renewal project area unless the governing body of the community in which the area is located has declared, by resolution or ordinance, the area to be a blighted, or insanitary area in need of redevelopment or rehabilitation.

(3) An authority shall not recommend a redevelopment or urban renewal plan to the governing body of the community in which the land clearance or urban renewal project area is located until a general plan for the development of the community has been prepared.

(4) The authority itself may prepare or cause to be prepared a redevelopment or urban renewal plan or any person or agency, public or private, may submit such a plan to an authority. A redevelopment or urban renewal plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, public transportation, public utilities, recreational and community facilities and other public improvements and the proposed land uses and building requirements in the land clearance or urban renewal project area, and shall include without being limited to:

(a) The boundaries of the land clearance or urban renewal project area, with a map showing the existing uses and condition of the real property therein;

(b) A land use plan showing proposed uses of the area;

(c) Information showing the standards of population densities, land coverage and building intensities in the area after redevelopment or urban renewal;

(d) A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances;

(e) A statement as to the kind and number of additional public facilities or utilities which will be required in the area after redevelopment or urban renewal; and

(f) A schedule indicating the estimated length of time needed for completion of each phase of the plan.

(5) Prior to recommending a redevelopment or urban renewal plan to the governing body for approval, an authority shall submit the plan to the planning agency, if any, of the community in which the land clearance or urban renewal project area is located for review and recommendations as to its conformity with the general plan for the development of the community as a whole. The planning agency shall submit its written recommendations with respect to the proposed redevelopment or urban renewal plan to the authority within thirty days after receipt of the plan for review. Upon receipt of the recommendations of the planning agency, or, if no recommendations are received within the thirty days, then without the recommendations, an authority may recommend the redevelopment or urban renewal plan to the governing body of the community for approval.
(6) Prior to recommending a redevelopment or urban renewal plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the land clearance or urban renewal project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted and harmonious development of the community and its environs which, in accordance with present and future needs, will promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewerage, and other public utilities, schools, parks, recreational and community facilities and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, the prevention of the recurrence of insanitary or unsafe dwelling accommodations, or insanitary areas, or conditions of blight or deterioration, and the provision of adequate, safe and sanitary dwelling accommodations.

(7) The recommendation of a redevelopment or urban renewal plan by an authority to the governing body shall be accompanied by the recommendations, if any, of the planning commission concerning the redevelopment or urban renewal plan; a statement of the proposed method and estimated cost of the acquisition and preparation for redevelopment or urban renewal of the land clearance or urban renewal project area and the estimated proceeds or revenues from its disposal to redevelopers; a statement of the proposed method of financing the project; a statement of a feasible method proposed for the relocation of families to be displaced from the land clearance or urban renewal project area; and a schedule indicating the estimated length of time needed for completion of each phase of the plan.

(8) The governing body of the community shall hold a public hearing on any redevelopment or urban renewal plan or substantial modification thereof recommended by the authority, after public notice thereof by publication in a newspaper of general circulation in the community once each week for two consecutive weeks, the last publication to be at least ten days prior to the date set for hearing. The notice shall describe the time, date, place and purpose of the hearing and shall also generally identify the area to be covered by the plan. All interested parties shall be afforded at the public hearing a reasonable opportunity to express their views respecting the proposed redevelopment or urban renewal plan.

(9) Following the hearing, the governing body may approve a redevelopment or urban renewal plan if it finds that the plan is feasible and in conformity with the general plan for the development of the community as a whole. A redevelopment or urban renewal plan which has not been approved by the governing body when recommended by the authority may be recommended again to it with any modifications deemed advisable.

(10) A redevelopment or urban renewal plan may be modified at any time by the authority, provided that, if modified after the lease or sale of real property in the land clearance or urban renewal project area, the modifications must be consented to by the redeveloper of the real property or his successor, or their successors in interest affected by the proposed modification. Where the proposed modification will substantially change the redevelopment or urban renewal plan as previously approved by the governing body, the modification must similarly be approved by the governing body.

2. As an alternative to the procedures prescribed in subdivisions (2) and (5) of subsection 1, an authority may find an area to be a blighted, insanitary or undeveloped area in need of redevelopment or rehabilitation, and simultaneously prepare a plan, or adopt a plan presented to the authority, and the authority may simultaneously recommend its finding of a blighted, insanitary or undeveloped area and the approval of a plan to the governing body of the community, and the governing body may make its finding that the area is blighted, insanitary or undeveloped and approve the plan simultaneously. Simultaneously with such recommendation of a finding of a blighted or insanitary undeveloped area and the proposed area, an authority shall submit the finding of a blighted, insanitary or undeveloped area and the plan to the planning agency, if any, of the community in which the project area is located for review and recommendation as to the conformity of the plan to the general plan for the development of the community as a whole. The planning agency shall submit its written recommendations with respect to the finding of a blighted or insanitary undeveloped area and the plan to the authority and the local governing body within thirty days after receipt of the findings and the plan for review. Upon receipt of the recommendations of the planning agency, or, if no recommendations are received within the thirty days, then without the recommendations, the governing body may simultaneously approve the finding of a blighted or insanitary undeveloped area and approve the plan in the manner prescribed in subdivisions (8) and (9) of subsection 1.

(1961) Where property acquired by and clearance for redevelopment authority of city was conveyed to university controlled by religious denomination pursuant to a plan adopted by the city in slum clearance project, and where the only bid received was from the university, there was no subsidy of religion from public funds in the absence of showing of fraud or arbitrary action. Kintzel v. City of St. Louis (Mo.), 347 S.W.2d 695.

(1979) Land clearance for redevelopment authority of Kansas City does not have statutory authority to issue revenue bonds, to become mortgage lender, and exceeded its statutory grant of authority in attempting to issue mortgage revenue bonds and housing revenue bonds. State ex rel. Taylor v. Land Clearance for Redevelopment Authority of Kansas City, (Mo.), 586 S.W.2d 331.

99.450. Authority may dispose of property, how. Property in a land clearance project may be disposed of as follows:

(1) An authority may sell, lease, exchange or otherwise transfer real property or any interest therein in a land clearance project area to any redeveloper for residential, recreational, commercial, industrial or other uses or for public use in accordance with the redevelopment plan, subject to such covenants, conditions and restrictions as may be deemed to be in the public interest or to carry out the purposes of this law; provided that such sale, lease, exchange or other transfer, and any agreement relating thereto, may be made only after, or subject to, the approval of the redevelopment plan by the governing body of the community. Such real property shall be sold, leased or transferred at its fair value for uses in accordance with the redevelopment plan notwithstanding such value may be less than the cost of acquiring and preparing such property for
redevelopment. In determining the fair value of real property for uses in accordance with the redevelopment plan, an authority shall take into account and give consideration to the uses and purposes required by such plan; the restrictions upon, and the covenants, conditions and obligations assumed by the redeveloper of such property; the objectives of the redevelopment plan for the prevention of the recurrence of blighted, or insanitary areas; and such other matters as the authority shall specify as being appropriate. In fixing rentals and selling prices, an authority shall give consideration to appraisals of the property for such uses made by land experts employed by the authority.

(2) An authority shall, by public notice published at least two times in a newspaper having a general circulation in its area of operation, prior to the consideration of any redevelopment contract proposal, invite proposals from, and make available all pertinent information to private redevelopers or any persons interested in undertaking the redevelopment of an area, or any part thereof, which the governing body has declared to be in need of redevelopment. Such notice shall identify the area, and shall state that such further information as is available may be obtained at the office of the authority. The authority shall consider all redevelopment proposals and the financial and legal ability of the prospective redevelopers to carry out their proposals and may negotiate with any redevelopers for proposals for the purchase or lease of any real property in the land clearance project area. The authority may accept such redevelopment contract proposal as it deems to be in the public interest and in furtherance of the purposes of this law, provided that the authority has, not less than thirty days prior thereto, notified the governing body in writing of its intention to accept such redevelopment contract proposal. Thereafter, the authority may execute such redevelopment contract in accordance with the provisions of subdivision (1) of this section and deliver deeds, leases and other instruments and take all steps necessary to effectuate such redevelopment contract. In its discretion, the authority may, with regard to the foregoing provisions of this subdivision, dispose of real property in a land clearance project area to private redevelopers for redevelopment under such reasonable competitive bidding procedures as it shall prescribe, subject to the provisions of subdivision (1).

(3) In carrying out a land clearance project, an authority may:

(a) Convey to the community in which the project is located, such real property as, in accordance with the redevelopment plan, is to be laid out into streets, alleys and public ways, this power being additional to and not limiting any and all other powers of conveyance of property to communities expressed herein generally or otherwise;

(b) Grant servitudes, easements and rights-of-way for public utilities, sewers, streets and other similar facilities, in accordance with the redevelopment plan; and

(c) Convey to the municipality, county or other appropriate public body, such real property as, in accordance with the redevelopment plan, is to be used for parks, schools, public buildings, facilities or other public purposes.

(4) An authority may temporarily operate and maintain real property in a land clearance project area pending the disposition of the property for redevelopment, without regard to the provisions of subdivisions (1) and (2) above, for such uses and purposes as may be deemed desirable even though not in conformity with the redevelopment plan.

(L. 1951 p. 300 § 7)

(1954) Section which requires sale of property cleared at public expense at fair value is not grant of special privilege or of public property in aid of private persons. State on Inf. Dalton v. Land Clearance for Redev. Auth., 364 Mo. 974, 270 S.W.2d 44;

(1954) Land clearance for redevelopment law does not violate constitutional prohibition against taking private property for private use without consent of owner. Land Clearance for Redev. Auth. v. City of St. Louis (Mo.), 270 S.W.2d 58.


1. An authority shall have the right to acquire by the exercise of the power of eminent domain any real property which it may deem necessary for a land clearance project or for its purposes under this law after the adoption by it of a resolution declaring that the acquisition of the real property described therein is necessary for such purposes. An authority may exercise the power of eminent domain in the manner and under the procedure provided for corporations in sections 523.010 to 523.070, inclusive, and 523.090 and 523.100, RSMo, and acts amendatory thereof or supplementary thereto; or it may exercise the power of eminent domain in the manner now or which may be hereafter provided by any other statutory provision available to the community, and, as to an authority in a constitutional charter city in the manner provided in the charter of said city for the exercise of the power of eminent domain.

2. Property already devoted to a public use may be acquired in like manner, provided that no real property belonging to the municipality, the county or the state may be acquired without its consent.

(L. 1951 p. 300 § 8)

99.470. Vacant land may be developed, when. Upon a determination, by resolution or ordinance, of the governing body of the community in which such land is located that the acquisition and development of undeveloped vacant land, not within a blighted, or insanitary area, is essential to the proper clearance or redevelopment of blighted, or insanitary areas, or a necessary part of the general land clearance program of the community, the acquisition, planning, preparation for development or disposal of such land shall constitute a land clearance project which may be undertaken by the authority in the manner provided in the foregoing sections. The determination by the governing body shall be in lieu of the declaration required by subdivision (2) of section 99.430 but shall not be made until the governing body finds that there is a shortage of decent, safe and sanitary housing in the community; that such undeveloped vacant land will be developed for predominantly residential uses; and that the provision of dwelling accommodations on such undeveloped vacant land is necessary to accomplish the relocation, in decent, safe and sanitary
housing in the community, of families to be displaced from blighted, or insanitary areas which are to be redeveloped; provided, however, that in the undertaking of land clearance projects on a regional or unified metropolitan basis, involving the acquisition and development of undeveloped vacant land in one community as an adjunct to the redevelopment of blighted, or insanitary areas, in another community, each determination or finding required in this section shall be made by the governing body of the community with respect to which the determination or finding relates.

(L. 1951 p. 300 § 9)


1. An authority shall have power to issue bonds from time to time in its discretion for any of its corporate purposes including the payment of principal and interest upon any advances for surveys and plans for land clearance projects.

2. An authority shall also have power to issue refunding bonds for the purpose of paying or retiring or in exchange for bonds previously issued by it.

3. An authority may issue such types of bonds as it may determine, including (without limiting the generality of the foregoing) bonds on which the principal and interest are payable:

   (1) Exclusively from the income, proceeds, and revenues of the land clearance project financed with the proceeds of such bonds; or

   (2) Exclusively from the income, proceeds, and revenues of any of its land clearance projects whether or not they are financed in whole or in part with the proceeds of such bonds.

4. Provided that any such bonds may be additionally secured by a pledge of any loan, grant or contributions, or parts thereof, from the federal government or other source, or a mortgage of any land clearance project or projects of the authority.

(L. 1951 p. 300 § 10)

99.490. Bonds--conditions--interest rate--to be sold at par.

1. Bonds of an authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, not in excess of the maximum rate, if any, applicable to general and business corporations, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution, its trust indenture or mortgage may provide.

2. The bonds shall be sold at not less than ninety-five percent of par at public or, if the authority determines it is in the best interest of the authority to sell such bonds at private sale, notwithstanding the provisions of section 108.070, RSMo. The reason or reasons why private sale is in the best interest of the authority shall be set forth in the order or resolution authorizing the private sale; provided, however, that any issue in excess of ten million dollars shall be sold only at public sale; provided, further, that notice of such public or private sale shall be published in a newspaper having a general circulation in the area of operation and such medium of publication as the authority may deem at least once and not later than ten days prior to such public or private sale. The decision of the authority shall be conclusive.

(L. 1951 p. 300 § 10, A.L. 1982 H.B. 1411 & 1587)

99.500. Bonds--commissioners not personally liable--not to constitute debt of a political subdivision or state--exempt from income taxes.

1. Neither the commissioners of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. Bonds issued under this section by a land clearance for redevelopment authority, created by or pursuant to sections 99.330 to 99.410 or by a housing authority, shall not be a debt of the municipality, the county or the state and neither the municipality, the county or the state shall be liable thereon nor in any event shall such bonds be payable out of any funds or properties other than those acquired for the purposes of this law and such bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

2. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities, and interest thereon and income therefrom shall be exempt from income taxes.

(L. 1951 p. 300 § 10)

99.510. Commissioner’s signature on bonds--validity--bonds deemed to be issued for lawful purpose.

1. In case any of the commissioners or officers of the authority whose signatures appear on any bonds or coupons shall cease to be such commissioners or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to sections 99.300 to 99.660 shall be fully negotiable.
2. In any suit, action or proceedings involving the validity or enforceability of any bond of an authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a land clearance project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this law.

(L. 1951 p. 300 § 10)

99.520. Bond issues--additional powers of authority. In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of such bonds or obligations, an authority, in addition to its other powers, shall have power:

(1) To pledge all or any part of its gross or net rents, fees or revenues from land clearance projects to which its right then exists or may thereafter come into existence;

(2) To mortgage all or any part of its real or personal property in a land clearance project then owned or thereafter acquired;

(3) To covenant against pledging all or any part of its rents, fees and revenues from land clearance projects, or against mortgaging all or any part of its real or personal property in a land clearance project, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or property; to covenant with respect to limitations on its right to sell, lease or otherwise dispose of any land clearance project or any part thereof; and to covenant as to what other or additional debts or obligations may be incurred by it;

(4) To covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds; to covenant against extending the time for the payment of its bonds or interest thereon; and to covenant for the redemption of the bonds and to provide the terms and conditions thereof;

(5) To covenant (subject to the limitations contained in this law) as to the amount of revenues to be raised each year or other period of time by rents, fees and other revenues, and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for operating costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the moneys held in such funds;

(6) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given;

(7) To covenant as to the use, maintenance and replacement of any or all of its real or personal property, the insurance to be carried thereon and the use and disposition of insurance moneys, and to warrant its title to such property;

(8) To covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenants, condition or obligation; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity and as to the terms and conditions upon which such declaration and its consequences may be waived;

(9) To vest in any obligees of the authority the right to enforce the payment of the bonds or any covenants securing or relating to the bonds; to vest in any obligee or obligees holding a specified amount in bonds the right, in the event of a default by said authority, to take possession of and use, operate and manage any land clearance project or any part thereof, title to which is in the authority, or any funds connected therewith, and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement of the authority with such obligees; to provide for the powers and duties of such obligees and to limit the liabilities thereof; and to provide the terms and conditions upon which such obligees may enforce any covenant or rights securing or relating to the bonds; and

(10) To exercise all or any part or combination of the powers herein granted; to make such covenants (other than and in addition to the covenants herein expressly authorized) and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or, in the absolute discretion of said authority, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

(L. 1951 p. 300 § 11)

99.530. Default of bonds--rights of obligee. An authority shall have power by its resolution, trust indenture, mortgage, lease or other contract to confer upon an obligee holding or representing a specified amount in bonds, the right (in addition to all rights that may otherwise be conferred), upon the happening of an event of default as defined in such resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction:

(1) To cause possession of any land clearance project or any part thereof, title to which is in the authority, to be surrendered to any such obligee;

(2) To obtain the appointment of a receiver of any land clearance project of said authority or any part thereof, title to which is in the authority, and of the rents and profits therefrom. If such receiver be appointed, he may enter and take possession of, carry out, operate and maintain such project or any part thereof and collect and receive all fees, rents, revenues, or other charges thereafter arising therefrom, and shall keep such moneys in a separate account or accounts and apply the same in accordance with the obligations of said authority as the court shall direct; and

(3) To require said authority and the commissioners, officers, agents and employees thereof to account as if it and they were the trustees of an express trust.
(L. 1951 p. 300 § 12)

99.540. Obligee--additional rights. An obligee of an authority shall have the right in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee:

(1) By mandamus, suit, action or proceeding at law or in equity to compel said authority and the commissioners, officers, agents or employees thereof to perform each and every term, provision and covenant contained in any contract of said authority with or for the benefit of such obligee, and to require the carrying out of any or all such covenants and agreements of said authority and the fulfillment of all duties imposed upon said authority by this law; and

(2) By suit, action or proceeding in equity, to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of said authority.

(L. 1951 p. 300 § 13)

99.550. Bonds--who may invest in. All public officers, municipal corporations, political subdivisions and public bodies, all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, curators, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bonds or other obligations issued by an authority pursuant to this law or by any public housing or redevelopment authority or commission, or agency or any other public body in the United States for redevelopment purposes, when such bonds and other obligations are secured by a contract for financial assistance to be paid by the federal government or any agency thereof and such bonds and other obligations shall be authorized security for all public deposits. It is the purpose of this section to authorize any persons, political subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds or other obligations. However, nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities.

(L. 1951 p. 300 § 14)

99.560. Authority may convey property to federal government in case of default. In any contract for financial assistance with the federal government the authority may obligate itself (which obligation shall be specifically enforceable and shall not constitute a mortgage, notwithstanding any other laws) to convey to the federal government possession of or title to the land clearance project and land therein to which such contract relates which is owned by the authority, upon the occurrence of a substantial default (as defined in such contract) with respect to the covenants or conditions to which the authority is subject; such contract may further provide that in case of such conveyance, the federal government may complete, operate, manage, lease, convey or otherwise deal with the land clearance project in accordance with the terms of such contract; provided, that the contract requires that, as soon as practicable after the federal government is satisfied that all defaults with respect to such contract relates which is owned by the authority, upon the occurrence of a substantial default (as defined in such contract) with respect to the terms, with reasonable consideration, as it may determine:

(1) Dedicate, sell, convey or lease any of its interest in any property, or grant easements, licenses or any other rights or privileges therein to an authority;

(2) Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished in compliance with a redevelopment plan;

(3) Furnish, dedicate, close, vacate, pave, install, grade, regrade, plan or replan streets, roads, sidewalks, ways or other places, which it is otherwise empowered to undertake;

(4) Plan or replan, zone or rezone any part of the public body or make exceptions from building regulations and ordinances if such functions are of the character which the public body is otherwise empowered to perform;

(L. 1951 p. 300 § 15)

(L. 1951 p. 300 § 16)

(L. 1951 p. 300 § 17)
5. Cause administrative and other services to be furnished to the authority of the character which the public body is otherwise empowered to undertake or furnish for the same or other purposes;

6. Incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section;

7. Do any and all things necessary or convenient to aid and cooperate in the planning or carrying out of a redevelopment plan;

8. Lend, grant or contribute funds to an authority;

9. Employ any funds belonging to or within the control of such public body, including funds derived from the sale or furnishing of property, service, or facilities to an authority, in the purchase of the bonds or other obligations of an authority and, as the holder of such bonds or other obligations, exercise the rights connected therewith; and

10. Enter into agreements (which may extend over any period, notwithstanding any provision or rule of law to the contrary) with an authority respecting action to be taken by such public body pursuant to any of the powers granted by this law. If at any time title to, or possession of, any land clearance project is held by any public body or governmental agency, other than the authority, authorized by law to engage in the undertaking, carrying out or administration of land clearance projects, including any agency or instrumentality of the United States of America, the provisions of such agreements shall inure to the benefit of and may be enforced by such public body or governmental agency.

(L. 1951 p. 300 § 17)

99.590. Public notice of conveyance or agreement not required. Any sale, conveyance, lease or agreement provided for in section 99.580 may be made by a public body without appraisal, public notice, advertisement or public bidding.

(L. 1951 p. 300 § 18)

99.600. Community may issue and sell bonds to aid project. Any community located in whole or in part within the area of operation of an authority may grant funds to an authority for the purpose of aiding such authority in carrying out any of its powers and functions under this law. To obtain funds for this purpose the community may levy taxes or may issue and sell its bonds. Any bonds to be issued by the community pursuant to the provisions of this section shall be issued in the manner and within the limitations, except as herein otherwise provided, prescribed by the laws of this state for the issuance and authorization of such bonds for public purposes generally.

(L. 1951 p. 300 § 19)

99.610. Two or more authorities may cooperate in joint project--governing body and community defined.

1. Any two or more authorities may join or cooperate with one another in the exercise of any or all of the powers conferred hereby for the purpose of planning, undertaking or financing a land clearance project or projects located within the area or areas of operation of any one or more of said authorities.

2. When a land clearance project or projects are planned, undertaken or financed on a regional or unified metropolitan basis, the terms "governing body" and "community" as used in this law shall mean the governing bodies of the appropriate communities and the appropriate communities cooperating in the planning, undertaking or financing of such project or projects.

(L. 1951 p. 300 § 20)

99.620. Annual report, satisfactory progress of projects, procedure to determine.

1. At least once a year, an authority shall file with the clerk a report of its activities for the preceding year, and shall make recommendations with reference to such additional legislation or other action as it deems necessary in order to carry out the purposes of this law.

2. Within sixty days after August 13, 1982, and every five years thereafter, the governing body shall hold a public hearing regarding those land clearances and urban renewal projects under the jurisdiction of the authority. The purpose of the hearing shall be to determine if the authority is making satisfactory progress under the proposed time schedule contained within the approved plans for completion of such projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the authority once each week for four weeks immediately prior to the hearing.

(L. 1951 p. 300 § 21, A.L. 1982 H.B. 1411 & 1587)

99.630. Authority may take over projects of constitutional charter city or county. Any authority empowered to undertake and carry out land clearance projects in a constitutional charter city or county under this law is hereby authorized to and may, upon such terms and conditions as it may determine not inconsistent with this law, and with the consent of the governing body of such constitutional charter city or county, contract to and take over, assume, continue and carry out all undertakings, obligations, rights, powers, plans and activities, not inconsistent with this law, of such constitutional charter city or county relating to planned or existing land clearance projects.
99.640. Master plan--municipalities authorized to prepare. The governing body of any municipality or county, which is not otherwise authorized to establish a planning agency with power to prepare a master plan for the physical development of the community, is hereby authorized and empowered to prepare such a master plan for the purposes of initiating and carrying out a land clearance project under this law.

(L. 1951 p. 300 § 23)

99.650. Construction of law. This law shall be construed liberally to effectuate the purposes hereof. Insofar as the provisions of this law are inconsistent with the provisions of any other law, the provisions of this law shall be controlling.

(L. 1951 p. 300 § 24)

99.660. Powers additional to those conferred by other laws. The powers conferred by this law shall be in addition and supplemental to the powers conferred by any other law.

(L. 1951 p. 300 § 27)
100.300. Short title. Sections of this law shall be known and may be cited as “The Planned Industrial Expansion Law”.

(1967 p. 172 § 1)

100.310. Definitions. As used in this law, the following words and terms mean:

1. “Authority”, a public body corporate and politic created by or pursuant to sections of this law or any other public body exercising the powers, rights and duties of such an authority;

2. “Blighted area”, an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals or welfare in its present condition and use;

3. “Bond”, any bonds, including refunding bonds, notes, interim certificates, debentures or other obligations issued by an authority pursuant to this law;

4. “City”, all cities of this state now having or which hereafter have four hundred thousand inhabitants or more according to the last decennial census of the United States or any city that has adopted a home rule charter pursuant to section 19 of article VI of the Missouri Constitution;

5. “Clerk”, the official custodian of records of the city;

6. “Federal government”, the United States of America or any agency or instrumentality corporate or otherwise of the United States of America;

7. “Governing body”, the city council, common council, board of aldermen or other legislative body charged with governing the municipality;

8. “Industrial developer”, any person, partnership or public or private corporation or agency which enters or proposes to enter into an industrial development contract;

9. “Industrial development”, the acquisition, clearance, grading, improving, preparing of land for industrial and commercial development and use and the construction, reconstruction, purchase, repair of industrial and commercial improvements, buildings, plants, additions, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers, machines, fixtures, structures and other facilities relating to industrial and commercial use in blighted, insanitary or undeveloped industrial areas; and the existing merchants, residents, and present businesses shall have the first option to redevelop the area under this act;

10. “Industrial development contract”, a contract entered into between an authority and an industrial developer for the industrial development of an area in conformity with a plan;

11. “Insanitary area”, an area in which there is a predominance of buildings and improvements which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation or open spaces, high density of population and overcrowding of buildings, overcrowding of land, or the existence of conditions which endanger life or fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime or constitutes an economic or social liability and is detrimental to the public health, safety, morals or welfare;

12. “Obligee”, any bondholders, agents or trustees for any bondholders, lessor demising to the authority property used in connection with industrial clearance project, or any assignee or assignees of the lessor’s interest or any part thereof, and the federal government when it is a party to any contract with the authority;

13. “Person”, any individual, firm, partnership, corporation, company, association, joint stock association, or body politic; and shall include any trustee, receiver, assignee or other similar representative thereof;

14. “Plan”, a plan as it exists from time to time for the orderly carrying on of a project of industrial development;

15. “Project”, any work or undertaking:

(a) To acquire blighted, insanitary and undeveloped industrial areas or portions thereof including lands, structures or improvements the acquisition of which is necessary or incidental to the proper industrial development of the blighted, insanitary and undeveloped industrial areas or to prevent the spread or recurrence of conditions of blight, insanitary or undevelopment;

(b) To clear any such areas by demolition or removal of existing buildings, structures, streets, utilities or other improvements thereon and to install, construct or reconstruct streets, utilities and site improvements essential to the preparation of sites for uses in accordance with a plan;

(c) To construct, reconstruct, remodel, repair, improve, install improvements, buildings, plants, additions, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers, machines, fixtures, structures and other facilities related to industrial and commercial uses;
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(d) To sell, lease or otherwise make available land in such areas for industrial and commercial or related use or to retain such land for public use, in accordance with a plan;

(16) “Public body”, the state or any municipality, county, township, board, commission, authority, district or any other subdivision of the state;

(17) “Real property”, all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by such liens;

(18) “Undeveloped industrial area”, any area which, by reason of defective and inadequate street layout or location of physical improvements, obsolescence and inadequate subdivision and platting contains vacant parcels of land not used economically; contains old, decaying, obsolete buildings, plants, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, warehouses, distribution centers, structures; contains buildings, plants, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers and structures whose operation is not economically feasible; contains intermittent commercial and industrial structures in a primarily industrial or commercial area; or contains insufficient space for the expansion and efficient use of land for industrial plants and commercial uses amounting to conditions which retard economic or social growth, are economic waste and social liabilities and represent an inability to pay reasonable taxes to the detriment and injury of the public health, safety, morals and welfare.


Effective 5-30-86

(1975) Held constitutional as not being special legislation because of limit as to cities over 400,000. State ex rel. Atkinson v. Planned Industrial Expansion Authority (Mo.), 517 S.W.2d 36.

100.320. Planned industrial expansion authority created, powers exercised, when. There is hereby created in each city, as herein defined, a public body corporate and politic to be known as “The Planned Industrial Expansion Authority” of the city; provided, however:

(1) That such authority shall not transact any business or exercise its powers hereunder until and unless the governing body shall approve, by resolution or ordinance, the exercising in such city of the powers, functions and duties of an authority under this law;

(2) That the governing body of a city shall not adopt a resolution or ordinance pursuant to subdivision (1) above unless it finds:

(a) That one or more blighted, insanitary or undeveloped industrial areas exist in such community; and

(b) That the development of such area or areas is necessary in the interest of the public health, safety, morals or welfare of the residents of such city.

(L. 1967 p. 172 § 3)

100.330. Commissioners, number reduced, appointment, term, vacancies. Subsequent to August 13, 1980, the number of commissioners shall be fifteen. Provided, however, by the process of attrition the number of commissioners shall be reduced from twenty-five to fifteen by the expiration of the terms of currently serving commissioners and nonreplacement of any vacancies. Commissioners shall be appointed for a term of four years each. All commissioners shall be appointed by the mayor or chief executive officer of the city, shall be taxpayers of the city, and shall have resided in the city for five years immediately prior to their appointment. All vacancies shall be filled by the mayor or chief executive officer of the city for the unexpired term, subsequent to the time the number of commissioners is reduced to fifteen by attrition.


100.331. Commissioners, number reduced, appointment, terms, qualifications, vacancies--consolidation plan authorized (St. Louis City)

1. Notwithstanding the provisions of section 100.330 or any other provision of law to the contrary, beginning August 28, 2000, the number of commissioners in any city not within a county shall be five; provided that, by the process of attrition the number of commissioners shall be reduced from fifteen to five by the expiration of the terms of currently serving commissioners and nonreplacement of any vacancies. Commissioners shall be appointed for a term of four years each. All commissioners shall be appointed by the mayor of any such city, shall be taxpayers of the city, and shall have resided in the city for five years immediately prior to their appointment. All vacancies shall be filled by the mayor of the city for the unexpired term, subsequent to the time the number of commissioners is reduced to five by attrition.


100.340. Commission, quorum, officers, legal services, how obtained.
1. The powers hereunder vested in each authority shall be exercised by the board of commissioners thereof. A majority of the commissioners shall constitute a quorum of such board for the purpose of conducting business and exercising the powers of the authority and for all other purposes. Action may be taken by the board upon a vote of a majority of the commissioners present, unless in any case the bylaws of the authority shall require a larger number. Meetings of the board of an authority may be held anywhere within the city.

2. The commissioners of an authority shall elect a chairman and vice chairman from among the commissioners; however, the first chairman shall be designated by the mayor. An authority may employ an executive director, technical experts and such other officers, agents and employees, permanent and temporary, as it may require, and shall determine their qualifications, duties and compensation. For such legal services as it may require, an authority may call upon the chief law officer of the communities within its area of operation or may employ its own counsel and legal staff. An authority may delegate to one or more of its agents or employees such powers or duties as it may deem proper.

100.350. Commissioner, expenses—certificate of appointment. A commissioner of an authority shall receive no compensation for his services, but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of his duties. Each commissioner shall hold office until his successor has been appointed and has qualified. A certificate of the appointment or reappointment of any commissioner shall be filed with the municipal or county clerk, as the case may be, and such certificate shall be conclusive evidence of the due and proper appointment of such commissioner.

(L. 1967 p. 172 § 5)

100.360. Commissioner, removal for cause, hearing. For inefficiency or neglect of duty or misconduct in office, a commissioner of an authority may be removed by the mayor, but a commissioner shall be removed only after a hearing and after he shall have been given a copy of the charges at least ten days prior to such hearing and have had an opportunity to be heard in person or by counsel. In the event of the removal of any commissioner, a record of the proceedings, together with the charges and findings thereon, shall be filed in the office of the city clerk.

(L. 1967 p. 172 § 7)

100.370. Commissioners or employees of authority, voluntary interest in project prohibited—disclosure of involuntary interest required and participation in action of authority forbidden—violation is misconduct, office forfeited.

1. No commissioner or employee of an authority shall voluntarily acquire any interest, direct or indirect, in any project or in any property included or planned by the authority to be included in any such project, or in any contract or proposed contract in connection with any such project.

2. Where the acquisition is not voluntary such commissioner or employee shall immediately disclose such interest in writing to the authority and such disclosure shall be entered upon the minutes of the authority.

3. A commissioner or employee who owns or controls any interest, direct or indirect, in such property shall not participate in any action by the authority affecting the property. If any commissioner or employee of the authority owned or controlled within the preceding two years any interest direct or indirect, in any property included or planned by the authority to be included in any project, he immediately shall disclose such interest in writing to the authority and such disclosure shall be entered upon the minutes of the authority. Upon such disclosure such commissioner or employee shall not participate in any action by the authority affecting such property.

4. Any violation of the provisions of sections of this law shall constitute misconduct in office; and the commissioner shall forfeit forthwith his office.

(L. 1967 p. 172 § 8)

100.380. Adoption of resolution or ordinance, effect of—certified copy admissible as evidence.

1. In any suit, action or proceeding involving the validity or enforcement of or relating to any contract of an authority or other public body, such authority or other public body shall be conclusively deemed to have become established and authorized to transact business and exercise its powers hereunder upon proof of the adoption of the appropriate resolution or ordinance prescribed in section 100.320 above. Each such resolution or ordinance shall be deemed sufficient if it authorized the exercise of powers hereunder by the authority or other public body and finds in substantially the terms provided in subdivision (2) of section 100.320, no further detail being necessary, that the conditions therein enumerated exist.

2. A copy of such resolution or ordinance duly certified by the municipal or county clerk, as the case may be, shall be admissible in evidence in any suit, action or proceeding.

(L. 1967 p. 172 § 9)

100.390. Authority to be a body corporate and politic, powers and duties of authority. An authority shall constitute a public body corporate...
and politic, exercising public and essential governmental functions and having all the powers necessary or convenient to carry out and effectuate the purposes and provisions of this law, including the following powers in addition to others granted:

(1) To sue and to be sued; to have a seal and to alter the same at pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from time to time amend and repeal bylaws, rules and regulations, not inconsistent with this law, to carry out the provisions of this law;

(2) To prepare or cause to be prepared plans for industrial development plans and to undertake and carry out industrial clearance projects for industrial development;

(3) To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, works, streets, roads, public utilities or other facilities for or in connection with a clearance project; and notwithstanding anything to the contrary contained in this law or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of a clearance project, and to include in any contract let in connection with such a project provisions to fulfill such of the conditions as it may deem reasonable and appropriate;

(4) Within its area of operation, to purchase, lease, obtain options upon, acquire by gift, grant, bequest, devise, eminent domain or otherwise, any real or personal property or any interest therein, including fee simple absolute title, together with any improvements thereon, necessary or incidental to a project; to construct, reconstruct, remodel, repair, improve, install improvements, buildings, plants, additions, stores, shops, shopping centers, office buildings, hotels and motels and parking garages, multi-family housing facilities, warehouses, distribution centers, machines, fixtures, structures and other facilities related to industrial and commercial uses; to sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate or otherwise encumber or dispose of any real or personal property or any interest therein; to enter into contracts with developers of property and with other public agencies containing covenants, restrictions and conditions regarding the use of such property for industrial and commercial and related purposes in accordance with the planned project and such other covenants, restrictions and conditions as the authority may deem necessary to prevent a recurrence of blighted, insanitary, undeveloped industrial areas or to effectuate the purposes of this law; to make any of the covenants, restrictions or conditions of the foregoing contracts covenants running with the land, and to provide appropriate remedies for any breach of any such covenants or conditions, including the right in the authority to terminate such contracts and any interest in the property created pursuant thereto; to borrow money and issue bonds and provide security for loans or bonds; to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of this law; provided, however, that no statutory provision with respect to the acquisition, clearance or disposition of property by other public bodies shall restrict an authority or other public bodies exercising powers hereunder, in such functions, unless the legislature shall specifically so state;

(5) To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to redeem its bonds at the redemption price established therein or to purchase its bonds at less than redemption price, all bonds so redeemed or purchased to be canceled;

(6) To borrow money and to apply for and accept advances, loans, grants, contributions and any other form of financial assistance from the federal government, the state, county, municipality or other public body or from any sources, public or private, for the purposes of this law, to give such security as may be required and to enter into and carry out contracts in connection therewith; an authority, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government for a project such conditions imposed pursuant to federal law as the authority may deem reasonable and appropriate which are not inconsistent with the purposes of this law;

(7) Within its area of operation, to make or have made all surveys, studies and plans necessary to the carrying out of the purposes of this law and, in connection therewith, to enter into or upon any land, building or improvement thereon for such purposes and to make soundings, test borings, surveys, appraisals and other preliminary studies and investigations necessary to carry out its powers, but such entry shall constitute no cause of action for trespass in favor of the owner of such land, building or improvement except for injuries resulting from wantonness or malice; and to contract or cooperate with any and all persons or agencies, public or private, in the making and carrying out of the surveys, appraisals, studies and plans;

(8) To prepare plans and provide reasonable assistance for the relocation of families displaced from an industrial or commercial clearance project area to the extent essential for acquiring possession of and clearing the area or parts thereof;

(9) To make such expenditures as may be necessary to carry out the purposes of this law; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures;

(10) To delegate to a municipality or other public body any of the powers or functions of the authority with respect to the planning or undertaking of a project, and the municipality or public body is hereby authorized to carry out or perform such powers or functions for the authority;

(11) To loan the proceeds of the bonds or temporary notes hereinafter authorized to provide for the purchase, construction, extension, and improvement of a project by an industrial developer pursuant to an industrial development contract approved by the authority in accordance with subdivision (2) of section 100.410;

(12) To exercise all powers or parts or combinations of powers necessary, convenient or appropriate to undertake and carry out plans and projects and all the powers herein granted.


Effective 5-30-86

As of August 28, 2005
100.400. Preparation and approval of plans, regulations governing.

1. Preparation and approval of plans shall be carried out within the following regulations:

(1) An authority shall not acquire real property for a project unless the governing body of the city has approved the plan, as prescribed in subdivision (9) of this section.

(2) An authority shall not prepare a plan for a project area unless the governing body of the city has declared, by resolution or ordinance, the area to be blighted, insanitary or undeveloped industrial area in need of industrial development.

(3) An authority shall not recommend a plan to the governing body of the city until a general plan for the development of the city has been prepared.

(4) The authority itself may prepare or cause to be prepared a plan or any person or agency, public or private, may submit such a plan to an authority. A plan shall be sufficiently complete to indicate its relationship to definite local objectives as to appropriate land uses, improved traffic, foster employment, public transportation, public utilities, recreational and community facilities and other public improvements and the proposed land uses and building requirements in the project area, and shall include without being limited to:

(a) The boundaries of the project area, with a map showing the existing uses and condition of the real property therein;

(b) A land use plan showing proposed uses of the area;

(c) Information showing the standards of population densities, unemployment within area and adjacent areas, land coverage and building intensities in the area after completion of the plan;

(d) A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances;

(e) A statement as to the kind and number of additional public facilities or utilities which will be required in the area after completion of the plan;

(f) A schedule indicating the estimated length of time needed for completion of each phase of the plan.

(5) Prior to recommending a plan to the governing body for approval, an authority shall submit the plan to the planning agency, if any, of the community in which the project area is located for review and recommendations as to its conformity with the general plan for the development of the city as a whole. The planning agency shall submit its written recommendations with respect to the proposed plan to the authority within thirty days after receipt of the plan for review. Upon receipt of the recommendations of the planning agency, or, if no recommendations are received within the thirty days, then without the recommendations, an authority may recommend the plan to the governing body of the city for approval.

(6) Prior to recommending a plan to the governing body for approval, an authority shall consider whether the proposed land uses and building requirements in the project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted and harmonious development of the city and its environs which, in accordance with present and future needs, will promote health, safety, morals, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development; including, among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, employment opportunities, the provision of adequate transportation, water, sewerage and other public utilities, schools, parks, recreational and community facilities and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, the prevention of the recurrence of insanitary areas, conditions of blight or deterioration or undeveloped industrial or commercial use.

(7) The recommendation of a plan by an authority to the governing body shall be accompanied by the recommendations, if any, of the planning commission concerning the plan; a statement of the proposed method and estimated cost of the acquisition and preparation for the project area and the estimated proceeds or revenues from its disposal to industrial developers; a statement of the proposed method of financing the project; a statement of a feasible method proposed for the relocation of families to be displaced from the project area; and a schedule indicating the estimated length of time needed for completion of each phase of the plan.

(8) The governing body of the community may hold a public hearing on any plan or substantial modification thereof recommended by the authority, after public notice thereof by publication in a newspaper of general circulation in the community once each week for two consecutive weeks, the last publication to be at least ten days prior to the date set for hearing. The notice shall describe the time, date, place and purpose of the hearing and shall also generally identify the area to be covered by the plan. All interested parties shall be afforded at the public hearing a reasonable opportunity to express their views respecting the proposed plan.

(9) Following the hearing, the governing body may approve a plan if it finds that the plan is feasible and in conformity with the general plan for the development of the community as a whole. A plan which has not been approved by the governing body when recommended by the authority may be recommended again to it with any modifications deemed advisable.

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(10) A plan may be modified at any time by the authority, or by the governing body; provided that, if modified after the lease or sale of real property in the project area, the modification must be consented to by the industrial developer of the real property or his successor, or their successors in interest affected by the proposed modification. Where the proposed modification will substantially change the plan as previously approved by the governing body, the modification must similarly be approved by the governing body.

2. As an alternative to the procedures prescribed in subdivisions (2) and (5) of subsection 1, an authority may find an area to be a blighted or insanitary or undeveloped industrial area and in need of industrial or commercial development and may simultaneously prepare a plan and recommend to the governing body of the community the approval of such finding of a blighted or insanitary or undeveloped industrial area and the approval of a plan, whether prepared by the authority or submitted to the authority, and the governing body may make its finding and approve the plan simultaneously. Simultaneously with such recommendation of a finding of a blighted or insanitary or undeveloped industrial area and the recommendation of a plan to the governing body for approval, an authority shall submit the finding of a blighted or insanitary or undeveloped area and the plan to the planning agency, if any, of the community in which the project area is located for review and recommendation as to the conformity of the plan to the general plan for the development of the community as a whole. The planning agency shall submit its written recommendations with respect to the finding of a blighted or insanitary or undeveloped industrial area and the plan to the authority and the local governing body within thirty days after receipt of the findings and the plan for review. Upon receipt of the recommendations of the planning agency, or, if no recommendations are received within the thirty days, then without the recommendations, the governing body may approve the finding of a blighted or insanitary or undeveloped industrial area and may approve the plan in the manner prescribed in subdivisions (8) and (9) of subsection 1.


*Word “or” appears in original rolls.

100.410. Property in a project, how disposed of. Property in a project may be disposed of as follows:

(1) An authority may sell, lease, exchange or otherwise transfer real property, including land and improvements as provided for in the project, or any interest therein in a project area to any developer for industrial and commercial or related uses or for public use in accordance with the plan, subject to such covenants, conditions and restrictions as may be deemed to be in the public interest or to carry out the purposes of this law; provided that such sale, lease, exchange or other transfer, and any agreement relating thereto, may be made only after, or subject to, the approval of the plan by the governing body of the city. Such real property shall be sold, leased or transferred at its fair value for uses in accordance with the plan notwithstanding such value may be less than the cost of such property to the authority. In determining the fair value of real property for uses in accordance with the plan, an authority shall take into account and give consideration to the uses and purposes required by such plan; the restrictions upon, and the covenants, conditions and obligations assumed by, the developer of such property; the objectives of the plan for industrial and commercial development; and such other matters as the authority shall specify as being appropriate. In fixing rentals and selling prices, an authority shall give consideration to appraisals of the property for such uses made by experts employed by the authority.

(2) An authority shall, by public notice published at least two times in a newspaper having a general circulation in its area of operation, prior to the consideration of any industrial development contract proposal, invite proposals from, and make available all pertinent information to, private industrial developers or any persons interested in undertaking the development of an area, or any part thereof, which the governing body has declared to be in need of industrial development. Such notice shall identify the area and shall state that such further information as is available may be obtained at the office of the authority. The authority shall consider all proposals and the financial and legal ability of the prospective developers to carry out their proposals and may negotiate with any industrial developer for proposals for the purchase or lease of any real property in the industrial clearance project area. The authority may accept such industrial development contract proposal as it deems to be in the public interest and in furtherance of the purposes of this law; provided that the authority has, not less than thirty days prior thereto, notified the governing body in writing of its intention to accept such industrial development contract proposal. Thereafter, the authority may execute such industrial development contract in accordance with the provisions of subdivision (1) of this section and deliver deeds, leases and other instruments and take all steps necessary to effectuate such industrial development contract. In its discretion, the authority may, with regard to the foregoing provisions of this subdivision, dispose of real property in a project area to private developers for redevelopment under such reasonable competitive bidding procedures as it shall prescribe, subject to the provisions of subdivision (1).

(3) In carrying out a project, an authority may:

(a) Convey to the city such real property as, in accordance with the development plan, is to be laid out into streets, alleys and public ways, this power being additional to and not limiting any and all other powers of conveyance of property to cities expressed herein generally or otherwise;

(b) Grant servitudes, easements and rights-of-way for public utilities, sewers, streets and other similar facilities, in accordance with the plan; and

(c) Convey to the municipality, county or other appropriate public body such real property as, in accordance with the plan, is to be used for parks, schools, public buildings, facilities or other public purposes.

(4) An authority may temporarily operate and maintain real property in a project area pending the disposition of the property for industrial development, without regard to the provisions of subdivisions (1) and (2) above, for such uses and purposes as may be deemed desirable even though not in conformity with the plan.

100.420. Authority may exercise power of eminent domain.

1. An authority shall have the right to acquire by the exercise of the power of eminent domain any real property which it may deem necessary for a project or for its purposes under this law after the adoption by it of a resolution declaring that the acquisition of the real property described therein is necessary for such purposes. Any authority may exercise the power of eminent domain in the manner and under the procedure provided for corporations in sections 523.010 to 523.070, inclusive, and 523.090 and 523.100, RSMo, and acts amendatory thereof or supplementary thereto; or it may exercise the power of eminent domain in the manner now or which may be hereafter provided by any other statutory provision available to the city, and, as to an authority in a constitutional charter city, in the manner provided in the charter of said city for the exercise of the power of eminent domain.

2. Property already devoted to a public use may be acquired in like manner; provided that no real property belonging to the municipality, the county or the state may be acquired without its consent.

(L. 1967 p. 172 § 13)

100.430. Bonds, issuance by authority.

1. An authority shall have power to issue bonds from time to time in its discretion for any of its corporate purposes including the payment of principal and interest upon any advances for surveys and plans for projects.

2. An authority shall also have power to issue refunding bonds for the purpose of paying or retiring or in exchange for bonds previously issued by it.

3. An authority may issue such types of bonds as it may determine, including, without limiting the generality of the foregoing, bonds on which the principal and interest are payable:

(1) Exclusively from the income, proceeds, and revenues of the project financed with the proceeds of such bonds; or

(2) Exclusively from the income, proceeds, and revenues of any of its projects whether or not they are financed in whole or in part with the proceeds of such bonds.

4. Provided, that any such bonds may be additionally secured by a pledge of any loan, grant or contributions, or parts thereof, from the federal government or other source, or a mortgage of any project or projects of the authority.

(L. 1967 p. 172 § 14)

100.440. Bonds, how issued, authorized and sold.

1. Bonds of an authority shall be authorized by its resolution and may be issued in one or more series and shall bear such date or dates, be payable upon demand or mature at such time or times, bear interest at such rate or rates, not in excess of the maximum rate, if any, applicable to general and business corporations, be in such denomination or denominations, be in such form either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, with or without premium, as such resolution, its trust indenture or mortgage may provide.

2. The bonds shall be sold at not less than ninety-five percent of par at public or, if the authority determines it is in the best interest of the authority, at private sale, notwithstanding the provisions of section 108.170, RSMo. The reason or reasons why private sale is in the best interest of the authority shall be set forth in the order or resolution authorizing the private sale; provided, however, that any issue in excess of ten million dollars shall be sold only at public sale; provided, further, that notice of such public or private sale shall be published in a newspaper having a general circulation in the area of operation and such medium of publication as the authority may deem at least once and not later than ten days prior to such public or private sale. The decision of the authority shall be conclusive.


100.445. Allowable rates of interest. If the interest rates allowed under the provisions of this act* are greater than the interest rates allowed under the provisions of senate bill no. 554** of the second regular session of the eightieth general assembly, then the interest rates allowed under this act* shall prevail over the interest rates set in senate bill no. 554**.

(L. 1980 H.B. 1477 § 2)

*"This act" (H.B. 1477, 1980) contained this section and sections 100.310, 100.330, 100.390, 100.400, 100.410 and 100.440.

100.450. Bonds, no personal liability on, not a debt of issuing subdivision or state--interest on bonds exempt from income tax.

1. Neither the commissioners of any authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. Bonds issued under this section by an authority, created by or pursuant to sections * shall not be a debt of the municipality, the county or the state and neither the municipality, the county or the state shall be liable thereon nor in any event shall such bonds be payable out of any funds or properties other than those acquired for the purposes of this law and such bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

2. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities, and interest thereon and income therefrom shall be exempt from income taxes.

(L. 1967 p. 172 § 16)

*Apparent omission in text of original rolls.

100.460. Signatures on bonds, validity of--bonds negotiable--conclusive presumption that bond was issued for stated purpose.

1. In case any of the commissioners or officers of the authority whose signatures appear on any bonds or coupons shall cease to be such commissioners or officers before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery. Any provision of any law to the contrary notwithstanding, any bonds issued pursuant to this law shall be fully negotiable.

2. In any suit, action or proceeding involving the validity or enforceability of any bond of any authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a project, as herein defined, shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this law.

(L. 1967 p. 172 § 17)

100.470. Payment of bonds secured, how.

In connection with the issuance of bonds or the incurring of obligations under leases and in order to secure the payment of such bonds or obligations, an authority, in addition to its other powers, shall have power:

1. To pledge all or any part of its gross or net rents, fees or revenues from projects to which its right then exists or may thereafter come into existence;

2. To mortgage all or any part of its real or personal property in a project then owned or thereafter acquired;

3. To covenant against pledging all or any part of its rents, fees and revenues from projects, or against mortgaging all or any part of its real or personal property in a project, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or property; to covenant with respect to limitations on its right to sell, lease or otherwise dispose of any project or any part thereof; and to covenant as to what other, or additional, debts or obligations may be incurred by it;

4. To covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds; to covenant against extending the time for the payment of its bonds or interest thereon; and to covenant for the redemption of the bonds and to provide the terms and conditions thereof;

5. To covenant, subject to the limitations contained in this law, as to the amount of revenues to be raised each year or other period of time by rents, fees and other revenues, and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for operating costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the moneys held in such funds;

6. To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given;

7. To covenant as to the use, maintenance and replacement of any or all of its real or personal property, the insurance to be carried thereon and the use and disposition of insurance moneys, and to warrant its title to such property;

8. To covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenants, conditions or obligation; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity and as to the terms and conditions upon which such declaration and its consequences may be waived;

9. To vest in any obligees of the authority the right to enforce the payment of the bonds or any covenants securing or relating to the bonds; to vest in any obligee or obligees holding a specified amount in bonds the right, in the event of a default by said authority, to take possession of and use, operate and manage any project or any part thereof, title to which is in the authority, or any funds connected therewith, and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement of the authority with such obligees; to provide for the powers and duties of such obligee and to limit the liabilities thereof; and to provide the terms and conditions upon which such obligees may enforce any covenant or rights securing or relating to the bonds; and

10. To exercise all or any part or combination of the powers herein granted; to make such covenants, other than and in addition to the covenants herein expressly authorized, and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds,
or, in the absolute discretion of said authority, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

(L. 1967 p. 172 § 18)

100.480. Powers of obligee granted by authority. Any authority shall have power by its resolution, trust indenture, mortgage, lease or other contract to confer upon an obligee holding or representing a specified amount in bonds, the right, in addition to all rights that may otherwise be conferred, upon the happening of an event of default as defined in such resolution or instrument, by suit, action or proceeding in any court of competent jurisdiction:

(1) To cause possession of any project or any part thereof, title to which is in the authority, to be surrendered to any such obligee;

(2) To obtain the appointment of a receiver of any project of said authority or any part thereof, title to which is in the authority, and of the rents and profits therefrom. If such receiver be appointed, he may enter and take possession of, carry out, operate and maintain such project or any part thereof and collect and receive all fees, rents, revenues, or other charges thereafter arising therefrom, and shall keep such moneys in a separate account or accounts and apply the same in accordance with the obligations of said authority as the court shall direct; and

(3) To require said authority and the commissioners, officers, agents and employees thereof to account as if it and they were the trustees of an express trust.

(L. 1967 p. 172 § 19)

100.490. Obligee, rights of, exception. An obligee of an authority shall have the right in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee:

(1) By mandamus suit, action or proceeding at law or in equity, to compel said authority and the commissioners, officers, agents or employees thereof to perform each and every term, provision and covenant contained in any contract of said authority with or for the benefit of such obligee, and to require the carrying out of any or all such covenants and agreements of said authority and the fulfillment of all duties imposed upon said authority by this law; and

(2) By suit, action or proceeding in equity, to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of said authority.

(L. 1967 p. 172 § 20)

100.500. Bonds or other obligations legal investments for enumerated purposes, when. All public officers, municipal corporations, political subdivisions and public bodies, all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on insurance business, and all executors, administrators, curators, trustees, and other fiduciaries may legally invest any sinking funds, moneys, or other funds belonging to them or within their control in any bond or other obligations issued by an authority pursuant to this law or commission, or agency or any other public body in the United States for industrial purposes, when such bonds and other obligations are secured by a contract for financial assistance to be paid by the federal government or any agency thereof and such bonds and other obligations shall be authorized security for all public deposits. It is the purpose of this section to authorize any persons, political subdivisions and officers, public or private, to use any funds owned or controlled by them for the purchase of any such bonds or other obligations. However, nothing contained in this section with regard to legal investments shall be construed as relieving any person of any duty of exercising reasonable care in selecting securities.

(L. 1967 p. 172 § 21)

100.510. Contracts with federal government, provisions for conveyance of project and land to federal government--authorized, reconveyance when. In any contract for financial assistance with the federal government the authority may obligate itself, which obligation shall be specifically enforceable and shall not constitute a mortgage, notwithstanding any other laws, to convey to the federal government possession of or title to the project and land therein to which such contract relates which is owned by the authority, upon the occurrence of a substantial default, as defined in such contract, with respect to the covenants or conditions to which the authority is subject; such contract may further provide that in case of such conveyance, the federal government may complete, operate, manage, lease, convey or otherwise deal with the project in accordance with the terms of such contract; provided, that the contract requires that, as soon as practicable after the federal government is satisfied that all defaults with respect to the project have been cured and that the project will thereafter be operated in accordance with the terms of the contract, the federal government shall reconvey to the authority the project as then constituted.

(L. 1967 p. 172 § 22)

100.520. Execution or judicial process, property and funds of authority exempt from, exceptions. All property including funds of an authority shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall judgment against an authority be a charge or lien upon its property; provided, however, that the provisions of this section shall not apply to

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or limit the right of obligees to foreclose or otherwise enforce any mortgage of an authority or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by the authority on its rents, fees, grants or revenues.

(L. 1967 p. 172 § 23)

100.530. Public bodies may assist a project, how. For the purpose of aiding and cooperating in the planning, undertaking or carrying out of a project located within the area in which it is authorized to act, any public body may, upon such terms, with reasonable consideration, as it may determine:

1. Dedicate, sell, convey or lease any of its interest in any property, or grant easements, licenses or any other rights or privileges therein to an authority;
2. Cause parks, playgrounds, recreational, community, educational, water, sewer or drainage facilities, or any other works which it is otherwise empowered to undertake, to be furnished in compliance with a plan;
3. Furnish, dedicate, close, vacate, pave, install, grade, regrade, plan or replan streets, roads, sidewalks, ways or other places, which it is otherwise empowered to undertake;
4. Plan or replan, zone or rezone any part of the public body or make exceptions from building regulations and ordinances if such functions are of the character which the public body is otherwise empowered to perform;
5. Cause administrative and other services to be furnished to the authority of the character which the public body is otherwise empowered to undertake or furnish for the same or other purposes;
6. Incur the entire expense of any public improvements made by such public body in exercising the powers granted in this section;
7. Do any and all things necessary or convenient to aid and cooperate in the planning or carrying out of a plan;
8. Lend, grant or contribute funds to an authority;
9. Employ any funds belonging to or within the control of such public body, including funds derived from the sale or furnishing of property, service, or facilities to an authority, in the purchase of the bonds or other obligations of an authority and, as the holder of such bonds or other obligations, exercise the rights connected therewith; and
10. Enter into agreements, which may extend over any period, notwithstanding any provision or rule of law to the contrary, with an authority respecting action to be taken by such public body pursuant to any of the powers granted by this law. If at any time title to, or possession of, any project is held by any public body or governmental agency, other than the authority, authorized by law to engage in the undertaking, carrying out or administration of projects, including any agency or instrumentality of the United States of America, the provisions of such agreements shall inure to the benefit of and* may be enforced by such public body or governmental agency.

(L. 1967 p. 172 § 24)

*Word “any” appears in original rolls.

100.540. Sales by public body to authority, how made. Any sale, conveyance, lease or agreement provided for in section 100.530 may be made by a public body without appraisal, public notice, advertisement or public bidding.

(L. 1967 p. 172 § 25)

100.550. Cities may levy taxes or sell bonds to finance grants to an authority. Any city located in whole or in part within the area of operation of an authority may grant funds to an authority for the purpose of aiding such authority in carrying out any of its powers and functions under this law. To obtain funds for this purpose the community may levy taxes or may issue and sell its bonds. Any bonds to be issued by the city pursuant to the provisions of this section shall be issued in the manner and within the limitations, except as herein otherwise provided, prescribed by the laws of this state for the issuance and authorization of such bonds for public purposes generally.

(L. 1967 p. 172 § 26)

100.560. Two or more authorities may cooperate in a project.

1. Any two or more authorities may join or cooperate with one another in the exercise of any or all of the powers conferred hereby for the purpose of planning, undertaking or financing a project or projects located within the area or areas of operation of any one or more of said authorities.

2. When a project or projects are planned, undertaken or financed on a regional or unified metropolitan basis, the terms “governing body” and “community” as used in this law shall mean the governing bodies of the appropriate communities and the appropriate communities cooperating in the planning, undertaking or financing of such project or projects.
100.570. **Ad valorem tax benefits available, when.** The ad valorem tax exemption benefits contained in chapter* 353, RSMo 1959, of “The Urban Redevelopment Corporation Law” and more specifically in sections 353.110 and 353.150(4), RSMo, shall not be available to any urban redevelopment corporation on lands and improvements situated within a project area under this law, unless the governing body by a three-fourths vote of such body approves the ad valorem tax exemption benefits.

(L. 1967 p. 172 § 28)

*Word “section” appears in original rolls.*

100.580. **Annual report of authority, contents—satisfactory progress of projects, procedure to determine.**

1. At least once a year, an authority shall file with the clerk a report of its activities for the preceding year, and shall make recommendations with reference to such additional legislation or other action as it deems necessary in order to carry out the purposes of this law.

2. Within sixty days after August 13, 1982, and every five years thereafter, the governing body shall hold a public hearing regarding those industrial development projects under the jurisdiction of the authority. The purpose of the hearing shall be to determine if the authority is making satisfactory progress under the proposed time schedule contained within the approved plans for completion of such projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the authority once each week for four weeks immediately prior to the hearing.


100.590. **Authority may assume projects of constitutional charter cities, when.** Any authority empowered to undertake and carry out projects in a constitutional charter city under this law is hereby authorized to and may, upon such terms and conditions as it may determine not inconsistent with this law, and with the consent of the governing body of such constitutional charter city, contract to and take over, assume, continue and carry out all undertakings, obligations, rights, powers, plans and activities, not inconsistent with this law, of such constitutional charter city relating to planned or existing projects for industrial development.

(L. 1967 p. 172 § 30)

100.600. **Any municipality authorized to prepare a master plan for physical development of community.** The governing body of any municipality, which is not otherwise authorized to establish a planning agency with power to prepare a master plan for the physical development of the community, is hereby authorized and empowered to prepare such a master plan for the purposes of initiating and carrying out a project under this law.

(L. 1967 p. 172 § 31)

100.610. **Law to be liberally construed.** This law shall be construed liberally to effectuate the purposes hereof. Insofar as the provisions of this law are inconsistent with the provisions of any other law, the provisions of this law shall be controlling.

(L. 1967 p. 172 § 32)

100.620. **Powers conferred in this law to be supplemental to existing powers.** The powers conferred by this law shall be in addition and supplemental to the powers conferred by any other law.

(L. 1967 p. 172 § 33)
260.005. Definitions. As used in sections 260.005 to 260.125, the following words and terms mean:

(1) “Authority”, the state environmental improvement and energy resources authority created by sections 260.005 to 260.125;

(2) “Bonds”, bonds issued by the authority pursuant to the provisions of sections 260.005 to 260.125;

(3) “Cost”, the expense of the acquisition of land, rights-of-way, easements and other interests in real property and the expense of acquiring or constructing buildings, improvements, machinery and equipment relating to any project, including the cost of demolishing or removing any existing structures, interest during the construction of any project and engineering, research, legal, consulting and other expenses necessary or incident to determining the feasibility or practicability of any project and carrying out the same, all of which are to be paid out of the proceeds of the bonds or notes authorized by sections 260.005 to 260.125;

(4) “Disposal of solid waste or sewage”, the entire process of storage, collection, transportation, processing and disposal of solid wastes or sewage;

(5) “Energy conservation”, the reduction of energy consumption;

(6) “Energy efficiency”, the increased productivity or effectiveness of energy resources use, the reduction of energy consumption, or the use of renewable energy sources;

(7) “Notes”, notes issued by the authority pursuant to sections 260.005 to 260.125;

(8) “Pollution”, the placing of any noxious substance in the air or waters or on the lands of this state in sufficient quantity and of such amounts, characteristics and duration as to injure or harm the public health or welfare or animal life or property;

(9) “Project”, any facility, including land, disposal areas, incinerators, buildings, fixtures, machinery, equipment, and devices or modifications to a building or facility, acquired or constructed, or to be acquired or constructed for the purpose of developing energy resources or preventing or reducing pollution or the disposal of solid waste or sewage or providing water facilities or resource recovery facilities or carrying out energy efficiency modifications in, but not limited to, buildings owned by the state or providing for energy conservation or increased energy efficiency;

(10) “Resource recovery”, the recovery of material or energy from solid waste;

(11) “Resource recovery facility”, any facility at which solid waste is processed for the purpose of extracting, converting to energy, or otherwise separating and preparing solid waste for reuse;

(12) “Resource recovery system”, a solid waste management system which provides for collection, separation, recycling, and recovery of solid wastes, including disposal of nonrecoverable waste residues;

(13) “Revenues”, all rents, installment payments on notes, interest on loans, revenues, charges and other income received by the authority in connection with any project and any gift, grant, or appropriation received by the authority with respect thereto;

(14) “Sewage”, any liquid or gaseous waste resulting from industrial, commercial, agricultural or community activities in such amounts, characteristics and duration as to injure or harm the public health or welfare or animal life or property;

(15) “Solid waste”, garbage, refuse, discarded materials and undesirable solid and semisolid residual matter resulting from industrial, commercial, agricultural or community activities in such amounts, characteristics and duration as to injure or harm the public health or welfare or animal life or property;

(16) “Synthetic fuels”, any solid, liquid, or gas or combination thereof, which can be used as a substitute for petroleum or natural gas (or any derivatives thereof, including chemical feedstocks) and which is produced by chemical or physical transformation (other than washing, coking, or desulfurizing) of domestic sources of coal, including lignite and peat; shale; tar sands, including heavy oils; water as a source of hydrogen only through electrolysis, and mixtures of coal and combustible liquids including petroleum; and

(17) “Water facilities”, any facilities for the furnishing of water for industrial, commercial, agricultural or community purposes including, but not limited to, wells, reservoirs, dams, pumping stations, water lines, sewer lines, treatment plants, stabilization ponds, storm sewers, related equipment and machinery.


260.010. Authority created. There is hereby created and established as a governmental instrumentality of the state of Missouri, the “State Environmental Improvement and Energy Resources Authority”, which shall constitute a body corporate and politic.


Effective 4-30-82
260.015. **Purpose of authority.** The authority is authorized to provide for the conservation of the air, land and water resources of the state by the prevention or reduction of the pollution thereof and proper methods of disposal of solid waste or sewage and to provide for the furnishing of water facilities and resource recovery facilities and to provide for the development of the energy resources of the state, to provide for energy conservation and to provide for energy efficiency projects and increased energy efficiency in the state, and to further such programs the authority is authorized to acquire and construct, and finance projects and to issue bonds and notes and make loans as herein provided to pay the costs thereof. Any pollution control, sewage or solid waste disposal, resource recovery, energy conservation or energy efficiency projects shall be in furtherance of applicable federal and state standards and regulations.


260.020. **Membership of authority, appointed how, terms, quorum.** The authority shall consist of five members appointed by the governor, by and with the consent of the senate. A member’s authority to act shall commence upon receiving the advice and consent of the senate, if the senate is in session, but if the senate is not in session, his authority shall commence immediately upon appointment by the governor, but shall terminate if advice and consent is not received thirty calendar days after the senate convenes. If advice and consent is not given, such person shall not be reappointed by the governor to the authority. Not more than three members of the authority shall be members of the same political party. All members shall be residents of the state of Missouri. The members of the authority first appointed shall continue in office for terms expiring on January 22, 1974, January 22, 1975, and January 22, 1976, the term of each member to be designated by the governor. The successor of each member shall be appointed for a term of three years, but any person appointed to fill a vacancy shall be appointed to serve only for the unexpired term. Members of the authority shall be eligible for reappointment. Three members of the authority shall constitute a quorum and the affirmative vote of three members shall be necessary for any action by the authority. Advice and consent may be withdrawn with regard to any member of the board upon a vote of a majority of the elected members of the senate.


260.025. **Officers, how selected.** The authority shall elect one of its members as chairman and another as vice chairman and shall appoint a secretary and a treasurer, which offices may be combined, and who need not be members of the authority.

(L. 1972 H.B. 1041 § 5)

Effective 1-22-73

260.030. **Compensation and expenses.** Each member of the authority shall be entitled to compensation of twenty-five dollars per diem, plus their reasonable and necessary expenses actually incurred in discharging their duties under the provisions of sections 260.005 to 260.090.

(L. 1972 H.B. 1041 § 6)

Effective 1-22-73

260.035. **Powers of authority.**

1. The authority is hereby granted and may exercise all powers necessary or appropriate to carry out and effectuate its purposes pursuant to the provisions of sections 260.005 to 260.125, including, but not limited to, the following:

   (1) To adopt bylaws and rules after having held public hearings thereon for the regulation of its affairs and the conduct of its business;

   (2) To adopt an official seal;

   (3) To maintain a principal office and such other offices within the state as it may designate;

   (4) To sue and be sued;

   (5) To make and execute leases, contracts, releases, compromises and other instruments necessary or convenient for the exercise of its powers or to carry out its purposes;

   (6) To acquire, construct, reconstruct, enlarge, improve, furnish, equip, maintain, repair, operate, lease, finance and sell equipment, structures, systems and projects and to lease the same to any private person, firm, or corporation, or to any public body, political subdivision or municipal corporation. Any such lease may provide for the construction of the project by the lessee;

   (7) To issue bonds and notes as hereinafter provided and to make, purchase, or participate in the purchase of loans or municipal obligations and to guarantee loans to finance the acquisition, construction, reconstruction, enlargement, improvement, furnishing, equipping, maintaining, repairing, operating or leasing of a project;
(8) To invest any funds not required for immediate disbursement in obligations of the state of Missouri or of the United States or any agency or instrumentality thereof, or in bank certificates of deposit; provided, however, the foregoing limitations on investments shall not apply to proceeds acquired from the sale of bonds or notes which are held by a corporate trustee pursuant to section 260.060;

(9) To acquire by gift or purchase, hold and dispose of real and personal property in the exercise of its powers and the performance of its duties hereunder;

(10) To employ managers and other employees and retain or contract with architects, engineers, accountants, financial consultants, attorneys and such other persons, firms or corporations who are necessary in its judgment to carry out its duties, and to fix the compensation thereof;

(11) To receive and accept appropriations, bequests, gifts and grants and to utilize or dispose of the same to carry out its purposes pursuant to the provisions of sections 260.005 to 260.125;

(12) To engage in research and development with respect to pollution control facilities and solid waste or sewage disposal facilities, and water facilities, resource recovery facilities and the development of energy resources;

(13) To collect rentals, fees and other charges in connection with its services or for the use of any project hereunder;

(14) To sell at private sale any of its property or projects to any private person, firm or corporation, or to any public body, political subdivision or municipal corporation on such terms as it deems advisable, including the right to receive for such sale the note or notes of any such person to whom the sale is made. Any such sale shall provide for payments adequate to pay the principal of and interest and premiums, if any, on the bonds or notes issued to finance such project or portion thereof. Any such sale may provide for the construction of the project by the purchaser of the project;

(15) To make, purchase or participate in the purchase of loans to finance the development and marketing of:

(a) Means of energy production utilizing energy sources other than fossil or nuclear fuel, including, but not limited to, wind, water, solar, biomass, solid waste, and other renewable energy resource technologies;

(b) Fossil fuels and recycled fossil fuels which are indigenous energy resources produced in the state of Missouri, including coal, heavy oil, and tar sands; and

(c) Synthetic fuels produced in the state of Missouri;

(16) To insure any loan, the funds of which are to be used for the development and marketing of energy resources as authorized by sections 260.005 to 260.125;

(17) To make temporary loans, with or without interest, but with such security for repayment as the authority deems reasonably necessary and practicable, to defray development costs of energy resource development projects;

(18) To collect reasonable fees and charges in connection with making and servicing its loans, notes, bonds and obligations, commitments, and other evidences of indebtedness made, issued or entered into to develop energy resources, and in connection with providing technical, consultative and project assistance services in the area of energy development. Such fees and charges shall be limited to the amounts required to pay the costs of the authority, including operating and administrative expenses, and reasonable allowance for losses which may be incurred;

(19) To enter into agreements or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization to carry out the provisions of sections 260.005 to 260.125;

(20) To sell, at public or private sale, any mortgage and any real or personal property subject to that mortgage, negotiable instrument, or obligation securing any loan;

(21) To procure insurance against any loss in connection with its property in such amounts, and from such insurers, as may be necessary or desirable;

(22) To consent to the modification of the rate of interest, time of payment for any installment of principal or interest, or any other terms, of any loan, loan commitment, temporary loan, contract, or agreement made directly by the authority;

(23) To make and publish rules and regulations concerning its lending, insurance of loans, and temporary lending to defray development costs, along with such other rules and regulations as are necessary to effectuate its purposes. No rule or portion of a rule promulgated under the authority of sections 260.005 to 260.125 shall become effective unless it has been promulgated pursuant to the provisions of section 536.024, RSMo;

(24) To borrow money to carry out and effectuate its purpose in the area of energy resource development and to issue its negotiable bonds or notes as evidence of any such borrowing in such principal amounts and upon such terms as shall be determined by the authority, and to secure such bonds or notes by the pledge of revenues, mortgages, or notes of others as authorized by sections 260.005 to 260.125.

2. The authority shall develop a hazardous waste facility if the study required in section 260.037 demonstrates that a facility is economically feasible. The facility, which shall not include a hazardous waste landfill, may be operated by any eligible party as specified in this section. The authority shall begin development of the facility by July 1, 1985.

As of August 28, 2005
260.037. Feasibility of state ownership of hazardous waste and recovery facilities, duties.

1. The environmental improvement and energy resources authority shall study the feasibility of a state owned hazardous waste treatment and resource recovery facility. The authority shall:

   (1) Identify the treatment and resource recovery technologies suitable for such a facility;

   (2) Determine the optimum areas for the siting of the facility;

   (3) Assess the use of economic incentives to local communities; and

   (4) Determine whether a state owned facility would be economically feasible.

2. The environmental improvement and energy resources authority may contract with any person and cooperate with any department of state government to meet its obligations under this section. The authority shall report its findings before January 1, 1985, to the department of natural resources and the general assembly.

   (L. 1983 H.B. 528 § 2)

   Effective 6-27-83

260.038. Resource recovery potential, study of, report.

1. The environmental improvement and energy resources authority shall conduct a study of resource recovery potential for the state of Missouri. Such study shall, at a minimum:

   (1) Determine the amount of solid waste produced and current disposal methods;

   (2) Determine the potential markets for resource recovery materials;

   (3) Evaluate existing state laws and policies which discourage or encourage resource recovery; and

   (4) Identify optimum market conditions necessary to make resource recovery economically feasible in this state.

2. The authority shall report its findings and recommendations to the general assembly, the governor, the department of natural resources and the department of economic development no later than January 1, 1988.

   (L. 1986 S.B. 475)

260.040. Revenue bonds, issued when--sale, limitations--procedure--rate.

The authority may at any time issue revenue bonds for the purpose of paying any part of the cost of any project or part thereof. Every issue of its bonds shall be payable out of the revenues of the authority which may be pledged for such payment, without preference or priority of the first bonds issued, subject to any agreement with the holders of any other bonds or pledging any specified revenues. The bonds shall be authorized by resolution of the authority, shall bear such date or dates, and shall mature at such time or times, but not in excess of forty years, as the resolution shall specify. The bonds shall be in such denomination, bear interest at such rate, be in such form, either coupon or registered, be issued in such manner, be payable in such place or places and be subject to redemption as such resolution may provide. The bonds of the authority may be sold at public or private sale, as hereafter provided, at such price or prices as the authority shall determine, but at not less than ninety-five percent of the principal amount thereof and at such interest rate as the authority shall determine. Such bonds shall be sold at public sale or, if the authority determines it is in the best interest of the authority, at private sale. The reason or reasons why private sale is in the best interest of the authority shall be set forth in the order or resolution authorizing the private sale. The decision of the authority shall be conclusive.


   Effective 4-30-82

260.045. Notes issued when, how sold.

The authority may issue notes payable from the proceeds of bonds to be issued in the future or from such other sources as the authority may specify as in the case of bonds. Such notes shall mature in not more than five years and shall be sold at public or private sale as the authority may
specify at not less than ninety-five percent of the principal amount thereof and at such interest rate as the authority shall determine. The other
details with respect to such notes shall be determined by the authority as in the case of bonds.


260.050. Renewal notes or refunding bonds issued when. The authority may from time to time issue renewal notes or refund any bonds by the
issuance of refunding bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partially to refund bonds then
outstanding and partially for any other purpose. Renewal notes or refunding bonds may be sold at public or private sale and the proceeds applied
to the purchase, redemption, or payment of the notes or bonds to be refunded.

(L. 1972 H.B. 1041 § 10)
Effective 1-22-73

260.055. Resolution authorizing notes or bonds, contents of. Any resolution authorizing any notes or bonds may contain such provisions,
covenants and agreements subject to any provisions, covenants and agreements with the holders of bonds or notes then outstanding as the
authority determines necessary. Such provisions, covenants and agreements may include but shall not be limited to:

(1) Pledging of all or any part of the revenues of the authority, or any part thereof, to secure the payment of the notes or bonds or of any issue
thereof;

(2) The use and disposition of the revenues of the authority or any part thereof;

(3) The fixing of rents, fees and other charges and the pledging of the same and of the revenues of the authority so that the same will be sufficient
to pay the cost of operation, maintenance and repair of any project and the principal of and interest on notes or bonds secured by the pledge of
such revenues;

(4) Establishing reasonable reserves to secure the payment of such notes or bonds;

(5) Limitations on the issuance of additional notes or bonds and the terms upon which the same may be issued and secured.

(L. 1972 H.B. 1041 § 11)
Effective 1-22-73

260.060. Resolution may provide for trust agreements. A resolution of the authority authorizing the issuance of any notes or bonds or any
issue thereof may provide that such notes or bonds shall be secured by a trust agreement between the authority and a corporate trustee, vesting in
such trustee such property, rights, powers and duties in trust as the authority may determine. Any such trust agreement may pledge or assign the
revenues of the authority or any part thereof, to secure the payment of any notes or bonds. Any such trust agreement may contain such provisions
for protecting and enforcing the rights and remedies of the noteholders or bondholders as may be reasonable and proper, including covenants
relating to the acquisition and construction of projects and the maintenance, repair and operation thereof, the rentals and other charges to be
imposed for the use of any project, the custody and application of all moneys relating thereto. Such trust agreement may contain such other
provisions as the authority determines reasonable and necessary for the security of the noteholders and bondholders. All expenses incurred in
carrying out the provisions of any such trust agreement may be considered as a part of the cost of the operation of the project.

(L. 1972 H.B. 1041 § 12)
Effective 1-22-73

260.065. Notes and bonds not an indebtedness of the state. Notes and bonds issued hereunder shall not constitute an indebtedness of the state
and the state shall not be liable on such bonds and notes and the form of such bonds and notes shall contain a statement to such effect.


260.070. Notes and bonds approved as investments--who may invest. The notes and bonds of the authority are securities in which all public
officers and bodies of this state and all municipalities and municipal subdivisions, all insurance companies and associations and other persons
carrying on an insurance business, all banks, trust companies, savings associations, savings and loan associations, investment companies, all
administrators, guardians, executors, trustees, and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized
to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

(L. 1972 H.B. 1041 § 14)
Effective 1-22-73

As of August 28, 2005
260.075. Projects subject to taxation--notes, bonds and their income tax free, exceptions. Projects acquired, constructed, reconstructed, enlarged, improved, furnished, equipped, maintained, repaired, operated, leased, financed or sold by the authority pursuant to sections 260.005 to 260.090 shall be subject to all real and tangible personal property taxes and assessments of the state of Missouri, or any county, municipality, or any governmental subdivision thereof. The notes and bonds of the authority and the income therefrom shall at all times be exempt from taxation, except for death and gift taxes and taxes on transfers.

(L. 1972 H.B. 1041 § 15)
Effective 1-22-73

260.080. Funds of authority not to be distributed to members or private persons, except for compensation for services. No part of the funds of the authority shall inure to the benefit of or be distributable to its members or other private persons except that the authority is authorized and empowered to pay reasonable compensation for services rendered as herein provided for.

(L. 1972 H.B. 1041 § 16)
Effective 1-22-73

260.085. Termination or dissolution, property to pass to state. Upon termination or dissolution, all rights and properties of the authority shall pass to and be vested in the state of Missouri, subject to the rights of noteholders, bondholders, and other creditors.

(L. 1972 H.B. 1041 § 17)
Effective 1-22-73

260.090. Proposed expenditure of federal funds in coming fiscal year requires itemized report to appropriations and the oversight division, committee on legislative research. On or before the first Wednesday after the first Monday in January of each year, if the state environmental improvement and energy resources authority desires to receive and expend moneys from the federal government in the next fiscal year of the state, the authority shall submit to the senate appropriations committee, the house appropriations committee and the oversight division of the committee on legislative research an itemization of all federal funds to be received, including the federal source thereof and plans including the expenditure of such funds.

Effective 4-30-82

260.095. Contracts between authority and political subdivisions, purpose. Any municipality, public body, political subdivision or municipal corporation may enter into leases, contracts, releases, compromises and loan agreements with the authority for the purpose of developing energy resources or preventing or reducing pollution or the disposal of solid waste or sewage or providing water facilities or resource recovery facilities.

(L. 1985 H.B. 807)

260.100. Authority member not personally liable on notes or bonds issued. No member of the state environmental improvement and energy resources authority or any authorized person executing any notes or bonds authorized under sections 260.005 to 260.125 shall be liable personally on the notes or bonds or be subject to any personal liability or accountability by reason of the issuance of such notes or bonds.

Effective 4-30-82

260.110. Statutory conflicts, which prevails. The provisions of sections 260.005 to 260.125 shall prevail in the case of any conflict between sections 260.005 to 260.125 and any other provision of law, but any powers, duties and functions granted under the provisions of sections 260.005 to 260.125 shall be deemed to be in addition to and not in derogation of any power, duty or function granted under the provisions of any other law.

Effective 4-30-82

260.115. Loans for energy resource development, requirements--fee charged, when--deposit in and use of energy resources insured loan fund.
1. All loans authorized under section 260.035 for the development of energy resources shall be made only upon determination by the authority that loans are not otherwise available, either wholly or in part, from private lenders upon reasonably equivalent terms and conditions. No commitment for a loan shall be made unless all plans for development have been completed and submitted to and found to be satisfactory by the authority.

2. The authority shall charge a reasonable fee on all loans not federally insured to insure such loans. The proceeds of such fees shall be deposited in a separate fund to be known as the “Energy Resources Insured Loan Fund”. The provisions of section 33.080, RSMo, to the contrary notwithstanding, money in this fund shall not be transferred and placed to the credit of general revenue. This fund shall be deposited when received in a bank approved for deposit of state funds. No moneys shall be withdrawn from the fund unless it is to be used for the purchase of loan insurance or to pay for any losses on such loans.

(L. 1982 S.B. 506)
Effective 4-30-82

260.120. Interest rate on loans.

1. The authority may set, from time to time, the interest rates at which it shall make loans, keeping its interest rates at the lowest level consistent with its cost of operation and its responsibilities to the holders of its bonds, bond anticipation notes, and other responsibilities.

2. The ratio of loan to project cost and the amortization period of loans made by the authority shall be determined in accordance with regulations promulgated by the authority.

(L. 1982 S.B. 506)
Effective 4-30-82

260.125. Severability.

1. If any provision of sections 260.005 to 260.125 is found by a court of competent jurisdiction to be unconstitutional, the remaining provisions of sections 260.005 to 260.125 are valid unless the court finds the valid provisions of the statute are so essentially and inseparably connected with, and so dependent upon, the valid provision that the valid provisions, standing alone, are incomplete and are incapable of being executed. It is the intent of the Missouri general assembly that the valid provisions of sections 260.005 to 260.125 shall remain valid so long as they can so stand alone.

2. General revenue funds shall not be used to carry out the provisions of sections 260.005 to 260.125.

(L. 1982 S.B. 506)
Effective 4-30-82
348.005. Law, how cited. Sections 348.005 to 348.180 shall be known and may be cited as the “Missouri Agricultural and Small Business Development Loan Act”.

(L. 1981 H.B. 681 § 1)

348.010. Purposes.

1. It is hereby found and declared that:

(1) The high and increasing cost of agricultural land, improvements, and equipment creates an urgent demand for financing which is not available in the amounts needed and at reasonable interest rates in the present market, and the inability on the part of persons engaged in agriculture to acquire modern agricultural property at reasonable financing costs makes it difficult for such persons to continue their operations at present levels; and

(2) Such inability to continue agricultural operations decreases employment and results in unemployment and its attendant problems; and

(3) That environmental damage, resulting from air, water, and other pollution and from public water supply, solid waste disposal, noise and other environmental problems, seriously endangers the public health and welfare; and

(4) That the high cost of financing capital improvements and the need to comply with environmental quality standards impose a heavy economic burden on small business in this state; and

(5) That it is desirable to provide small business with additional and alternative methods of financing the costs of acquisition and installation of the devices, equipment, and facilities required to comply with the quality standards which have been established to reduce, control, and prevent pollution and related problems; and

(6) That the viability of small business is threatened by the high cost of obtaining funds to meet general capital improvement programs and that the continued existence of small business enterprise in this state is desirable and necessary for the maintenance and expansion of employment opportunities in and the preservation of the economic well-being of this state; and

(7) It is necessary, desirable, and in the best interest of the citizens of this state that provision be made for the establishment of a public corporation to promote the development of agriculture and small business and to reduce, control, and prevent environmental damage in this state by making available to persons engaged in agriculture in this state and to small businesses located in this state, at interest rates lower than would be otherwise obtainable, funds for use in agriculture operations or for use in the reduction, control, and prevention of environmental damage or, in the case of small businesses, for use in general capital improvement programs, and to vest such corporation with all powers that may be necessary to enable it to accomplish such purposes; and

(8) It is the intent of the general assembly that such public corporation shall give special consideration to small business, as defined in sections 348.005 to 348.180, in authorizing the issuance of bonds for the financing of agricultural property or pollution control facilities in order to assist small business in assuming the economic burdens imposed by the required financing of such agricultural property or pollution control facilities.

2. Sections 348.005 to 348.180 shall be liberally construed to accomplish the intentions expressed in this section.

(L. 1981 H.B. 681 § 2)

348.015. Definitions.

As used in sections 348.005 to 348.225, the following terms shall mean:

(1) “Agricultural development loan”, a loan for the acquisition, construction, improvement, or rehabilitation of agricultural property;

(2) “Agricultural property”, any land and easements and real and personal property, including, but not limited to, buildings, structures, improvements, equipment, and livestock, which is used or is to be used in Missouri by Missouri residents for:

(a) The operation of a farm or ranch;

(b) Planting, cultivating, or harvesting cereals, natural fibers, fruits, vegetables, or trees;

(c) Grazing, feeding, or the care of livestock, poultry, or fish;

(d) Dairy production;
(e) Storing, transporting, or processing farm and ranch products, including, without limitation, facilities such as grain elevators, cotton gins, shipping heads, livestock pens, warehouses, wharfs, docks, creameries, or feed plants; and

(f) Supplying and conserving water, draining or irrigating land, collecting, treating, and disposing of liquid and solid waste, or controlling pollution, as needed for the operations set out in this subdivision;

(3) “Authority”, the Missouri agricultural and small business development authority organized pursuant to the provisions of sections 348.005 to 348.180;

(4) “Bonds”, any bonds, notes, debentures, interim certificates, bond, grant, or revenue anticipation notes, or any other evidences of indebtedness;

(5) “Borrower”, any individual, partnership, corporation, including a corporation or other entity organized pursuant to section 274.220, RSMo, firm, cooperative, association, trust, estate, political subdivision, state agency, or other legal entity or its representative executing a note or other evidence of a loan;

(6) “Eligible borrower”, a borrower qualifying for an agricultural development loan, a small business development loan, or a small business pollution control facility loan under such criteria and priorities as may be established in rules of the authority or in procedural manuals issued thereunder for the purpose of directing the use of available loan funds on the basis of need for and value of each loan for the maintenance of the agricultural economy or small business and on the meeting of pollution control objectives and assuring conformity with conditions established by insurers or guarantors of loans and the preservation of the security of bonds or notes issued to finance the loan;

(7) “Insurer” or “guarantor”, the Farmers Home Administration of the Department of Agriculture of the United States, the United States Small insurers or guarantors of loans and the preservation of the security of bonds or notes issued to finance the loan;

(10) “Pollution control facility” or “facilities”, any land, interest in land, building, structure, facility, system, fixture, improvement, appurtenance, machinery, equipment, or any combination thereof, and all real and personal property deemed necessary therewith, having to do with, or the end purpose of which is, reducing, controlling, or preventing pollution;

(11) “Small business”, those enterprises which, at the time of their application to the authority, meet the criteria, as interpreted and applied by the authority, for definition as a “small business” established for the Small Business Administration and set forth in Section 121.301 of Part 121 of Title 13 of the Code of Federal Regulations;

(12) “Small business development loan”, a loan for the acquisition, construction, improvement, or rehabilitation of property owned or to be acquired by a small business as defined herein;

(13) “Small business pollution control facility loan”, a loan for the acquisition, construction, improvement, or rehabilitation of a pollution control facility or facilities by a small business;

(14) “Value-added agricultural products”, any product or products that are the result of:

(a) Using an agricultural product grown in this state to produce a meat or dairy product in this state;

(b) A change in the physical state or form of the original agricultural product;

(c) An agricultural product grown in this state whose value has been enhanced by special production methods such as organically grown products; or

(d) A physical segregation of a commodity or agricultural product grown in this state that enhances its value such as identity preserved marketing systems.


348.020. Authority created--powers to vest in commission--commissioners, number, appointment, qualifications. There is hereby created, with such duties and powers as are set forth in sections 348.005 to 348.415 to carry out the provisions hereof, a body politic and corporate, an independent instrumentality exercising essential public functions, to be known as the “Missouri Agricultural and Small Business Development Authority”. The powers of the authority shall be vested in seven commissioners, who shall be residents of this state, to be appointed by the governor, by and with the advice and consent of the senate, except that the director of the department of agriculture shall serve as a member of the authority as an ex officio member. Not more than four of the commissioners shall be of the same political party.
348.025. Commission members, who may serve. Notwithstanding the provisions of any other law to the contrary:

(1) No officer or employee of this state shall be deemed to have forfeited or shall forfeit his office or employment by reason of his acceptance of membership on the authority or his service thereto;

(2) It shall not constitute a conflict of interest for a director, officer, or employee of any financial institution, investment banking firm, brokerage firm, commercial bank or trust company, architectural firm, insurance company, or any other firm, person, or corporation, to serve as a member of the authority, provided such trustee, director, officer, or employee shall abstain from deliberation, action, and vote by the authority in each instance where the business affiliation or public office association of any such trustee, director, officer, or employee is involved.

(L. 1981 H.B. 681 § 5)

348.030. Commissioners' terms. The commissioners shall serve five-year terms, with each term beginning July first and ending on June thirtieth; except, that of the commissioners first appointed, one shall be appointed for a term of two years, two shall be appointed for a term of three years, two shall be appointed for a term of four years, and two shall be appointed for a term of five years. Each commissioner appointed thereafter shall be appointed for a term ending five years from the date of expiration of the term for which his predecessor was appointed; except, that a person appointed to fill a vacancy prior to the expiration of such a term shall be appointed for the remainder of the term. No commissioner appointed pursuant to sections 348.005 to 348.180 by the governor shall serve more than two consecutive full terms. Each commissioner shall hold office for the term of his appointment and until his successor shall have been appointed and qualified.

(L. 1981 H.B. 681 § 6)

348.035. Bond required for commissioners, executive director and employees, cost. Before entering into his duties, each commissioner of the authority shall execute a surety bond in the penal sum of fifty thousand dollars, and the executive director shall execute a surety bond in the penal sum of one hundred thousand dollars or, in lieu thereof, the chairman of the authority shall execute a blanket bond covering all members, the executive director, and the employees or other officers of the authority, each surety bond to be conditioned upon the faithful performance of the duties of the office or offices covered, to be executed by a surety company authorized to transact business in this state as surety and to be approved by the attorney general and filed in the office of the secretary of state. The cost of each such bond shall be paid by the authority.

(L. 1981 H.B. 681 § 7)

348.040. Removal of commissioners from office, procedure. A commissioner shall be removed from office by the governor for misfeasance, malfeasance, or willful neglect of duty or other cause after notice and public hearing, unless such notice or hearing shall be expressly waived in writing.

(L. 1981 H.B. 681 § 8)

348.045. Officers, terms. The commissioners shall annually elect from among their number a chairman and a vice chairman, and such other officers as they may deem necessary.

(L. 1981 H.B. 681 § 9)

348.050. Meetings, quorum--actions by resolution, requirements. Meetings shall be held at the call of the chairman or whenever two commissioners so request. Four commissioners of the authority shall constitute a quorum, and any action taken by the authority under the provisions of sections 348.005 to 348.180 may be authorized by resolution approved by a majority, but not less than four, of the commissioners present at any regular or special meeting. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the authority.

(L. 1981 H.B. 681 § 10)

348.055. Expenses of commission, no compensation to be paid. Commissioners shall receive no compensation for the performance of their duties under sections 348.005 to 348.180, but each commissioner shall be reimbursed from the funds of the authority for his actual and necessary expenses incurred in carrying out his official duties under sections 348.005 to 348.180.

(L. 1981 H.B. 681 § 11)
348.060. **Employees, appointment, qualifications, compensation—executive director to be secretary.** The commissioners shall employ an executive director. The executive director shall be the secretary of the authority and shall administer, manage, and direct the affairs and business of the authority, subject to the policies, control, and direction of the commissioners. The commissioners may employ technical experts and such other officers, agents, and employees as they deem necessary, and may fix their qualifications, duties, and compensation. The executive director and all other employees of the authority shall be state employees and eligible for all corresponding benefits. The commissioners may delegate to the executive director, or to one or more of its agents or employees, such powers and duties as it may deem proper.


Effective 7-2-99

348.065. **Secretary’s duties.** The secretary shall keep a record of the proceedings of the authority and shall be custodian of all books, documents, and papers filed with the authority and of its minute book and seal. He shall have the authority to cause to be made copies of all minutes and other records and documents of the authority and to give certificates, under the seal of the authority, to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates. Resolutions of the authority need not be published or posted unless the authority shall so direct.

(L. 1981 H.B. 681 § 13)

348.070. **Powers of authority.**

1. The authority shall have all of the powers necessary and convenient to carry out and effectuate the purposes and provisions of sections 348.005 to 348.180, including, but not limited to, the power to:

   (1) Sue and be sued in its own name;

   (2) Have an official seal and alter the same at pleasure;

   (3) Have perpetual succession; and

   (4) Maintain an office at such place or places within this state as it may designate.

2. For purposes of effectuating its public purposes, the authority may:

   (1) Borrow money and issue bonds as provided in sections 348.005 to 348.180;

   (2) Procure insurance or guarantees from any public or private entities, including any department, agency, or instrumentality of the United States, for payment of any bonds issued by the authority, including the power to pay premiums on any such insurance;

   (3) Receive and accept from any source aid or contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of sections 348.005 to 348.180, subject to the conditions upon which the grants or contributions are made, including, but not limited to, gifts or grants from any department, agency, or instrumentality of the United States for any purpose consistent with sections 348.005 to 348.180;

   (4) Enter into agreements with any department, agency, or instrumentality of the United States or this state, or with any lender, and into loan agreements, sales contracts, and leases with contracting parties, for the purpose of planning, regulating, and providing for the financing and refinancing of any agricultural property and pollution control facilities or general property for small businesses;

   (5) Enter into contracts or agreements with lenders for the servicing and processing of loans pursuant to sections 348.005 to 348.180;

   (6) Provide technical assistance to local public bodies and to profit and not-for-profit entities in the development or operation of agricultural enterprises and pollution control facilities for small businesses;

   (7) To the extent permitted under its contract with the holders of bonds of the authority, consent to any modification with respect to the rate of interest, time and payment of any installment of principal or interest, or any other term of any contract, loan, loan note, loan note commitment, contract, lease, or agreement of any kind to which the authority is a party; and

   (8) To the extent permitted under its contract with the holders of bonds of the authority, enter into contracts with any lender containing provisions enabling it to reduce the rental or carrying charges to persons unable to pay the regular schedule of charges when, by reason of other income or payment by any department, agency, or instrumentality of the United States or of this state, the reduction can be made without jeopardizing the economic stability of the agricultural property being financed.

3. In addition to the powers specifically enumerated under the provisions of sections 348.005 to 348.180, the authority shall have the power to do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in sections 348.005 to 348.180.

(L. 1981 H.B. 681 §§ 14, 16, 22)
348.075. Rules and regulations, promulgation, procedure. The authority shall have the power, as necessary or convenient to carry out and effectuate the purposes and provisions of sections 348.005 to 348.180. Any rule or portion of a rule promulgated under the authority of sections 348.005 to 348.180 shall become effective only if it has been promulgated in compliance with the provisions of chapter 536, RSMo, as it may be amended from time to time.


*Rulemaking authority, effective when, null and void, when, see RSMo 348.426.

348.080. Duties of authority. The authority shall have the following duties:

1. To invest any funds not needed for immediate disbursement, including any funds held in reserve, in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States or any agency of the United States, obligations issued by agencies of the United States, obligations of this state, or any obligations or securities which may from time to time be legally purchased by political subdivisions of this state, or unsecured promissory notes of national banking associations having the highest investment rating;

2. To collect fees and charges, as the authority determines to be reasonable, in connection with its loans, advances, insurance, commitments, and servicing;

3. To cooperate with and exchange services, personnel, and information with any federal, state, or local governmental agency;

4. To sell, at public or private sale, with or without public bidding, any loan or other obligation held by the authority, and

5. To do any act necessary or convenient to the exercise of the powers granted by sections 348.005 to 348.180 or reasonably implied from the provisions of sections 348.005 to 348.180.

(L. 1981 H.B. 681 § 17)

CROSS REFERENCES: Bi-state development agency, bonds of, investment in authorized, RSMo 70.377 Multinational banks, securities and obligations of, investment in, when, RSMo 409.950 Savings accounts in insured savings and loan associations, investment in authorized, RSMo 369.194

348.085. Cooperation with federal and state agencies. The authority shall have the power, as necessary or convenient to carry out and effectuate the purposes and provisions of sections 348.005 to 348.180, to enter into agreements or other transactions with, and accept grants and the cooperation of, the United States or any agency or instrumentality thereof or of this state or any agency or instrumentality thereof, in furtherance of the purposes of sections 348.005 to 348.180, and to do any and all things necessary in order to avail itself of such aid and cooperation.

(L. 1981 H.B. 681 § 18)

348.090. Additional powers of authority. The authority shall have the power, as necessary or convenient to carry out and effectuate the purposes and provisions of sections 348.005 to 348.180, to:

1. Make contracts with the state or any governmental agency or political subdivision thereof, the federal government, public corporations or bodies, and private corporations or individuals in furtherance of the purposes of sections 348.005 to 348.180; and

2. Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under sections 348.005 to 348.180; and

3. Receive and accept aid or contributions, from any source, of money, property, labor, or other things of value, to be held, used, and applied to carry out the purposes of sections 348.005 to 348.180, subject to such conditions upon which such grants and contributions may be made;

4. Borrow money and issue bonds, notes, and other evidences of indebtedness thereof, as provided in sections 348.005 to 348.180;

5. Include in any borrowing such amounts as may be deemed necessary by the authority to establish reserves and to pay financing charges, interest on the obligations for a period not exceeding three years from the date of issuance of such obligations, consultant, advisory, and legal fees, and such other expenses as are necessary or incidental to such borrowing;

6. Procure, or agree to the procurement of, insurance or guarantees from the federal government for the payment of any bonds, notes, or any other evidences of indebtedness thereof issued by the authority, including the power to pay premiums on any such insurance;

7. Purchase bonds or notes of the authority out of any funds or money of the authority available therefor, and to hold, cancel, or resell such bonds or notes.

(L. 1981 H.B. 681 § 19)
348.095. Termination of authority, rights and property to vest in state —exceptions. Upon termination or dissolution, all rights and properties of the authority shall pass to and be vested in the state of Missouri, subject to the rights of noteholders, bondholders, and other creditors.

(L. 1981 H.B. 681 § 20)

348.100. Loans, authority may purchase or participate, requirements. The authority may purchase agricultural development loans, small business development loans, and small business pollution control facilities loans originated by lenders, or may participate with lenders in making such loans, and may enter into commitments to lenders for such purchase or participation, provided that, as to each loan:

1. The authority shall have the power, from time to time, to issue notes to renew notes and bonds to pay notes, including the interest thereon, and,

2. Bonds or notes may be issued under the provisions of sections 348.005 to 348.180 without obtaining the consent of any department, division, commission, board, body, bureau, or agency of this state, and without any other proceedings or the happening of any conditions or things other than those proceedings, conditions, or things which are specifically required by sections 348.005 to 348.180 and by the provisions of the resolution authorizing the issuance of such bonds or notes, or the trust agreement securing the same.

(L. 1981 H.B. 681 § 21)

348.110. Bond issues and notes authorized. The authority may issue from time to time its negotiable notes and bonds in such principal amount as it shall determine to be necessary to provide sufficient funds for achieving its corporate purposes, including the payment of interest on notes and bonds of the authority, establishment of reserves to secure such notes and bonds including any reserve funds, and all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers.

(L. 1981 H.B. 681 § 23)

348.115. Obligations not debt of the state or political subdivision—payable only from revenues or assets of authority. Obligations issued under the provisions of sections 348.005 to 348.180 shall not constitute a debt, liability, or obligation of this state or of any political subdivision of this state, nor shall any such obligation be a pledge of the faith and credit of the state or of any political subdivision of the state, but shall be payable solely from the revenues or assets of the authority. The issuance of bonds under sections 348.005 to 348.180 shall not, directly or indirectly, or contingently, obligate the state or any political subdivision thereof to levy any form of taxation therefore or to make any appropriation for their payment. Each obligation issued under sections 348.005 to 348.180 shall contain on the face thereof a statement to the effect that the authority shall not be obligated to pay the same nor the interest thereon except from the revenues or assets pledged therefor, and that neither the faith and credit nor the taxing power of this state or of any political subdivision of this state is pledged to the payment of the principal of or the interest on such obligation.

(L. 1981 H.B. 681 § 24)

348.120. Note issue and renewal—bond issues and refunding authorized.

1. The authority shall have the power, from time to time, to issue notes to renew notes and bonds to pay notes, including the interest thereon, and, whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for any of its corporate* purposes.

2. Bonds or notes may be issued under the provisions of sections 348.005 to 348.180 without obtaining the consent of any department, division, commission, board, body, bureau, or agency of this state, and without any other proceedings or the happening of any conditions or things other than those proceedings, conditions, or things which are specifically required by sections 348.005 to 348.180 and by the provisions of the resolution authorizing the issuance of such bonds or notes, or the trust agreement securing the same.

(L. 1981 H.B. 681 §§ 25, 26)

*Original rolls have word “corporation”.

348.125. Notes and bond issues to be authorized by resolution containing terms. The notes and bonds shall be authorized by resolution of the authority, shall bear such date or dates and shall mature at such time or times as such resolution may provide; except, that no bond shall mature more than fifty years from the date of its issue. The bonds may be issued as serial bonds payable in annual installments or as term bonds, or as a combination thereof. The notes and bonds shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon

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or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places within or without the state, and be subject to such terms of redemption as such resolution may provide. The notes and bonds of the authority may be sold by the authority, at public or private sale, at such price as the authority shall determine.

(L. 1981 H.B. 681 § 27)

348.130. Pledges of authority to be liens on all authority assets. Any pledge made by the authority shall be valid and binding from the time when the pledge is made. The revenues, moneys, or property so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether such parties have notice thereof.

(L. 1981 H.B. 681 § 28)

348.135. Facsimile signatures, validity. In case any of the commissioners, executive director, or officers of the authority whose signatures or facsimile signatures appear on any notes, bonds, or coupons shall cease to be such commissioners, executive director, or officers before the delivery of such notes or bonds, such signatures or facsimile signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners, directors, or officers had remained in office until such delivery.

(L. 1981 H.B. 681 § 29)

348.140. Redemption of notes and bonds—powers—price. The authority, subject to such agreement with noteholders or bondholders as may then exist, shall have the power, out of any funds available therefor, to purchase notes or bonds of the authority, which shall thereupon be canceled, at a price not exceeding:

(1) If the notes or bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment thereon; or

(2) If the notes or bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the notes or bonds become subject to redemption plus accrued interest to such date.

(L. 1981 H.B. 681 § 30)

348.145. Issuance of refunding obligations—terms, how determined. The authority may provide for the issuance of refunding obligations for the purpose of refunding any obligations then outstanding which have been issued under the provisions of sections 348.005 to 348.180, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such obligations and for any corporate purpose of the authority. The issuance of such obligations, the maturities and other details thereof, the rights of the holders thereof, and the rights, duties, and obligations of the authority in respect to the same shall be governed by the provisions of sections 348.005 to 348.180 which relate to the issuance of obligations, insofar as such provisions may be appropriate therefor.

(L. 1981 H.B. 681 § 31)

348.150. Sale or exchange of refunding obligation, proceeds, purposes and investments authorized. Refunding obligations issued as provided in section 348.145 may be sold or exchanged for outstanding obligations issued under sections 348.005 to 348.180 and, if sold, the proceeds thereof may be applied, in addition to any other authorized purposes, to the purchase, redemption, or payment of such outstanding obligations. Pending the application of the proceeds of any such refunding obligations, with any other available funds, to the payment of the principal, accrued interest, and any redemption premium on the obligations being refunded, and, if so provided or permitted in the resolution authorizing the issuance of such refunding obligations or in the trust agreement securing the same, to the payment of any interest on such refunding obligations and any expenses in connection with such refunding, such proceeds may be invested in direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by the United States government, or any agency thereof, which shall mature or which shall be subject to redemption by the holders thereof, at the option of such holders, not later than the respective dates when the proceeds, together with the interest accruing thereon, will be required for the purposes intended.

(L. 1981 H.B. 681 § 32)

348.155. Compliance with other state laws regulating bonds, notes, obligations, not required. The issuance of bonds, notes, and other obligations and refunding bonds under the provisions of sections 348.005 to 348.180 need not comply with the requirements of any other state law applicable to the issuance of bonds, notes, and other obligations. No proceedings, notice, or approval shall be required for the issuance of any such bonds, notes, and other obligations, or any instrument as security therefor, except as is provided in sections 348.005 to 348.180.

(L. 1981 H.B. 681 § 33)

348.160. Alteration or impairment of terms, rights and remedies by state, prohibited—face of instruments to contain state pledge. The state does hereby pledge to and agree with the holders of any notes or bonds issued under sections 348.005 to 348.180 that the state shall not limit or alter the rights hereby vested in the authority to fulfill the terms of any agreement made with such holders thereof, nor in any way impair the
rights and remedies of such holders until such notes and bonds, together with the interest thereon and the interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state in any agreement with the holders of such notes or bonds.

(L. 1981 H.B. 681 § 34)

**348.165. Official person executing bonds and notes, no personal liability.** Neither the commissioners, the executive director of the authority, nor any other person executing the notes or bonds of the authority shall be subject to any personal liability or accountability by reason of the issuance thereof.

(L. 1981 H.B. 681 § 35)

**348.170. Bonds and notes of authority deemed negotiable instruments, subject to registration.**

1. Whether or not the notes and bonds are of such form and character as to be negotiable instruments under the terms of the Missouri uniform commercial code, the notes and bonds are hereby made negotiable instruments within the meaning of and for all the purposes of the Missouri uniform commercial code, subject only to the provisions contained in such notes and bonds for registration.

2. Bonds issued by the authority shall be deemed to be securities issued by a public instrumentality and body corporate.

(L. 1981 H.B. 681 §§ 36, 37)

**348.175. Investment powers and limitations of authority.** The authority shall have the power, as necessary or convenient to carry out and effectuate the purposes and provisions of sections 348.005 to 348.180, and subject to any agreement with bondholders or noteholders, to invest moneys of the authority, including proceeds from the sale of any bonds or notes, in:

1. Direct obligations of or obligations guaranteed as to principal and interest by the United States government, or any agency thereof, or by the state of Missouri;


3. Negotiable or nonnegotiable certificates of deposit issued by any bank which is insured by the Federal Deposit Insurance Corporation, or its successor corporation, if then in existence;

4. Any other obligations of this state or of the United States, or any agency or instrumentality of either, which may then be purchased with funds belonging to this state or held in the state treasury; or

5. Such securities and deposit accounts as are permissible for the investment of state public funds by the state treasurer.

(L. 1981 H.B. 681 § 38)

**348.180. Annual report--audit.** The authority shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the governor and the general assembly. Each report shall set forth a complete operating and financial statement for the authority during the fiscal year it covers. At least once in each year, an independent certified public accountant shall audit the books and accounts of the authority.

(L. 1981 H.B. 681 § 39)

**348.181. Records of Missouri agricultural and small business development authority to be closed, when.** Records and documents submitted by program applicants and lenders to the Missouri agricultural and small business development authority relating to financial investments in a business, or sales projections or processes or other business plan information which if released or otherwise made public may endanger the competitiveness of a business, or records and documents submitted to the authority relating to financial assistance that is awarded by the authority, except for the amount and recipient of any loan or grant from a program administered by the authority shall be deemed a closed record as such term is defined in section 610.010, RSMo, may be discussed in a meeting that has been closed pursuant to section 610.022, RSMo, and shall not be subject to the provisions of sections 109.200 to 109.310, RSMo, the state and local records laws. Such records and documents may be released by the authority upon written approval by the applicant.

(L. 1998 H.B. 950 § 1)

**348.185. Statement of purpose.** In recognition of the role of agriculture in the economic well-being of this state and in recognition that opportunities to succeed in agriculture should not be limited by the economic means of persons engaged in agriculture, the general assembly of the state of Missouri declares that state assistance in the guarantee of loans made to enable independent family-farm producers to enter and
succeed in the development and operation of single-purpose animal facilities will benefit the state of Missouri economically and socially and is a public purpose of great importance.

(L. 1994 H.B. 1248 & 1048)

348.190. Loan guarantee program--rules, regulations, promulgation, procedure. In addition to the duties and powers established in sections 348.005 to 348.180, the Missouri agricultural and small business development authority shall develop and implement a single-purpose animal facilities loan guarantee program as provided in sections 348.185 to 348.225. The authority shall promulgate rules and regulations necessary to carry out the purposes of sections 348.185 to 348.225. The rules and regulations promulgated pursuant to sections 348.185 to 348.225 shall be designed to encourage maximum involvement and participation by lenders and financial institutions in the loan guarantee program. The authority shall be the administrative agency for the implementation of the loan guarantee program, and may employ such persons as necessary, within the limits of appropriations made for that purpose, to administer the loan guarantee program. No rule or portion of a rule promulgated under the authority of sections 348.185 to 348.225 shall become effective unless it has been promulgated pursuant to the provisions of section 536.024, RSMo.


348.195. Certificate of guaranty may be issued, conditions--eligible lender, defined--participation fee, amount--limitation of amount.

1. The authority may issue certificates of guaranty covering a first loss guarantee up to but not more than fifty percent of the loan on a declining principal basis for loans to individuals executing a note or other evidence of a loan made for livestock production or other single-purpose animal facility, including animal waste systems or livestock purchase, but not to exceed the amount of two hundred fifty thousand dollars for any one individual and to pay from the single-purpose animal facilities loan guarantee fund to an eligible lender up to fifty percent of the amount on a declining principal basis of any loss on any guaranteed loan made under the provisions of sections 348.185 to 348.225, in the event of default on the loan. Upon payment of the loan, the authority shall be subrogated to all the rights of the eligible lender.

2. As used in sections 348.185 to 348.225, the term “eligible lender” means those entities defined as “lenders” under subdivision (8) of section 348.015.

3. The authority shall charge for each guaranteed loan a one-time participation fee of one percent which shall be collected by the lender at the time of closing and paid to the authority. In addition, the authority may charge a special loan guarantee fee of up to one percent per annum of the outstanding principal which shall be collected from the borrower by the lender and paid to the authority. Amounts so collected shall be deposited in the single-purpose animal facilities loan program fund and used, upon appropriation, to pay the costs of administering the program.

4. All moneys paid to satisfy a defaulted guaranteed loan shall only be paid out of the single-purpose animal facilities loan guarantee fund established by sections 348.185 to 348.225.

5. The total outstanding guaranteed loans shall at no time exceed an amount which, according to sound actuarial judgment, would allow immediate redemption of twenty percent of the outstanding loans guaranteed by the fund at any one time.


1. There is hereby established in the state treasury the “Single-Purpose Animal Facilities Loan Guarantee Fund”. The fund shall consist of money appropriated to it by the general assembly, charges, gifts, grants and bequests from federal, private or other sources. Notwithstanding the provisions of section 33.080, RSMo, no portion of the fund shall be transferred to the general revenue fund.

2. All moneys received by the authority for payments made on previously defaulted guaranteed loans shall be paid promptly into the state treasury and deposited in the fund.

3. The fund shall be administered by the Missouri agricultural and small business development authority organized pursuant to sections 348.005 to 348.180.

4. Beginning with fiscal year 1994-1995, the general assembly may appropriate moneys not to exceed four million dollars for the establishment and initial funding of the single-purpose animal facilities loan guarantee fund.


348.205. Money not needed may be invested. Moneys in the fund, both unobligated and obligated as a reserve, which in the judgment of the authority are not currently needed for payments of defaults of guaranteed loans, may be invested by the state treasurer, and any income therefrom shall be deposited to the credit of the fund.

(L. 1994 H.B. 1248 & 1048)

1. Persons eligible for guarantees for loans under the provisions of sections 348.185 to 348.225 are individuals engaged in farming operations as defined in section 348.015, who intend to use the proceeds from the loan to finance breeding or feeder livestock, including the purchase of additional or replacement livestock, land, buildings, facilities, equipment, machinery, and animal waste facilities used to produce poultry, hogs, beef, or dairy cattle, or other animals and who are seeking a loan or loans to finance not more than ninety percent of the anticipated cost.

2. The authority shall adopt and promulgate regulations establishing eligibility under the provisions of sections 348.185 to 348.225, taking into consideration the individual’s ability to repay the loan, the general economic conditions of the area in which the individual will be located, the prospect of success of the particular facility for which the loan is sought and such other factors as the authority may establish. The eligibility of any person for a loan guarantee under the provisions of sections 348.185 to 348.225 shall not be determined or otherwise affected by any consideration of that person’s race, religion, sex, creed, color, or location of residence. The authority may also provide for:

(1) The requirement or nonrequirement of security or endorsement and the nature thereof;
(2) The manner and time of repayment of the principal and interest;
(3) The maximum rate of interest;
(4) The right of the borrower to accelerate payments without penalty;
(5) The amount of the guaranty charge;
(6) The effective period of the guaranty;
(7) The percent of the loan, not to exceed fifty percent, covered by the guaranty;
(8) The assignability of loans by the lender;
(9) Procedures in event of default by the borrower;
(10) The due diligence effort on the part of lenders for collection of guaranteed loans;
(11) Collection assistance to be provided to lenders; and
(12) The extension of the guaranty in consideration of duty in the armed forces, unemployment, natural disasters, or other hardships.


348.215. Policy of collection and recovery. The authority, by rules and regulations, shall determine the policy of collections and recovery of loans, including the use of private collection agencies. The authority may institute action to recover any amount due the state in any loan transaction, use private collection agencies, or otherwise carry out the policy of the authority. The lender making the original loan shall cooperate with the authority in the collection of the loan and shall use its regular collection procedures prior to any action being undertaken by the authority.

(L. 1994 H.B. 1248 & 1048)

348.220. Animal waste facilities loan program guarantees—priorities, limitations. If the Missouri clean water commission makes available to the authority any funds for implementation of the authority’s animal waste facilities loan program, loans made pursuant to that program are eligible for loan guarantees under the provisions of sections 348.185 to 348.225. A loan made under the animal waste facilities loan program may be combined with loans made by eligible lenders under the provisions of sections 348.185 to 348.225, but the eligible lender shall have first priority on payments of defaults from the fund. A loan made under the animal waste facilities loan program shall not be subject to any dollar amount limitation otherwise imposed by any provision of law or a loan guaranteed under the provisions of sections 348.185 to 348.225.

(L. 1994 H.B. 1248 & 1048)

348.225. Single-purpose animal facilities loan program fund created—purpose. There is hereby created in the state treasury the “Single-Purpose Animal Facilities Loan Program Fund”. The fund shall consist of money collected and deposited pursuant to subsection 3 of section 348.195. Notwithstanding the provisions of section 33.080, RSMo, no portion of the fund shall be transferred to the general revenue fund. The money in the single-purpose animal facilities loan program fund shall be used, upon appropriation, for administration of the program established under sections 348.185 to 348.225 and for no other purpose.

(L. 1994 H.B. 1248 & 1048)

348.251. Definitions—Missouri technology corporation may be established —corporation, defined—public hearing, notice.

1. As used in sections 348.251 to 348.266, the following terms mean:
(1) “Technology application”, the introduction and adaptation of refined management practices in fields such as scheduling, inventory management, marketing, product development, and training in order to improve the quality, productivity and profitability of an existing firm. Technology application shall be considered a component of business modernization;

(2) “Technology commercialization”, the process of moving investment-grade technology from a business, university or laboratory into the marketplace for application;

(3) “Technology development”, strategically focused research directed at developing investment-grade technologies which are important for market competitiveness.

2. The governor may, on behalf of the state and in accordance with chapter 355, RSMo, establish a private not-for-profit corporation named the “Missouri Technology Corporation”, to carry out the provisions of sections 348.251 to 348.266. As used in sections 348.251 to 348.266 the word “corporation” means the Missouri technology corporation authorized by this section. Before certification by the governor, the corporation shall conduct a public hearing for the purpose of giving all interested parties an opportunity to review and comment upon the articles of incorporation, bylaws and method of operation of the corporation. Notice of the hearing shall be given at least fourteen days prior to the hearing.


348.253. Contracts with not-for-profit organizations, objectives.

1. The Missouri technology corporation may contract with not-for-profit organizations to carry out the provisions of sections 348.251 to 348.275. By entering into such contracts, the corporation shall attempt to achieve the following objectives:

(1) The establishment of a research alliance which shall advance technology development, as defined in subdivision (3) of section 348.251. The corporation, in this capacity, shall have the authority to contract directly with centers for advanced technology, as established by section 348.272, and other not-for-profit entities. In proceeding with this objective, the corporation and centers for advanced technology shall utilize the results of targeted industry studies commissioned by the department of economic development;

(2) Technology commercialization, as defined in subdivision (2) of section 348.251;

(3) The establishment of a finance corporation to assist in the implementation of section 348.261; and

(4) The enhancement of technology application, as defined in subdivision (1) of section 348.251.

2. Any contract signed between the corporation and any not-for-profit organization, including innovation centers as defined in section 348.271, shall require that the not-for-profit organization must provide at least one-hundred-percent match for any funding received from the corporation through the technology investment fund, as established in section 348.264.

(L. 1995 H.B. 414)

348.256. Articles of incorporation, bylaws, content--members, qualifications. The articles of incorporation and bylaws of the Missouri technology corporation shall provide that:

(1) The purposes of the corporation are to contribute to the strengthening of the economy of the state through the development of science and technology, to promote the modernization of Missouri businesses by supporting the transfer of science, technology and quality improvement methods to the workplace, and to enhance the productivity and modernization of Missouri businesses by providing leadership in the establishment of methods of technology application, technology commercialization and technology development;

(2) The board of directors of the corporation is composed of fifteen persons. The governor shall annually appoint one of its members, who must be from the private sector, as chairman. The board shall consist of the following members:

(a) The director of the department of economic development, or the director’s designee;

(b) The president of the University of Missouri system, or the president’s designee;

(c) A member of the state senate, appointed by the president pro tem of the senate;

(d) A member of the house of representatives, appointed by the speaker of the house;

(e) Eleven members appointed by the governor, two of which shall be from the public sector and nine members from the private sector who shall include, but shall not be limited to, individuals who represent technology-based businesses and industrial interests;

(5) Each of the directors of the corporation who is appointed by the governor shall serve for a term of four years and until a successor is duly appointed; except that, of the directors serving on the corporation as of August 28, 1995, three directors shall be designated by the governor to serve a term of four years, three directors shall be designated to serve a term of three years, three directors shall be designated to serve a term of two years, and two directors shall be designated to serve a term of one year. Each director shall continue to serve until a successor is duly appointed by the governor;
(3) The corporation may receive money from any source, may borrow money, may enter into contracts, and may expend money for any activities appropriate to its purpose;
(4) The corporation may appoint staff and do all other things necessary or incidental to carrying out the functions listed in section 348.261;
(5) Any changes in the articles of incorporation or bylaws must be approved by the governor;
(6) The corporation shall submit an annual report to the governor and to the Missouri general assembly. The report shall be due on the first day of November for each year and shall include detailed information on the structure, operation and financial status of the corporation. The corporation shall conduct an annual public hearing to receive comments from interested parties regarding the report, and notice of the hearing shall be given at least fourteen days prior to the hearing; and
(7) The corporation is subject to an annual audit by the state auditor and that the corporation shall bear the full cost of the audit.


348.261. Powers. The corporation, after being certified by the governor as provided by section 348.251, may:

(1) Establish a statewide business modernization network to assist Missouri businesses in identifying ways to enhance productivity and market competitiveness;
(2) Identify scientific and technological problems and opportunities related to the economy of Missouri and formulate proposals to overcome those problems or realize those opportunities;
(3) Identify specific areas where scientific research and technological investigation will contribute to the improvement of productivity of Missouri manufacturers and farmers;
(4) Determine specific areas in which financial investment in scientific and technological research and development from private businesses located in Missouri could be enhanced or increased if state resources were made available to assist in financing activities;
(5) Assist in establishing cooperative associations of universities in Missouri and of private enterprises for the purpose of coordinating research and development programs that will, consistent with the primary educational function of the universities, aid in the creation of new jobs in Missouri;
(6) Assist in financing the establishment and continued development of technology-intensive businesses in Missouri;
(7) Advise universities of the research needs of Missouri business and improve the exchange of scientific and technological information for the mutual benefit of universities and private business;
(8) Coordinate programs established by universities to provide Missouri businesses with scientific and technological information;
(9) Establish programs in scientific education which will support the accelerated development of technology-intensive businesses in Missouri;
(10) Provide financial assistance through contracts, grants and loans to programs of scientific and technological research and development;
(11) Determine how public universities can increase income derived from the sale or licensure of products or processes having commercial value that are developed as a result of university sponsored research programs;
(12) Contract with innovation centers, as established in section 348.271, small business development corporations, as established in sections 620.1000 to 620.1007, RSMo, centers for advanced technology, as established in section 348.272, and other entities or organizations for the provision of technology application, technology commercialization and technology development services. Such contracting procedures shall not be subject to the provisions of chapter 34, RSMo; and
(13) Make direct seed capital or venture capital investments in Missouri business investment funds or businesses which demonstrate the promise of growth and job creation. Investments from the corporation may be in the form of debt or equity in the respective businesses.


348.262. Department may contract with corporations. In order to assist the corporation in achieving the objectives identified in section 348.261, the department of economic development may contract with the corporation for activities consistent with the corporation’s purpose, as specified in section 348.256. When contracting with the corporation under the provisions of this section, the department of economic development may directly enter into agreements with the corporation and shall not be bound by the provisions of chapter 34, RSMo.

(L. 1994 H.B. 1248 & 1048)
348.263. Replaces corporation for business modernization and technology with Missouri technology corporation--transfer.

1. The Missouri business modernization and technology corporation shall replace the corporation for science and technology. All moneys, property or any other assets remaining with the corporation for science and technology after all obligations are satisfied on August 28, 1993, shall be transferred to the Missouri business modernization and technology corporation. All powers, duties and functions performed by the Missouri corporation of science and technology on August 28, 1993, shall be transferred to the Missouri business modernization and technology corporation.

2. The Missouri technology corporation shall replace the Missouri business modernization and technology corporation. All moneys, property or any other assets remaining with the Missouri business modernization and technology corporation after all obligations are satisfied on August 28, 1994, shall be transferred to the Missouri technology corporation. All powers, duties and functions performed by the Missouri business modernization and technology corporation on August 28, 1994, shall be transferred to the Missouri technology corporation.


348.264. Technology investment fund established--source of funds--purpose.

1. There is hereby established in the state treasury a special fund to be known as the “Missouri Technology Investment Fund”, which shall consist of all moneys which may be appropriated to it by the general assembly, and also any gifts, contributions, grants or bequests received from federal, private or other sources. Such moneys shall include federal funds which may be received from the National Institute for Science and Technology, the Small Business Administration and the Department of Defense through its Technology Reinvestment Program. Money in the Missouri technology investment program shall be used to carry out the provisions of sections 348.251 to 348.275. Moneys for business modernization programs, technology application programs, technology commercialization programs and technology development programs established pursuant to the provisions of sections 348.251 to 348.275 shall be available from appropriations made by the general assembly from the Missouri technology investment fund. Any moneys remaining in the Missouri technology investment fund at the end of any fiscal year shall not lapse to the general revenue fund, as provided in section 33.080, RSMo, but shall remain in the Missouri technology investment fund.

2. Notwithstanding the provisions of sections 173.500 to 173.565, RSMo, the Missouri technology investment fund shall be utilized to fund projects which would previously have been funded through the higher education applied projects fund.


348.266. Debts incurred not debt of the state--subject to not-for-profit corporation law.

1. Debts incurred by the Missouri technology corporation established pursuant to the authority of sections 348.251 to 348.275 do not represent or constitute a debt of this state within the meaning of the provisions of the constitution or statutes of this state.

2. The Missouri technology corporation established pursuant to sections 348.251 to 348.275 shall be subject to all provisions of chapter 355, RSMo, which do not conflict with the provisions of sections 348.251 to 348.275.


348.271. Innovation centers to be established to develop new technology-based business duties, reports.

1. In order to foster the growth of Missouri’s economy and to stimulate the creation of new jobs in technology-based industry for the state’s work force, the Missouri technology corporation, in accordance with the provisions of this section and within the limits of appropriations therefor is authorized to contract with Missouri not-for-profit corporations for the operation of innovation centers within the state. The primary emphasis of some, if not of all innovation centers, shall be in the areas of technology commercialization, finance and business modernization. Innovation centers operated under the provisions of this section shall provide assistance to individuals and business organizations during the early stages of the development of new technology-based business ventures. Such assistance may include the provision of facilities, equipment, administrative and managerial support, planning assistance, and such other services and programs that enhance the development of such ventures and such assistance may be provided for fees or other consideration.

2. The innovation centers operated under this section shall counsel and assist the new technology-based business ventures in finding a suitable site in the state of Missouri for location of the business upon its graduation from the innovation program. Each innovation center shall annually submit a report of its activities to the department of economic development and the Missouri technology corporation which shall include, but not be limited to, the success rate of the businesses graduating from the center, the progress and locations of businesses which have graduated from the center, the types of businesses which have graduated from the center, and the number of jobs created by the businesses involved in the center.


348.272. Centers for advanced technology may be established in university-affiliated research institutes--requirements, funding limitations--duties of department of economic development.

1. In order to encourage greater collaboration between private industry and the universities of this state in the development and application of new technologies, the director of the department of economic development is authorized to designate centers for advanced technology. Each center so
designated shall conduct research in specific technological areas identified by the Missouri business modernization and technology corporation as having significant potential for economic growth in Missouri, or in which the application of new technologies could significantly enhance the productivity and stability of Missouri businesses. Such designations shall be made in accordance with the standards and criteria set forth in subsection 3 of this section. Centers so designated shall be eligible for support from the department of economic development in the manner provided for in subsection 4 of this section, and for such additional support as may otherwise be provided by law.

2. As used in this section, the following terms shall mean:

   (1) “Applicant”, a university or university-affiliated research institute, or a consortium of such institutions, which requests designation as a center in accordance with such requirements as are established by the corporation for this purpose;

   (2) “Center for advanced technology” or “center”, a university or university-affiliated research institute, or a consortium of such institutions, designated by the foundation, which conducts a continuing program of basic and applied research, development, and technology transfer in one or more technological areas, in collaboration with and through the support of private business and industry;

   (3) “Corporation”, the Missouri business modernization and technology corporation;

   (4) “University”, any institution of postsecondary education, including public and private universities, colleges, junior colleges, vocational and technical schools, and other postsecondary institutions.

3. The corporation shall:

   (1) Identify technological areas for which centers should be designated, including, but not limited to, technological areas that are related to industries with significant potential for economic growth and development in Missouri and technological areas that are related to the enhancement of productivity in various industries located in Missouri;

   (2) Establish criteria that applicants must satisfy for designation as a center, including, but not limited to, the following:

      (a) An established record of research, development and instruction in the area or areas of technology involved;

      (b) The capacity to conduct research and development activities in collaboration with business and industry;

      (c) The capacity to secure substantial private and other governmental funding for the proposed center;

      (d) The ability and willingness to cooperate with other institutions in this state in conducting research and development activities, and in disseminating research results; and to work with technical and community colleges in this state to enhance the quality of technical education in the area or areas of technology involved;

      (e) The ability and willingness to cooperate with the corporation, the department of economic development, and other economic development agencies in promoting the growth and development in Missouri of industries based upon or benefiting from the area or areas of technology involved;

   (3) Establish such requirements as it deems appropriate for the format, content and filing of applications for designation as centers for advanced technology;

   (4) Establish such procedures as it deems appropriate for the evaluation of applications for designation as centers for advanced technology, including the establishment of peer review panels composed of nationally recognized experts in the technological areas and industries to which the application is related.

4. From such funds as may be appropriated for this purpose by the general assembly, the department of economic development may provide financial support, through contracts or other means, to designated centers for advanced technology in order to enhance and accelerate the development of such centers. Funds received pursuant to this subsection may be used for the purchase of equipment and fixtures, employment of faculty and support staff, provision of graduate fellowships, and other purposes approved by the department of economic development, but may not be used for capital construction.

5. From such funds as may be appropriated for this purpose by the general assembly, the department of economic development may provide grants to any one university or university-affiliated research institution for purposes of planning and program development aimed at enabling such university or university-affiliated research institution to qualify for designation as a center. Such grants shall be awarded on a competitive basis, and shall be available only to those applicants which, in the judgment of the corporation and department of economic development, may reasonably be expected to be designated as centers.


348.275. Rulemaking authority, procedure.

1. The department of economic development may draft and promulgate rules and regulations consistent with the provisions of sections 348.251 to 348.272 as are necessary or useful to carry out the provisions of those sections.
2. No rule or portion of a rule promulgated under the authority of sections 348.251 to 348.272 shall become effective until it has been approved by the joint committee on administrative rules in accordance with the procedures provided in this section, and the delegation of the legislative authority to enact law by the adoption of such rules is dependent upon the power of the joint committee on administrative rules to review and suspend rules pending ratification by the senate and the house of representatives as provided in this section.

3. Upon filing any proposed rule with the secretary of state, the department shall concurrently submit such proposed rule to the committee, which may hold hearings upon any proposed rule or portion thereof at any time.

4. A final order of rulemaking shall not be filed with the secretary of state until thirty days after such final order of rulemaking has been received by the committee. The committee may hold one or more hearings upon such final order of rulemaking during the thirty-day period. If the committee does not disapprove such order of rulemaking within the thirty-day period, the department may file such order of rulemaking with the secretary of state and the order of rulemaking shall be deemed approved.

5. The committee may, by majority vote of the members, suspend the order of rulemaking or portion thereof by action taken prior to the filing of the final order of rulemaking only for one or more of the following grounds:

   (1) An absence of statutory authority for the proposed rule;
   (2) An emergency relating to public health, safety or welfare;
   (3) The proposed rule is in conflict with state law;
   (4) A substantial change in circumstance since enactment of the law upon which the proposed rule is based.

6. If the committee disapproves any rule or portion thereof, the department shall not file such disapproved portion of any rule with the secretary of state and the secretary of state shall not publish in the Missouri Register any final order of rulemaking containing the disapproved portion.

7. If the committee disapproves any rule or portion thereof, the committee shall report its findings to the senate and the house of representatives. No rule or portion thereof disapproved by the committee shall take effect so long as the senate and the house of representatives ratify the act of the joint committee by resolution adopted in each house within thirty legislative days after such rule or portion thereof has been disapproved by the joint committee.

8. Upon adoption of a rule as provided in this section, any such rule or portion thereof may be suspended or revoked by the general assembly either by bill or, pursuant to section 8, article IV of the Constitution of Missouri, by concurrent resolution upon recommendation of the joint committee on administrative rules. The committee shall be authorized to hold hearings and make recommendations pursuant to the provisions of section 536.037, RSMo. The secretary of state shall publish in the Missouri Register, as soon as practicable, notice of the suspension or revocation.

(L. 1995 H.B. 414)

348.300. Definitions. As used in sections 348.300 to 348.318, the following terms mean:

(1) “Commercial activity located in Missouri”, any research, development, prototype fabrication, and subsequent precommercialization activity, or any activity related thereto, conducted in Missouri for the purpose of producing a service or a product or process for manufacture, assembly or sale or developing a service based on such a product or process by any person, corporation, partnership, joint venture, unincorporated association, trust or other organization doing business in Missouri. Subsequent to January 1, 1999, a commercial activity located in Missouri shall mean only such activity that is located within a distressed community, as defined in section 135.530, RSMo;

(2) “Follow-up capital”, capital provided to a commercial activity located in Missouri in which a qualified fund has previously invested seed capital or start-up capital and which does not exceed ten times the amount of such seed and start-up capital;

(3) “Qualified contribution”, cash contribution to a qualified fund;

(4) “Qualified economic development organization”, any corporation organized under the provisions of chapter 355, RSMo, which has as of January 1, 1991, obtained a contract with the department of economic development to operate an innovation center to promote, assist and coordinate the research and development of new services, products or processes in the state of Missouri; and the Missouri technology corporation organized pursuant to the provisions of sections 348.253 to 348.266;

(5) “Qualified fund”, any corporation, partnership, joint venture, unincorporated association, trust or other organization which is established under the laws of Missouri after December 31, 1985, which meets all of the following requirements established by this subdivision. The fund shall have as its sole purpose and business the making of investments, of which at least ninety percent of the dollars invested shall be qualified investments. The fund shall enter into a contract with one or more qualified economic development organizations which shall entitle the qualified economic development organizations to receive not less than ten percent of all distributions of equity and dividends or other earnings of the fund. Such contracts shall require the qualified fund to transfer to the Missouri technology corporation organized pursuant to the provisions of sections 348.253 to 348.266, this interest and make corresponding distributions thereto in the event the qualified economic development organization holding such interest is dissolved or ceases to do business for a period of one year or more;

(6) “Qualified investment”, any investment of seed capital, start-up capital, or follow-up capital in any commercial activity located in Missouri;
(7) “Person”, any individual, corporation, partnership or other entity;

(8) “Seed capital”, capital provided to a commercial activity located in Missouri for research, development and precommercialization activities to prove a concept for a new product or process or service, and for activities related thereto;

(9) “Start-up capital”, capital provided to a commercial activity located in Missouri for use in preproduction product development or service development or initial marketing thereof, and for activities related thereto;

(10) “State tax liability”, any state tax liability incurred by a taxpayer under the provisions of chapters 143, 147 and 148, RSMo, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265, RSMo, and related provisions;

(11) “Uninvested capital”, the amount of any distribution, other than of earnings, by a qualified fund made within five years of the issuance of a certificate of tax credit as provided by sections 348.300 to 348.318; or the portion of all qualified contributions to a qualified fund which are not invested as qualified investments within five years of the issuance of a certificate of tax credit as provided by sections 348.300 to 348.318 to the extent that the amount not so invested exceeds ten percent of all such qualified contributions.


Effective 1-1-99

348.302. Tax credit, evidenced by certificate--may be used when--limitations on credit, credits transferable.

1. Any person who makes a qualified contribution to a qualified fund shall be entitled to receive a tax credit equal to fifty percent of the amount of the qualified contribution. The tax credit shall be evidenced by a tax credit certificate in accordance with the provisions of sections 348.300 to 348.318 and may be used to satisfy the state tax liability of the owner of such certificate that becomes due in the tax year in which the qualified contribution is made, or in any of the ten tax years thereafter. No person may receive a tax credit pursuant to sections 348.300 to 348.318 unless that person presents a tax credit certificate to the department of revenue for payment of such state tax liability.

2. The amount of such qualified contributions which can be made is limited so that the aggregate of all tax credits authorized under the provisions of sections 348.300 to 348.318 shall not exceed nine million dollars. All tax credits authorized under the provisions of this section may be transferred, sold or assigned.


Effective 1-1-99

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

348.304. Certificates, how issued, limitations, exchanges. The total amount of credit evidenced by certificates of tax credit issued to taxpayers at the request of any one qualified economic development organization shall not exceed two million dollars; except that, this two-million-dollar limitation shall not apply to certificates of tax credit issued after January 1, 1996. Prior to January 1, 1996, any qualified economic development organization may enter into a contractual agreement with any other qualified economic development organization to allocate to the latter any portion of the two million dollars of tax credits which it is authorized to issue to taxpayers under the provisions of this section. The certificate of tax credit may be issued in one aggregate certificate or in a reasonable number of multiple certificates in regard to one qualified contribution. Any issued certificate may be surrendered in exchange for new certificates not to exceed in value the value of the issued certificate. The number and denomination of multiple certificates, if issued, shall be determined by the director of the department of economic development.


Effective 6-18-91

348.306. Transfer of certificates, procedure, limitations. No person shall receive, by issuance, transfer or assignment, certificates of tax credit issued under the provisions of sections 348.300 to 348.318* in an amount in excess of one million dollars. Subject to the provisions of this section, certificates of tax credit issued in accordance with sections 348.300 to 348.318* may be transferred or assigned by notarized endorsement thereof which names the transferee.

(L. 1986 S.B. 591 § 4)

Effective 5-30-86

*Words “this act” appear in original rolls. S.B. 591 (1986) also contains §§ 100.310 and 100.390.

348.308. Duties of director of economic development--issuance of certificates.

1. The director of the department of economic development shall be responsible for the administration and issuance of the certificate of tax credits authorized by sections 348.300 to 348.318*. The director of the department of economic development shall issue a certificate of tax credit

As of August 28, 2005
at the request of any qualified economic development organization. Each request shall include a true copy of the documents creating the qualified fund and the interest of the qualified economic development organization in the qualified fund, the name of the person who is to receive a certificate of tax credit, the type of state tax liability, as specified in subdivision (10) of section 348.300, against which the tax credit is to be used, and the amount of the certificate of tax credit to be issued to the person making the qualified contribution. Each request shall be acknowledged under oath by the person making the qualified contribution and the president of the qualified economic development organization.

2. In the event that two or more qualified economic development organizations have an interest in a qualified fund, either or both of such qualified economic development organizations may request issuance of certificates of tax credit in accordance with the provisions of sections 348.300 to 348.318 to persons contributing to qualified funds.

   (L. 1986 S.B. 591 § 5)
   Effective 5-30-86

   *Words “this act” appear in original rolls. S.B. 591 (1986) also contains §§ 100.310 and 100.390.

348.310. Acceptance of certificate in lieu of payment, reissuance of certificate for amount of unused balance. The Missouri department of revenue shall accept a certificate of tax credit in lieu of other payment in such amount as is equal to the lesser of the amount of the tax or the remaining unused amount of the credit as indicated on the certificate of tax credit; and shall indicate on the certificate of tax credit the amount of tax thereby paid, the date of such payment, and the remainder of the unused credit available to the taxpayer after such payment. The certificate of tax credit shall be returned to the director of the department of economic development. The director of the department of economic development shall issue a new certificate to the proper owner for any unused balance.

   (L. 1986 S.B. 591 § 6)
   Effective 5-30-86

348.312. Construction of provisions. No provision of sections 348.300 to 348.318* shall be construed to require a qualified economic development organization to accept an interest in any fund, nor shall any provision of sections 348.300 to 348.318* be construed to limit or restrict the terms and conditions on which a qualified economic development organization may agree to accept an interest in any fund.

   (L. 1986 S.B. 591 § 7)
   Effective 5-30-86

   *Words “this act” appear in original rolls. S.B. 591 (1986) also contains §§ 100.310 and 100.390.

348.316. Report required from qualified funds, when, form, verified by affidavit, contents—duties of director of department of economic development—payment of taxes, due when.

1. Each qualified fund, on or before the due date of its federal income tax return, shall make a report for a period corresponding to the qualified fund’s federal income tax year. The report shall be made on a form required by the department of economic development. It shall be verified by the affidavit of the fund’s president, or another authorized officer, to the department of economic development. It shall state the amount of all uninvested capital, whether distributions of equity or funds not invested in qualified investments, and it shall contain other such information as may be required by the director of the department of economic development.

2. Upon the receipt of such returns, the director of the department of economic development shall verify the same and certify the amount of tax due from the various funds to the director of revenue within sixty days from the date of the return. The director of revenue shall send each qualified fund a notice of tax due within thirty days of the date of certification by the department of economic development. The qualified fund shall pay the tax as provided in the notice within thirty days of the date of such notice.

   (L. 1986 S.B. 591 § 9)
   Effective 5-30-86

348.318. Interest and penalty provisions, how determined—procedural matters, how determined. Except as otherwise specifically provided in sections 348.300 to 348.318*, interest and penalty provisions and procedural matters under the provisions of sections 348.300 to 348.318* shall be determined pursuant to and in the manner prescribed in the following sections of the revised statutes of Missouri, the state income tax law, governing similar procedures thereunder: sections 143.271 to 143.301, 143.511, 143.551 to 143.571, 143.611 to 143.751, 143.771, 143.791 to 143.861, 143.881 to 143.971, and 143.986, RSMo.

   (L. 1986 S.B. 591 § 10)
   Effective 5-30-86

   *Words “this act” appear in original rolls. S.B. 591 (1986) also contains §§ 100.310 and 100.390.
348.400. Definitions. As used in sections 348.400 to 348.415, the following terms mean:

(1) “Agricultural business development loan”, a loan for the acquisition, construction, improvement, or rehabilitation of agricultural property;

(2) “Agricultural product”, an agricultural, horticultural, viticultural, or vegetable product, growing of grapes that will be processed into wine, bees, honey, fish or other aquacultural product, planting seed, livestock, a livestock product, a forestry product, poultry or a poultry product, either in its natural or processed state, that has been produced, processed, or otherwise had value added to it in this state;

(3) “Agricultural property”, any land and easements and real and personal property, including, but not limited to, buildings, structures, improvements, and equipment which is used in Missouri by Missouri residents or Missouri-based businesses for the purpose of processing, manufacturing, marketing, exporting or adding value to an agricultural product. Agricultural property also includes any land and easements and real and personal property, including, but not limited to, buildings, structures, improvements, equipment and plant stock used for the growing of grapes which will be processed into wine;

(4) “Authority”, the Missouri agricultural and small business development authority;

(5) “Eligible borrower”, as defined in section 348.015;

(6) “Eligible lender”, lender as defined in section 348.015;

(7) “Fund”, the agricultural product utilization and business development loan guarantee fund or the agricultural product utilization grant fund;

(8) “Grant fund” the agricultural product utilization grant fund;

(9) “Program fund”, the agricultural product utilization and business development loan program fund.


348.403. Authority to develop program—rules—reject application, when.

1. In addition to the duties and powers established in sections 348.005 to 348.225, the authority shall develop and implement an agricultural business development loan guarantee program as provided in sections 348.400 to 348.415. The authority shall promulgate only those rules that are necessary to carry out the stated purposes of sections 348.400 to 348.415. The rules promulgated pursuant to this section shall encourage maximum involvement and participation by lenders and financial institutions in the loan guarantee program. The authority shall implement the loan guarantee program, and may employ such persons as necessary, within the limits of appropriations for that purpose, to administer the loan guarantee program.

2. Any rule or portion of a rule promulgated pursuant to the authority of sections 348.400 to 348.415 shall become effective only if it has been promulgated in compliance with the provisions of chapter 536, RSMo, as it may be amended from time to time.

3. The authority may reject any application for guaranty pursuant to sections 348.400 to 348.415.

(L. 1997 H.B. 557)

*Rulemaking authority, effective when, null and void, when, see RSMo 348.426.


1. The authority, upon application, may issue certificates of guaranty covering a first loss guaranty up to but not more than fifty percent of the loan on a declining principal basis for loans to eligible borrowers, executing a note or other evidence of a loan made for the purpose of an agricultural business development loan, but not to exceed the amount of two hundred fifty thousand dollars for any eligible borrower and to pay from the fund to an eligible lender up to fifty percent of the amount on a declining principal basis of any loss on any guaranteed loan made pursuant to the provisions of sections 348.400 to 348.415, in the event of default on the loan. Upon payment on the guaranty, the authority shall be subrogated to all the rights of the eligible lender.

2. The authority shall charge for each guaranteed loan a one-time participation fee of one percent which shall be collected by the eligible lender at the time of closing and paid to the authority. In addition, the authority may charge a special loan guarantee fee of up to one percent per annum of the outstanding principal which shall be collected from the eligible borrower by the eligible lender and paid to the authority.

3. All moneys paid to satisfy a defaulted guaranteed loan shall only be paid out of the fund.

4. The total outstanding guaranteed loans shall at no time exceed an amount which, according to sound actuarial judgment, would allow immediate redemption of twenty percent of the outstanding loans guaranteed by the fund at any one time.

348.407. Development and implementation of grants and loans--fee authority's powers--assistance to businesses--rules.

1. The authority shall develop and implement agricultural products utilization grants as provided in this section.

2. The authority may reject any application for grants pursuant to this section.

3. The authority shall make grants, and may make loans or guaranteed loans from the grant fund to persons for the creation, development and operation, for up to three years from the time of application approval, of rural agricultural businesses whose projects add value to agricultural products and aid the economy of a rural community.

4. The authority may, upon the provision of a fee by the requesting person in an amount to be determined by the authority, provide for a feasibility study of the person's rural agricultural business concept.

5. Upon a determination by the authority that such concept is feasible and upon the provision of a fee by the requesting person, in an amount to be determined by the authority, the authority may then provide for a marketing study. Such marketing study shall be designed to determine whether such concept may be operated profitably.

6. Upon a determination by the authority that the concept may be operated profitably, the authority may provide for legal assistance to set up the business. Such legal assistance shall include, but not be limited to, providing advice and assistance on the form of business entity, the availability of tax credits and other assistance for which the business may qualify as well as helping the person apply for such assistance.

7. The authority may provide or facilitate loans or guaranteed loans for the business including, but not limited to, loans from the United States Department of Agriculture Rural Development Program, subject to availability. Such financial assistance may only be provided to feasible projects, and for an amount that is the least amount necessary to cause the project to occur, as determined by the authority. The authority may structure the financial assistance in a way that facilitates the project, but also provides for a compensatory return on investment or loan payment to the authority, based on the risk of the project.

8. The authority may provide for consulting services in the building of the physical facilities of the business.

9. The authority may provide for consulting services in the operation of the business.

10. The authority may provide for such services through employees of the state or by contracting with private entities.

11. The authority may consider the following in making the decision:

   (1) The applicant’s commitment to the project through the applicant’s risk;

   (2) Community involvement and support;

   (3) The phase the project is in on an annual basis;

   (4) The leaders and consultants chosen to direct the project;

   (5) The amount needed for the project to achieve the bankable stage; and

   (6) The projects planning for long-term success through feasibility studies, marketing plans and business plans.

12. The department of agriculture, the department of natural resources, the department of economic development and the University of Missouri may provide such assistance as is necessary for the implementation and operation of this section. The authority may consult with other state and federal agencies as is necessary.

13. The authority may charge fees for the provision of any service pursuant to this section.

14. The authority may adopt rules to implement the provisions of this section.

15. 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 sections 348.005 to 348.180 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. All rulemaking authority delegated prior to August 28, 1999, is of no force and effect and repealed. Nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to August 28, 1999, if it fully complied with all applicable provisions of law. 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, 1999, shall be invalid and void.


Effective 7-2-99
348.408. Agricultural product utilization grant fund established--limitation on grants.

1. There is hereby established in the state treasury the “Agricultural Product Utilization Grant Fund”. The fund shall consist of money appropriated to it by the general assembly and investment income on the fund. Notwithstanding the provisions of section 33.080, RSMo, no portion of the fund shall be transferred to the general revenue fund.

2. The fund shall be administered by the authority.

3. The general assembly may appropriate moneys not to exceed three million dollars annually. In any given year, at least ten percent of the appropriation shall be awarded to grant requests of twenty-five thousand dollars or less. No single rural agricultural business concept shall receive more than two hundred thousand dollars in grant awards from the authority.

4. Moneys in the fund may be invested by the state treasurer, and any income therefrom shall be deposited to the credit of the fund.

   Effective 7-2-99

348.409. Agricultural product utilization and business loan guarantee fund established.

1. There is hereby established in the state treasury the “Agricultural Product Utilization and Business Development Loan Guarantee Fund”. The fund shall consist of money appropriated to it by the general assembly, charges, gifts, grants, bequests from federal, private or other sources, and investment income on the fund. Notwithstanding the provisions of section 33.080, RSMo, no portion of the fund shall be transferred to the general revenue fund.

2. All moneys received by the authority for payments made on previously defaulted guaranteed loans shall be paid promptly into the state treasury and deposited in the fund.

3. The fund shall be administered by the authority.

4. Beginning with fiscal year 1997-98, the general assembly may appropriate moneys not to exceed two and one-half million dollars for the establishment and initial funding of the fund.

5. Moneys in the fund, both unobligated and obligated as a reserve, which in the judgment of the authority are not currently needed for payments of defaults of guaranteed loans, may be invested by the state treasurer, and any income therefrom shall be deposited to the credit of the fund.

   (L. 1997 H.B. 557)

348.410. Agricultural product utilization business development loan program fund established--duties of department of agriculture.

1. There is hereby created in the state treasury the “Agricultural Product Utilization Business Development Loan Program Fund”. The fund shall consist of money appropriated to it by the general assembly and investment income on the fund. Notwithstanding the provisions of section 33.080, RSMo, no portion of the fund shall be transferred to the general revenue fund. The money in the program fund shall be used, upon appropriation, for purposes established pursuant to sections 348.400 to 348.415 and for no other purpose. Moneys necessary for this program may be transferred to this program fund from the fund established pursuant to section 348.408.

2. For purposes of this section, the department of agriculture shall, as part of the program administration, establish market promotion activities that assist grant recipients and loan applicants in the planning and marketing of value-added products. The department of agriculture is specifically authorized to employ qualified individuals to fulfill such duties.

3. The department of agriculture shall promote products derived from development facilities and renewable fuel production facilities as defined in section 348.430.

   Effective 7-2-99

348.412. Use of loan proceeds--eligibility--rules.

1. Eligible borrowers:

   (1) Shall use the proceeds of the agricultural business development loan to acquire agricultural property; and

   (2) May not finance more than ninety percent of the anticipated cost of the project through the agricultural business development loan.
2. The project shall have opportunities to succeed in the development, expansion and operation of businesses involved in adding value to, marketing, exporting, processing, or manufacturing agricultural products that will benefit the state economically and socially through direct or indirect job creation or job retention.

3. The authority shall promulgate rules establishing eligibility pursuant to the provisions of sections 348.400 to 348.415, taking into consideration:

   (1) The eligible borrower’s ability to repay the agricultural business development loan;

   (2) The general economic conditions of the area in which the agricultural property will be located;

   (3) The prospect of success of the particular project for which the loan is sought; and

   (4) Such other factors as the authority may establish.

4. The authority may promulgate rules to provide for:

   (1) The requirement or nonrequirement of security or endorsement and the nature thereof;

   (2) The manner and time of repayment of the principal and interest;

   (3) The maximum rate of interest;

   (4) The right of the eligible borrower to accelerate payments without penalty;

   (5) The amount of the guaranty charge;

   (6) The effective period of the guaranty;

   (7) The percent of the agricultural business development loan, not to exceed fifty percent, covered by the guaranty;

   (8) The assignability of agricultural business development loans by the eligible lender;

   (9) Procedures in the event of default on an agricultural business development loan;

   (10) The due diligence effort on the part of eligible lenders for collection of guaranteed loans;

   (11) Collection assistance to be provided to eligible lenders; and

   (12) The extension of the guaranty in consideration of duty in the armed forces, unemployment, natural disasters, or other hardships.


   *Rulemaking authority, effective when, null and void, when, see RSMo 348.426.

348.414. Executive director’s powers, compensation--funds and services not to be provided for projects outside state.

1. The executive director of the authority shall act for the authority except that the appeal of the executive director’s decisions shall be to the authority.

2. The executive director of the authority shall be paid on a level to be determined by the authority but not to exceed that of a division director of the department of agriculture.

3. The authority shall not provide services or funds for any project not located in this state.

   (L. 1999 H.B. 888)

   Effective 7-2-99

348.415. Collections. The authority, by rule, shall determine the policy of collections and recovery of agricultural business development loans, including the use of private collection agencies. The authority may institute action to recover any amount due the state in any loan transaction, use private collection agencies, or otherwise carry out the policy of the authority. The eligible lender making the original loan shall cooperate with the authority in the collection of the agricultural business development loan and shall use its regular collection procedures before any action taken by the authority.

   (L. 1997 H.B. 557)

   *Rulemaking authority, effective when, null and void, when, see RSMo 348.426.
Agricultural product utilization contributor tax credit--definitions--requirements--limitations.

1. The tax credit created in this section shall be known as the “Agricultural Product Utilization Contributor Tax Credit”.

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

(1) “Authority”, the agriculture and small business development authority as provided in this chapter;

(2) “Contributor”, an individual, partnership, corporation, trust, limited liability company, entity or person that contributes cash funds to the authority;

(3) “Development facility”, a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product;

(4) “Eligible new generation cooperative”, a nonprofit cooperative association formed pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose of operating a development facility or a renewable fuel production facility;

(5) “Eligible new generation processing entity”, a partnership, corporation, cooperative, or limited liability company organized or incorporated pursuant to the laws of this state consisting of not less than twelve members, approved by the authority, for the purpose of owning or operating within this state a development facility or a renewable fuel production facility in which producer members:

(a) Hold a majority of the governance or voting rights of the entity and any governing committee;

(b) Control the hiring and firing of management; and

(c) Deliver agricultural commodities or products to the entity for processing, unless processing is required by multiple entities;

(6) “Renewable fuel production facility”, a facility producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source.

3. For all tax years beginning on or after January 1, 1999, a contributor who contributes funds to the authority may receive a credit against the tax or estimated quarterly tax otherwise due pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo, chapter 148, RSMo, or chapter 147, RSMo, in an amount of up to one hundred percent of such contribution. Tax credits claimed in a taxable year may be done so on a quarterly basis and applied to the estimated quarterly tax pursuant to this subsection. If a quarterly tax credit claim or series of claims contributes to causing an overpayment of taxes for a taxable year, such overpayment shall not be refunded but shall be applied to the next taxable year.

4. A contributor shall submit to the authority an application for the tax credit authorized by this section on a form provided by the authority. If the contributor meets all criteria prescribed by this section and the authority, the authority shall issue a tax credit certificate in the appropriate amount. Tax credits issued pursuant to this section may be claimed in the taxable year in which the contributor contributes funds to the authority. For all fiscal years beginning on or after July 1, 2004, tax credits allowed pursuant to this section may be carried back to any of the contributor’s three prior tax years and may be carried forward to any of the contributor’s five subsequent taxable years. Tax credits issued pursuant to this section may be assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the name and address of the new owner of the tax credit or the value of the credit.

5. The funds derived from contributions in this section shall be used for financial assistance or technical assistance for the purposes provided in section 348.407 to rural agricultural business concepts as approved by the authority. The authority may provide or facilitate loans, equity investments, or guaranteed loans for rural agricultural business concepts, but limited to two million dollars per project or the net state economic impact, whichever is less. Loans, equity investments or guaranteed loans may only be provided to feasible projects, and for an amount that is the least amount necessary to cause the project to occur, as determined by the authority. The authority may structure the loans, equity investments or guaranteed loans in a way that facilitates the project, but also provides for a compensatory return on investment or loan payment to the authority, based on the risk of the project.

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6. In any given year, at least ten percent of the funds granted to rural agricultural business concepts shall be awarded to grant requests of twenty-five thousand dollars or less. No single rural agricultural business concept shall receive more than two hundred thousand dollars in grant awards from the authority. Agricultural businesses owned by minority members or women shall be given consideration in the allocation of funds.


Expires 12-31-10

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

348.432. New generation cooperative incentive tax credit--definitions--requirements--limitations.

1. The tax credit created in this section shall be known as the “New Generation Cooperative Incentive Tax Credit”.

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

(1) “Authority”, the agriculture and small business development authority as provided in this chapter;

(2) “Development facility”, a facility producing either a good derived from an agricultural commodity or using a process to produce a good derived from an agricultural product;

(3) “Eligible new generation cooperative”, a nonprofit cooperative association formed pursuant to chapter 274, RSMo, or incorporated pursuant to chapter 357, RSMo, for the purpose of operating a development facility or a renewable fuel production facility and approved by the authority;

(4) “Eligible new generation processing entity”, a partnership, corporation, cooperative, or limited liability company organized or incorporated pursuant to the laws of this state consisting of not less than twelve members, approved by the authority, for the purpose of owning or operating within this state a development facility or a renewable fuel production facility in which producer members:

(a) Hold a majority of the governance or voting rights of the entity and any governing committee;

(b) Control the hiring and firing of management; and

(c) Deliver agricultural commodities or products to the entity for processing, unless processing is required by multiple entities;

(5) “Employee-qualified capital project”, an eligible new generation cooperative with capital costs greater than fifteen million dollars which will employ at least sixty employees;

(6) “Large capital project”, an eligible new generation cooperative with capital costs greater than one million dollars;

(7) “Producer member”, a person, partnership, corporation, trust or limited liability company whose main purpose is agricultural production that invests cash funds to an eligible new generation cooperative or eligible new generation processing entity;

(8) “Renewable fuel production facility”, a facility producing an energy source which is derived from a renewable, domestically grown, organic compound capable of powering machinery, including an engine or power plant, and any by-product derived from such energy source;

(9) “Small capital project”, an eligible new generation cooperative with capital costs of no more than one million dollars.

3. Beginning tax year 1999, and ending December 31, 2002, any producer member who invests cash funds in an eligible new generation cooperative or eligible new generation processing entity may receive a credit against the tax or estimated quarterly tax otherwise due pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo, or chapter 148, RSMo, chapter 147, RSMo, in an amount equal to the lesser of fifty percent of such producer member’s investment or fifteen thousand dollars.

4. For all tax years beginning on or after January 1, 2003, any producer member who invests cash funds in an eligible new generation cooperative or eligible new generation processing entity may receive a credit against the tax or estimated quarterly tax otherwise due pursuant to chapter 143, RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in an amount equal to the lesser of fifty percent of such producer member’s investment or fifteen thousand dollars. Tax credits claimed in a taxable year may be done so on a quarterly basis and applied to the estimated quarterly tax pursuant to subsection 3 of this section. If a quarterly tax credit claim or series of claims contributes to causing an overpayment of taxes for a taxable year, such overpayment shall not be refunded but shall be applied to the next taxable year.

5. A producer member shall submit to the authority an application for the tax credit authorized by this section on a form provided by the authority. The producer member shall notify the authority if the tax credit certificate is changed or terminated. Tax credits issued pursuant to this section shall be carried over to any of the producer member’s prior taxable years and be carried forward to any of the producer member’s five subsequent taxable years regardless of the type of tax liability to which such credits are applied as authorized pursuant to subsection 3 of this section. Tax credits issued pursuant to this section may be assigned, transferred, sold or otherwise conveyed and the new owner of the tax credit shall have the same rights in the credit as the producer member. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the authority specifying the name and address of the new owner of the tax credit or the value of the credit.
6. Ten percent of the tax credits authorized pursuant to this section initially shall be offered in any fiscal year to small capital projects. If any portion of the ten percent of tax credits offered to small capital costs projects is unused in any calendar year, then the unused portion of tax credits may be offered to employee-qualified capital projects and large capital projects. If the authority receives more applications for tax credits for small capital projects than tax credits are authorized therefor, then the authority, by rule, shall determine the method of distribution of tax credits authorized for small capital projects.

7. Ninety percent of the tax credits authorized pursuant to this section initially shall be offered in any fiscal year to employee-qualified capital projects and large capital projects. If any portion of the ninety percent of tax credits offered to employee-qualified capital projects and large capital costs projects is unused in any fiscal year, then the unused portion of tax credits may be offered to small capital projects. The maximum tax credit allowed per employee-qualified capital project is three million dollars and the maximum tax credit allowed per large capital project is one million five hundred thousand dollars. If the authority approves the maximum tax credit allowed for any employee-qualified capital project or any large capital project, then the authority, by rule, shall determine the method of distribution of such maximum tax credit. In addition, if the authority receives more tax credit applications for employee-qualified capital projects and large capital projects than the amount of tax credits authorized therefor, then the authority, by rule, shall determine the method of distribution of tax credits authorized for employee-qualified capital projects and large capital projects.


Effective 6-23-04 (H.B. 1182) 8-28-04 (S.B. 740, et al.)

Expires 12-31-10

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

348.434. Limitations on credits issued.

1. The aggregate of tax credits issued per fiscal year pursuant to sections 348.430 and 348.432 shall not exceed six million dollars.

2. Upon July 2, 1999, and ending June 30, 2000, tax credits shall be issued pursuant to section 348.430, except that, the authority shall allocate no more than three million dollars to fund section 348.432 in fiscal year 2000. Beginning in fiscal year 2001 and each subsequent year, tax credits shall be issued pursuant to section 348.432.

3. Beginning the first day of May of each fiscal year following implementation of section 348.432, the authority may determine the extent of tax credits, pursuant to section 348.432, that will be utilized in each fiscal year. If the authority determines that:

(1) Less than six million dollars for a fiscal year is to be utilized in tax credits pursuant to section 348.432; and

(2) The assets available to the authority, pursuant to section 348.430, do not exceed twelve million dollars; then, the authority may offer the remaining authorized tax credits be issued pursuant to section 348.430.

(L. 1999 H.B. 888 § 3)

Effective 7-2-99

Expires 12-31-10


(L. 1999 H.B. 888 § 4)

Effective 7-2-99

Expires 12-31-10

348.438. Departments to provide assistance. The department of natural resources, the department of economic development and the department of agriculture may provide to an eligible new generation cooperative any technical support necessary to assist in the operation of the facility or the marketing of its products.

(L. 1999 H.B. 888 § 5)

Effective 7-2-99

348.439. Oversight and report on credits. The tax credits issued in sections 348.430 to 348.439 by the Missouri agricultural and small business development authority shall be subject to oversight provisions. Effective January 1, 2000, notwithstanding the provisions of section 32.057, RSMo, the authority shall annually report to the office of administration, president pro tem of the senate, the speaker of the house of representatives, and the joint committee on economic development regarding the tax credits authorized pursuant to sections 348.430 to 348.439
which were issued in the previous fiscal year. The report shall contain, but not be limited to, the aggregate number and dollar amount of tax credits issued by the authority, the number and dollar amount of tax credits claimed by taxpayers, and the number and dollar amount of tax credits unclaimed by taxpayers as well as the number of years allowed for claims to be made. This report shall be delivered no later than November of each year.

(L. 1999 H.B. 888 § 6)

Effective 7-2-99
INDUSTRIAL DEVELOPMENT CORPORATIONS
[Chapter 349 RSMo]

349.010. Definitions. As used in sections 349.010 to 349.100, unless the context otherwise requires, the following words and terms shall have the meanings indicated:

1. "Corporations" means any authority organized pursuant to the provisions of sections 349.010 to 349.100.

2. "County and municipality". "County" means any county in the state. "Municipality" means any city, incorporated town or village in the state.

3. "Governing body" shall mean the board or body in which the general legislative powers of the county or municipality are vested.

4. "Project" means the purchase, construction, extension and improvement of plants, buildings, structures, or facilities, whether or not now in existence, including the real estate, used or to be used as a factory, assembly plant, manufacturing plant, processing plant, fabricating plant, distribution center, warehouse building, public facility, waterborne vessels excepting commercial passenger vessels for hire in a city not within a county built prior to 1950, office building, for-profit or not-for-profit hospital, not-for-profit nursing or retirement facility or combination thereof, physical fitness, recreational, indoor and resident outdoor facilities operated by not-for-profit organizations, commercial or agricultural facility, or facilities for the prevention, reduction or control of pollution. Included in all of the above shall be any required fixtures, equipment and machinery. Excluded are facilities designed for the sale or distribution to the public of electricity, gas, water or telephone, together with any other facilities for cable television and those commonly classified as public utilities. Projects of a municipal authority must be located wholly within the incorporated limits of the municipality except that such projects may be located outside the corporate limits of such municipality and within the county in which the municipality is located with permission of the governing body of the county. Projects of a county authority must be located within an unincorporated area of such county except that such projects may be located within the incorporated limits of a municipality within such county, when approved by the governing body of the municipality.


(1978) Act authorizing industrial development corporations does not violate provisions of constitution relating to lending of public credit, taxes for public purposes, and subject of legislation. State ex rel. Jardon v. Industrial Development Authority of Jasper County (Mo.), 570 S.W.2d 666.

349.012. Promotion of commercial and industrial development, powers of governing bodies of cities and counties. The governing body shall have the power to spend its funds to promote commercial and industrial development and, in order to achieve such promotion, to engage in any activities, either on its own or in conjunction and by contract with any not for profit organization, which it deems necessary to carry on such promotional work.


349.015. No eminent domain. Any corporation subject to sections 349.010 to 349.100 is prohibited the power of eminent domain.

(L. 1977 S.B. 267 § 2)

349.020. Agricultural operations not authorized. No corporation shall itself be authorized to operate any manufacturing, industrial or commercial enterprise or conduct an agricultural operation as prohibited by chapter 350, RSMo.

(L. 1977 S.B. 267 § 3)

349.025. Who may be incorporators. Whenever any number of natural persons, not less than three, each of whom shall be a duly qualified elector of and taxpayer in the county or municipality, shall file with the governing body thereof an application in writing seeking permission to apply for the incorporation of an industrial development corporation of such county or municipality to develop commercial, industrial, agricultural or manufacturing facilities, the governing body shall proceed to consider such application. If the governing body shall by appropriate order or resolution duly adopted find and determine that it is wise, expedient, necessary or advisable that the corporation be formed and shall authorize the persons making such application to proceed to form such corporation and shall approve the form of articles of incorporation proposed to be used in organizing the corporation, then the persons making such application shall execute, acknowledge and file articles of incorporation for the corporation as hereinafter provided. No corporation may be formed unless such application shall have first been filed with the governing body of the county or municipality and the governing body shall have adopted an order or resolution as provided in this section.

(L. 1977 S.B. 267 § 4)

349.030. Articles of incorporation, form and contents of. The articles of incorporation shall set forth

1. The names and residences of the applicants together with a recital that each of them is an elector of and taxpayer in the county or municipality;
(2) The name of the corporation, which shall be “The Industrial Development Authority of the ............... of ...............” (the blank spaces to be filled in with the name of the county or municipality, including the proper designation thereof as county, city, town or village) if such name shall be available for use by the corporation and if not available then the incorporators shall designate some other similar name that is available;

(3) A recital that permission to organize the corporation had been granted by order or resolution duly adopted by the governing body of the county or municipality, and in all counties, other than a city not within a county or municipality. All directors shall be appointed by the chief executive officer of the county or municipality, with the advice and consent of a majority of the governing body of the county or municipality, with the advice and consent of a majority of the governing body of the county or municipality.

(4) The location of the principal office of the corporation (which shall be in the county or municipality);

(5) The purpose for which the corporation is proposed to be organized;

(6) The number of directors of the corporation;

(7) The period, if any, for the duration of the corporation;

(8) Any other matter which the applicants may choose to insert therein which shall not be inconsistent with this chapter or with the laws of the state of Missouri. The articles of incorporation shall be subscribed and acknowledged by each of the applicants before an officer authorized by the laws of Missouri to take acknowledgments to deeds.

(L. 1977 S.B. 267 § 5)

349.035. Articles, where filed--secretary of state to issue certificate, when. When executed and acknowledged in conformity with section 349.030 above, the articles of incorporation shall be filed with the secretary of state. The secretary of state shall thereupon examine the articles of incorporation and, if he finds that the recitals contained therein are correct, that the requirements of section 349.030 above have been complied with, and that the name is not identical with or so nearly similar to that of another corporation already in existence in this state as to lead to confusion and uncertainty, he shall approve the articles of incorporation, issue a certificate of incorporation and record the same in an appropriate book or record in his office. When such articles have been so approved, the certificate of incorporation issued and the same filed, the applicants shall constitute a public corporation under the name set out in the articles of incorporation.

(L. 1977 S.B. 267 § 6)

349.040. Articles, how amended. The articles of incorporation may at any time and from time to time be amended so as to make any changes therein and add any provisions thereto which might have been included in the articles of incorporation in the first instance. Any such amendment shall be effected in the following manner: The members of the board of directors of the corporation shall file with the governing body of the county or municipality an application in writing seeking permission to amend the articles of incorporation, specifying in such application the amendment proposed to be made. Such governing body shall consider such application and, if they find it is wise, expedient, necessary or advisable that the proposed amendment be made and shall authorize the same to be made and shall approve the form of the proposed amendment, then the persons making such application shall execute an instrument embodying the amendment specified in such application, and shall file the same with the secretary of state. The proposed amendment shall be subscribed and acknowledged by each member of the board of directors before an officer authorized by the laws of Missouri to take acknowledgments to deeds. Such secretary of state shall thereupon examine the proposed amendment and, if he finds that the requirements of this section have been complied with and the proposed amendment is within the scope of what might be included in the original articles of incorporation, he shall approve the amendment and record it in an appropriate book in his office. When such amendment has been so made, filed and approved, it shall thereupon become effective and the articles of incorporation shall thereupon be amended to the extent provided in the amendment. The articles of incorporation shall not be amended except in the manner provided in this section.

(L. 1977 S.B. 267 § 7)

349.045. Board of directors, qualifications, appointment, terms--requirements for Lewis County.

1. Except as provided in subsection 2 of this section, the corporation shall have a board of directors in which all the powers of the corporation shall be vested and which shall consist of any number of directors, not less than five, all of whom shall be duly qualified electors of and taxpayers in the county or municipality; except that, for any industrial development corporation formed by any municipality located wholly within any county of the second, third, or fourth classification, directors may be qualified taxpayers in and registered voters of such county. The directors shall serve as such without compensation except that they shall be reimbursed for their actual expenses incurred in and about the performance of their duties hereunder. The directors shall be resident taxpayers for at least one year immediately prior to their appointment. No director shall be an officer or employee of the county or municipality. All directors shall be appointed by the chief executive officer of the county or municipality with the advice and consent of a majority of the governing body of the county or municipality, and in all counties, other than a city not within a county and counties with a charter form of government, the appointments shall be made by the county commission and they shall be so appointed that they shall hold office for staggered terms. At the time of the appointment of the first board of directors the governing body of the municipality or county shall divide the directors into three groups containing as nearly equal whole numbers as may be possible. The first term of the directors included in the first group shall be two years, the first term of the directors included in the second group shall be four years, the first term of the directors in the third group shall be six years; provided, that if at the expiration of any term of office of any director a successor thereto shall not have been appointed, then the director whose term of office shall have expired shall continue to hold office until a successor shall be appointed by the chief executive officer of the county or municipality with the advice and consent of a majority of the governing body of the county or municipality. The successors shall be resident taxpayers for at least one year immediately prior to their appointment.
2. A corporation in a county of the third classification without a township form of government and with more than ten thousand four hundred but fewer than ten thousand five hundred inhabitants shall have a board of directors in which all the powers of the corporation shall be vested and which shall consist of a number of directors not less than the number of townships in such county. All directors shall be duly qualified electors of and taxpayers in the county. Each township within the county shall elect one director to the board. Additional directors may be elected to the board to succeed directors appointed to the board as of the effective date of this section* if the number of directors on the effective date of this section* exceeds the number of townships in the county. The directors shall serve as such without compensation except that they shall be reimbursed for their actual expenses incurred in the performance of their duties. The directors shall be resident taxpayers for at least one year immediately prior to their election. No director shall be an officer or employee of the county. Upon the expiration of the term of office of any director appointed to the board prior to the effective date of this section*, a director shall be elected to succeed him or her; provided that if at the expiration of any term of office of any director a successor thereto shall not have been elected, then the director whose term of office shall have expired shall continue to hold office until a successor shall be elected. The successors shall be resident taxpayers for at least one year immediately prior to their election.


*Effective 5-13-05 (H.B. 40) 8-28-05 (H.B. 58)

349.050. Powers of corporation. The corporation is hereby granted and may exercise all powers necessary or appropriate to carry out and effectuate its purposes, including but not limited to the following:

1. To adopt bylaws and rules for the regulation of its affairs and the conduct of its business;

2. To adopt an official seal;

3. To sue and be sued;

4. To promote and solicit industrial and economic development projects as authorized by section 349.010 and to make and execute leases, contracts, releases, compromises and other instruments necessary or convenient for the exercise of its powers or to carry out its purposes;

5. To acquire, whether by purchase, exchange, gift, lease or otherwise, and to improve, maintain, equip and furnish one or more projects, including all real and personal properties which the board of directors of the corporation may deem necessary in connection therewith and regardless of whether or not such projects shall then be in existence;

6. To lease to others any of its projects and to charge and collect rent therefor and to terminate any such lease upon the failure of the lessee to comply with any of the obligations thereof; and to include in any such lease, if desired, a provision that the lessee thereof shall have an option to purchase the project; or

7. To sell, assign, mortgage, grant a security interest in, exchange, donate and convey any or all of its properties whenever its board of directors shall find such action to be in furtherance of the purposes for which the corporation was organized;

8. To loan the proceeds of the bonds or temporary notes hereinafter authorized to provide for the purchase, construction, extension, and improvement of projects;

9. To issue bonds and temporary notes as hereinafter provided;

10. To employ and pay compensation to such employees and agents, including attorneys, and others of like professional skills and abilities, as the board of directors shall deem necessary for the business of the corporation;

11. To invest any funds not required for immediate disbursement in obligations of the state of Missouri or of the United States or any agency or instrumentality thereof, or in bank certificates of deposit;

12. To acquire by gift or purchase, hold and dispose of real and personal property in the exercise of its powers and the performance of its duties hereunder;

13. To receive and accept appropriations, gifts and grants and to utilize or dispose of the same to carry out its purposes;

14. To collect rentals, fees, and other charges in connection with its services or for the use of any project;

(15) To sell at private sale any of its property or projects to any private corporation, person, firm, or to any public body, political subdivision or municipal corporation on such terms as it deems advisable including the right to receive for such sale the note or notes of any such person to whom the sale is made. Any such sale shall provide for payments adequate to pay the principal of and interest and premiums, if any, on the bonds issued to finance such project or portion thereof. Any such sale may provide for the construction of the project by the purchaser of the project. It shall not be necessary for a corporation to acquire title to any project.


CROSS REFERENCES: Bi-state development agency, bonds of, investment in authorized, RSMo 70.377 Savings accounts in insured savings and loan associations, investment in authorized, RSMo 369.194
349.052. General and business corporation law applicable--exceptions. The general and business corporation law of Missouri, chapter 351, RSMo, shall be applicable to industrial development corporations organized pursuant to this chapter except that any provision of this chapter shall take precedence over any provision of chapter 351, RSMo, which conflicts with it.

(L. 1978 S.B. 761 § 349.025)

349.055. Revenue bonds, issuance, provisions, sale. The corporation may at any time issue revenue bonds for the purpose of paying any part of the cost of any project or part thereof. Every issue of its bonds shall be payable out of the property and revenues of the corporation which may be pledged, assigned, mortgaged, or in which a security interest is granted for such payment, without preference or priority of the first bonds issued, subject to any agreement with the holders of any other bonds pledging any specified property or revenues. Such bonds shall be authorized by resolution of the corporation, shall bear such date or dates, and shall mature at such time or times, but not in excess of forty years, as the resolution shall specify. Such bonds shall be in such denomination, bear interest at such rate, be in such form, either coupon or registered, be issued in such manner, be payable in such place or places and be subject to redemption as such resolution may provide. The bonds of the corporation may be sold at either public or private sale, at such price or prices as the corporation shall determine, but at not less than ninety-five percent of the principal amount thereof and at an interest rate not in excess of the maximum rate, if any, applicable to general and business corporations.


349.060. Notes, issuance, provisions, sale. Pending the issuance of bonds, the corporation may issue notes payable from the proceeds of such bonds or from such other sources as the corporation may specify as in the case of bonds. Such notes shall mature in not more than five years and shall be sold at public or private sale as the corporation may specify at not less than ninety-five percent of the principal amount thereof and at an interest rate not in excess of the maximum rate, if any, applicable to general and business corporations. The other details with respect to such notes shall be determined by the corporation as in the case of bonds.


349.065. Renewal notes, issued when, how. The corporation may from time to time issue renewal notes or refund any bonds by the issuance of refunding bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partially to refund bonds then outstanding and partially for any other purpose. Renewal notes or refunding bonds may be sold at public or private sale and the proceeds applied to the purchase, redemption, or payment of the notes or bonds to be refunded.

(L. 1977 S.B. 267 § 12)

349.070. Resolutions authorizing issuance of bonds or notes, provisions authorized in. Any resolution authorizing any notes or bonds may contain such provisions, covenants and agreements subject to any provisions, covenants and agreements with the holders of bonds or notes then outstanding as the corporation determines necessary, such provisions, covenants and agreements may include but shall not be limited to:

1. Pledging, assigning, mortgaging, or granting a security interest in all or any part of the property and revenues of the corporation or any part thereof, to secure the payment of the notes or bonds or of any issue thereof;

2. The use and disposition of the property or revenues of the corporation or any part thereof;

3. The fixing of rents, fees and other charges and the pledging of the same and of the revenues of the corporation so that the same will be sufficient to pay the cost of operation, maintenance and repair of any project and the principal of and interest on notes or bonds secured by the pledge of such revenues;

4. Establishing reasonable reserves to secure the payment of such notes and bonds;

5. Limitations on the issuance of additional notes or bonds and the terms upon which the same may be issued and secured.


349.075. Trust agreements authorized. A resolution of the corporation authorizing the issuance of any notes or bonds or any issue thereof may provide that such notes or bonds shall be secured by a trust agreement between the corporation and a corporate trustee, vesting in such trustee such property, rights, powers and duties in trust as the corporation may determine. Any such trust agreement may pledge, assign, mortgage, or grant a security interest in the property in revenues of the corporation, or any part thereof, to secure payment of any notes or bonds. Any such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the noteholders or bondholders as may be reasonable and proper, including covenants relating to the acquisition and construction of projects and the maintenance, repair and operation thereof, the rentals and other charges to be imposed for the use of any project, the custody and application of all moneys relating thereto. Such trust agreement may contain such other provisions as the corporation determines reasonable and necessary for the security of the noteholders and bondholders. All expenses incurred in carrying out the provisions of any such trust agreement may be considered as a part of the cost of the operation of the project.
349.080. **Individuals not liable on notes or bonds.** Neither the directors of any corporation nor any person executing the bonds or notes shall be liable personally on the bonds or notes by reason of the issuance thereof. Bonds and notes issued under this section by a corporation created by or pursuant to sections 349.010 to 349.100 shall not be a debt of the county, the municipality or the state and neither the county, the municipality or the state shall be liable thereon nor in any event shall such notes or bonds be payable out of any funds or properties other than those acquired for the purposes of this law, and such bonds and notes shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

(L. 1977 S.B. 267 § 15)

349.085. **Notes and bonds declared to be approved investments for fiduciaries.** The notes and bonds of the corporation are securities in which all public officers and bodies of this state and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, trust companies, savings associations, savings and loan associations, investment companies, all administrators, guardians, executors, trustees, and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds, including capital, in their control or belonging to them.

(L. 1977 S.B. 267 § 16)

349.090. **Projects not tax exempt, exceptions—bond and note interest is exempt, exception.** Projects acquired, constructed, reconstructed, enlarged, improved, furnished, equipped, maintained, repaired, operated, leased, financed or sold by the corporation pursuant to sections 349.010 to 349.100 shall be subject to all real and tangible personal property taxes and assessments of the state of Missouri, and any county, municipality or any governmental subdivision thereof except hospitals which are exempt from taxation under article X, section 6 (1) of the Constitution of the State of Missouri, or other projects which are exempted or relieved from such real property taxes and assessments pursuant to any constitutional or statutory provision. Bonds and notes of the corporation are declared to be issued for an essential public and governmental purpose and to be public instrumentalities, and interest thereon and income therefrom shall be exempt from taxation except for death and gift taxes on transfers.


349.095. **Dissolution of corporation, effect of.** Upon termination or dissolution, all rights and properties of the corporation shall pass to and be vested in the county or municipality of incorporation, subject to the rights of bondholders, noteholders, and other creditors. Except that no county or municipality nor the citizens thereof shall be subject to any tax assessment or financial liability to any bondholder, noteholder and any other creditor nor shall any county or municipality be permitted to expend any public moneys for the payment of any indebtedness of bonds, notes, or any other claims by creditors of any nature. Any and all indebtedness, whether by bond, note or any creditor claim, shall be paid exclusively from the revenues, if any, from such terminated or dissolved corporation.

(L. 1977 S.B. 267 § 18)

349.100. **Disclaimer as to impairment of other powers of political subdivisions.** Nothing herein contained shall impair or affect the power or jurisdiction of the municipality, county, township, or school districts in which the corporations organized hereunder are located, and such corporations shall conform to applicable regulations of any governmental authority having jurisdiction therein.

(L. 1977 S.B. 267 § 19)

349.105. **Annual report, contents.** No later than January thirty-first of each year, the issuing authority shall file a report with the department of economic development on the previous year’s issuances, which report shall contain only the following information:

1. The name and address of the issuing entity;
2. The name, address, age, and type of business of the beneficiary firm;
3. The amount, term, interest rate, and date of issuance of the bonds issued;
4. The name and address of the underwriter, if any, of such bonds;
5. A copy of the guaranty instrument, if any;
6. The size, by assets and previous year’s sales, and the current number of employees, of the beneficiary firm;
7. A copy of the preliminary official statement used when offering the bonds for sale;
8. The estimated number of new jobs to be generated by the proposed project;
(9) A list of the use of bond proceeds, including whether the purpose of the project and the funds generated by the issuance of such bonds is to open a new business, build a branch plant, expand an existing facility or acquire an existing business;

(10) The estimated total cost of the project.


Effective 6-22-83
As of August 28, 2005

NEIGHBORHOOD ASSISTANCE PROGRAM

[§§ 32.100 - 32.125 RSMo]

32.100. Short title. Sections 32.100 to 32.125 shall be known and may be cited as the “Neighborhood Assistance Act”.

(L. 1977 S.B. 375 § 1)

Effective 1-1-78

32.105. Definitions—tax credits may be transferred, sold or assigned, requirements. As used in sections 32.100 to 32.125, the following terms mean:

(1) “Affordable housing assistance activities”, money, real or personal property, or professional services expended or devoted to the construction, or rehabilitation of affordable housing units;

(2) “Affordable housing unit”, a residential unit generally occupied by persons and families with incomes at or below the levels described in this subdivision and bearing a cost to the occupant no greater than thirty percent of the maximum eligible household income for the affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be considered the amount of the gross monthly mortgage payment, including casualty insurance, mortgage insurance, and taxes. In the case of rental units, the cost to the occupant shall be considered the amount of the gross rent. The cost to the occupant shall include the cost of any utilities, other than telephone. If any utilities are paid directly by the occupant, the maximum cost that may be paid by the occupant is to be reduced by a utility allowance prescribed by the commission. Persons or families are eligible occupants of affordable housing units if the household combined, adjusted gross income as defined by the commission is equal to or less than the following percentages of the median family income for the geographic area in which the residential unit is located, or the median family income for the state of Missouri, whichever is larger; (“geographic area” means the metropolitan area or county designated as an area by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, for purposes of determining fair market rental rates):

<table>
<thead>
<tr>
<th>Percent of State or Geographic Area Family Median Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size of Household Median Income</td>
</tr>
<tr>
<td>One Person 35%</td>
</tr>
<tr>
<td>Two Persons 40%</td>
</tr>
<tr>
<td>Three Persons 45%</td>
</tr>
<tr>
<td>Four Persons 50%</td>
</tr>
<tr>
<td>Five Persons 54%</td>
</tr>
<tr>
<td>Six Persons 58%</td>
</tr>
<tr>
<td>Seven Persons 62%</td>
</tr>
<tr>
<td>Eight Persons 66%</td>
</tr>
</tbody>
</table>

(3) “Business firm”, person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in this state;

(4) “Commission”, the Missouri housing development commission;

(5) “Community services”, any type of counseling and advice, emergency assistance or medical care furnished to individuals or groups in the state of Missouri or transportation services at below-cost rates as provided in sections 208.250 to 208.275, RSMo;

(6) “Crime prevention”, any activity which aids in the reduction of crime in the state of Missouri;

(7) “Defense industry contractor”, a person, corporation or other entity which will be or has been negatively impacted as a result of its status as a prime contractor of the Department of Defense or as a second or third tier contractor. A “second tier contractor” means a person, corporation or other entity which contracts to perform manufacturing, maintenance or repair services for a prime contractor of the Department of Defense, and a
“third tier contractor” means a person, corporation or other entity which contracts with a person, corporation or other entity which contracts with a prime contractor of the Department of Defense;

(8) “Doing business”, among other methods of doing business in the state of Missouri, a partner in a firm or a shareholder in an S corporation shall be deemed to be doing business in the state of Missouri if such firm or S corporation, as the case may be, is doing business in the state of Missouri;

(9) “Economic development”, the acquisition, renovation, improvement, or the furnishing or equipping of existing buildings and real estate in distressed or blighted areas of the state when such acquisition, renovation, improvement, or the furnishing or equipping of the business development projects will result in the creation or retention of jobs within the state; or, until June 30, 1996, a defense conversion pilot project located in a standard metropolitan statistical area which contains a city with a population of at least three hundred fifty thousand inhabitants, which will assist Missouri-based defense industry contractors in their conversion from predominately defense-related contracting to nondefense-oriented manufacturing. Only neighborhood organizations, as defined in subdivision (13) of this section, may apply to conduct economic development projects. Prior to the approval of an economic development project, the neighborhood organization shall enter into a contractual agreement with the department of economic development. Credits approved for economic development projects may not exceed four million dollars from within any one fiscal year’s allocation, except that for fiscal years 2005, 2006, and 2007 credits approved for economic development projects shall not exceed six million dollars. Neighborhood assistance program tax credits for economic development projects and affordable housing assistance as defined in section 32.111 may be transferred, sold or assigned by a notarized endorsement thereof naming the transferee;

(10) “Education”, any type of scholastic instruction or scholarship assistance to an individual who resides in the state of Missouri that enables the individual to prepare himself or herself for better opportunities or community awareness activities rendered by a statewide organization established for the purpose of archeological education and preservation;

(11) “Homeless assistance pilot project”, the program established pursuant to section 32.117;

(12) “Job training”, any type of instruction to an individual who resides in the state of Missouri that enables the individual to acquire vocational skills so that the individual can become employable or be able to seek a higher grade of employment;

(13) “Neighborhood organization”, any organization performing community services or economic development activities in the state of Missouri and:
(a) Holding a ruling from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation pursuant to the provisions of the Internal Revenue Code; or
(b) Incorporated in the state of Missouri as a not-for-profit corporation pursuant to the provisions of chapter 355, RSMo; or
(c) Designated as a community development corporation by the United States government pursuant to the provisions of Title VII of the Economic Opportunity Act of 1964;

(14) “Physical revitalization”, furnishing financial assistance, labor, material, or technical advice to aid in the physical improvement or rehabilitation of any part or all of a neighborhood area;

(15) “S corporation”, a corporation described in Section 1361(a)(1) of the United States Internal Revenue Code and not subject to the taxes imposed by section 143.071, RSMo, by reason of section 143.471, RSMo;

(16) “Workfare renovation project”, any project initiated pursuant to sections 215.340 to 215.355, RSMo.

(CROSS REFERENCES: Neighborhood organization may appeal decision of an administrative officer to board of adjustment, when, procedure, RSMo 89.100 Neighborhood organization may appeal decision of board of adjustment, when, procedure, RSMo 89.110

32.110. Firms providing neighborhood assistance to receive tax credits. Any business firm which engages in the activities of providing physical revitalization, economic development, job training or education for individuals, community services, or crime prevention in the state of Missouri shall receive a tax credit as provided in section 32.115 if the director of the department of economic development annually approves the proposal of the business firm; except that, no proposal shall be approved which does not have the endorsement of the agency of local government within the area in which the business firm is engaging in such activities which has adopted an overall community or neighborhood development plan that the proposal is consistent with such plan. The proposal shall set forth the program to be conducted, the neighborhood area to be served, why the program is needed, the estimated amount to be contributed to the program and the plans for implementing the program. If, in the opinion of the director of the department of economic development, a business firm’s contribution can more consistently with the purposes of sections 32.100 to 32.125 be made through contributions to a neighborhood organization as defined in subdivision (13) of section 32.105, tax credits may be allowed as provided in section 32.115. The director of the department of economic development is hereby authorized to promulgate rules and regulations for establishing criteria for evaluating such proposals by business firms for approval or disapproval and for establishing priorities for approval or disapproval of such proposals by business firms with the assistance and approval of the director of the department of revenue. The total amount of tax credit granted for programs approved pursuant to sections 32.100 to 32.125 shall not exceed fourteen million dollars in fiscal

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year 1999 and twenty-six million dollars in fiscal year 2000, and any subsequent fiscal year, except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117. All tax credits authorized pursuant to the provisions of sections 32.100 to 32.125 may be used as a state match to secure additional federal funding.


CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

32.111. Affordable housing assistance activities and affordable housing units, market rate housing in distressed communities, or workfare renovation projects, business firms proposing to provide, procedure for approval and tax credit--restricted use of property to create a lien. Any business firm which engages in providing affordable housing assistance activities or market rate housing in distressed communities as defined in section 135.530, RSMo, in the state of Missouri shall receive a tax credit as provided in section 32.115 if the commission or its delegate approves a proposal submitted by one or more business firms for the provision of affordable housing units or market rate housing in distressed communities or in accordance with the requirements of participation in the workfare renovation project in sections 215.340 to 215.360, RSMo. The proposal shall set forth the provision of affordable housing units, the neighborhood area to be served, why the program is needed, the time period for which affordable housing units shall be provided, the estimated amount to be invested in the program, plans for implementing the program and a list of the business firms proposing to provide affordable housing assistance activities which are part of the proposal. The same type of information shall be provided in proposals for market rate housing in distressed communities. In the case of rental units of affordable housing, but not market rate housing in distressed communities, all proposals approved by the commission shall require a land use restriction agreement stating the provision of affordable housing on such property for a time period deemed reasonable by the commission. In the case of owner-occupied units of affordable housing, all proposals approved by the commission shall require a land use restriction agreement for a time period deemed reasonable by the commission requiring any subsequent owner, except a lender with a security interest in the property, to be an owner occupant whose income at the time of acquisition is at or below the level described in section 32.105, and further requiring the acquisition price to any subsequent owner shall not exceed by more than a five percent annual appreciation the acquisition price to the original, eligible owner at the time tax credits are first claimed. The land use restriction agreement shall constitute a lien as described in subdivision (4) of subsection 3 of section 32.115. The restriction shall be approved by the property owner and shall be binding on any subsequent owner of the property unless otherwise approved by the commission. In approving a proposal, the commission may authorize the use of tax credits by one or more of the business firms listed in the proposal and shall establish specific requirements regarding the degree of completion of affordable housing assistance activities or market rate housing activities in distressed communities necessary to be eligible for tax credits provided pursuant to this section. If, in the opinion of the commission or its delegate, a business firm's investment can more consistently with the purposes of this section be made through a neighborhood organization, tax credits may be allowed as provided in this section. The commission may approve requests for multiyear credit commitments provided eligibility is maintained. The commission or its delegate is hereby authorized to promulgate rules and regulations for establishing criteria for evaluating such proposals by business firms for approval or disapproval, for establishing housing priorities for approval or disapproval of such proposals by business firms, and for the certification of eligibility for tax credits authorized pursuant to this section. The decision of the commission or its delegate to approve or disapprove a proposal pursuant to this section shall be in writing, and if approved, the maximum credit allowable to the business firm shall be stated. A copy of the decision of the commission or its delegate shall be transmitted to the director of revenue and to the governor. A copy of the certification approved by the commission and a statement of the total amount of credits approved by the commission, the amount of credits previously taken by the taxpayer and the amount being claimed for the current tax year shall be filed in a manner and form designated by the director of revenue for any tax year in which a tax credit is being claimed.


Effective 1-1-00

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830

32.112. Tax credit for businesses making contribution to neighborhood organization--proposal required, content--rules authorized--approval or disapproval by commission to be filed--approval to contain maximum tax credit allowed. Any business firm which makes a contribution to a neighborhood organization, a significant part of whose activities consist of affordable housing assistance activities or market rate housing in distressed communities as defined in section 135.530, RSMo, in the state of Missouri, shall receive a tax credit as provided in section 32.115 if the commission approves a proposal submitted by one or more business firms for the general operating assistance of such neighborhood organization. The proposal shall set forth the activities of the neighborhood organization, including the affordable housing assistance activities or market rate housing in distressed communities, the neighborhood area to be served, why the activities are needed, the estimated amount to be contributed to the neighborhood organization, and a list of the business firms proposing to make the contributions. The commission is hereby authorized to promulgate rules and regulations pursuant to section 536.024, RSMo, for establishing criteria for evaluating such proposals by business firms for approval or disapproval, and for the certification of eligibility for tax credits authorized pursuant to this section. The decision of the commission to approve or disapprove a proposal pursuant to this section shall be in writing and, if approved, the maximum credit allowable to the business firm shall be stated. A copy of the decision of the commission shall be transmitted to the director of revenue and to the governor. A copy of the certification approved by the commission and a statement of the total amount of credits approved by the commission, the amount of credits previously taken by the taxpayer and the amount being claimed for the current tax year shall be filed in a manner and form designated by the director of revenue for any tax year in which a tax credit is being claimed.


Effective 1-1-00
32.115. Tax credits authorized, order in which applied—amount allowed annually, exceeded when—upper limit set—carry-over permitted, enforceability—credit limit for amount contributed, carry-over, total amount of credit allowed.

1. The department of revenue shall grant a tax credit, to be applied in the following order until used, against:

   (1) The annual tax on gross premium receipts of insurance companies in chapter 148, RSMo;

   (2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030, RSMo;

   (3) The tax on banks determined pursuant to subdivision (1) of subsection 2 of section 148.030, RSMo;

   (4) The tax on other financial institutions in chapter 148, RSMo;

   (5) The corporation franchise tax in chapter 147, RSMo;

   (6) The state income tax in chapter 143, RSMo; and

   (7) The annual tax on gross receipts of express companies in chapter 153, RSMo.

2. For proposals approved pursuant to section 32.110:

   (1) The amount of the tax credit shall not exceed fifty percent of the total amount contributed during the taxable year by the business firm or, in the case of a financial institution, where applicable, during the relevant income period in programs approved pursuant to section 32.110;

   (2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy percent may be allowed for contributions to programs where activities fall within the scope of special program priorities as defined with the approval of the governor in regulations promulgated by the director of the department of economic development;

   (3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for contributions to programs located in any community shall be equal to seventy percent of the total amount contributed where such community is a city, town or village which has fifteen thousand or less inhabitants as of the last decennial census and is located in a county which is either located in:

   (a) An area that is not part of a standard metropolitan statistical area;

   (b) A standard metropolitan statistical area but such county has only one city, town or village which has more than fifteen thousand inhabitants; or

   (c) A standard metropolitan statistical area and a substantial number of persons in such county derive their income from agriculture.

   Such community may also be in an unincorporated area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit of the combined federal and state tax savings to the taxpayer exceed the amount contributed by the taxpayer during the tax year;

   (4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of the total amount contributed. Regulations establishing special program priorities are to be promulgated during the first month of each fiscal year and at such times during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit shall be approved for any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association for activities that are a part of its normal course of business. Any tax credit not used in the period the contribution was made may be carried over the next five succeeding calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section 32.100, RSMo. If six million dollars in credits are not approved, then the remaining credits may be used for programs approved pursuant to sections 32.100 to 32.125;

   (5) The credit may exceed two hundred fifty thousand dollars annually and shall not be limited if community services, crime prevention, education, job training, physical revitalization or economic development, as defined by section 32.105, is rendered in an area defined by federal or state law as an impoverished, economically distressed, or blighted area or as a neighborhood experiencing problems endangering its existence as a viable and stable neighborhood, or if the community services, crime prevention, education, job training, physical revitalization or economic development is limited to impoverished persons.

3. For proposals approved pursuant to section 32.111:

   (1) The amount of the tax credit shall not exceed fifty-five percent of the total amount invested in affordable housing assistance activities or market rate housing in distressed communities as defined in section 135.530, RSMo, by a business firm. Whenever such investment is made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only where the loan or equity investment is accompanied by a donation which is eligible for federal income tax charitable deduction, and where the total value of the tax credits herein plus
the value of the federal income tax charitable deduction is less than or equal to the value of the donation. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing units or market rate housing units in distressed communities for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of square feet devoted to the affordable housing units or market rate housing units in distressed communities, for purposes of determining the amount of the tax credit. The total amount of tax credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year;

(2) For any year during the compliance period indicated in the land use restriction agreement, the owner of the affordable housing rental units for which a credit is being claimed shall certify to the commission that all tenants renting claimed units are income eligible for affordable housing units and that the rentals for each claimed unit are in compliance with the provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and accounts of the owner to verify such certification;

(3) In the case of owner-occupied affordable housing units, the qualifying owner occupant shall, before the end of the first year in which credits are claimed, certify to the commission that the occupant is income eligible during the preceding two years, and at the time of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further certify to the commission, before the end of the first year in which credits are claimed, that during the compliance period indicated in the land use restriction agreement, the cost of the affordable housing unit to the occupant for the claimed unit can reasonably be projected to be in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit during the compliance period indicated in the land use restriction agreement shall make the same certification;

(4) If at any time during the compliance period the commission determines a project for which a proposal has been approved is not in compliance with the applicable provisions of sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days of notice to the owner either seek injunctive enforcement action against the owner, or seek legal damages against the owner representing the value of the tax credits, or foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein. The commission shall remit to the director of revenue the portion of the legal damages collected or the sale proceeds representing the value of the tax credits. However, except in the event of intentional fraud by the taxpayer, the proposal’s certificate of eligibility for tax credits shall not be revoked.

4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not exceed fifty-five percent of the total amount contributed to a neighborhood organization by business firms. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one million dollars for each fiscal year.

5. The total amount of tax credits used for market rate housing in distressed communities pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax credits authorized pursuant to sections 32.111 and 32.112.


Effective 1-1-00

32.117. Homelessness assistance projects--business firms proposing to provide, approval required--location of project requirements--tax credit, amount.

1. Any business firm which engages in the activity of providing a homelessness assistance project for low-income persons in the state of Missouri shall receive a tax credit as provided in section 32.115, if the division of community development within the department of economic development annually approves the proposal of the business firm. The proposal shall only be approved if the project is located in a city with a population of four hundred thousand or more inhabitants which is located in more than one county and which serves a mix of rural and urban counties.

2. For purposes of this section “low-income persons” shall mean families or persons with incomes of fifty percent or less of median income adjusted for family size as allowed by the Department of Housing and Urban Development (HUD) under section 8.

3. The purpose of a homelessness assistance project shall be to serve low-income families or persons who are experiencing economic crisis caused by one or more of the following:

(1) Loss of employment;

(2) Medical disability or emergency;

(3) Loss or delay of some form of public assistance benefits;

(4) Natural disaster;

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(5) Substantial change in household composition;
(6) Victimization by criminal activity;
(7) Illegal action by a landlord;
(8) Displacement by government or private action; or
(9) Some other condition which constitutes a hardship.

4. The amount of the tax credit shall not exceed fifty-five percent of the value of the proposal benefits, which shall include one or more of the following types of benefits to low-income persons in order to be eligible:

(1) Payment of rent or mortgage for not more than three months during any twelve-month period;
(2) Payment to a landlord of a rent deposit or a security deposit for not more than two months during any twelve-month period;
(3) Case management services which shall include support services such as child care, education resource assistance, job resource assistance, counseling, and resource and referral;
(4) Outreach services to low-income persons to prevent homelessness;
(5) Transitional housing facilities with support services.

5. The homeless assistance program shall give priority to the following types of low-income families or individuals:

(1) Families with minor children who are in imminent danger of removal from the family because of a lack of suitable housing accommodation;
(2) Single parent household;
(3) Other households with children;
(4) Households with a disabled household member or a household member who is at least sixty-five years of age;
(5) All other households.

6. The organization implementing a homeless assistance program pursuant to this section shall make annual reports identifying the goal of the program, the number of recipients served, the type of services rendered, and moneys expended to provide the program. The program report shall be submitted to the governor, speaker of the house of representatives and the president pro tem of the senate. These reports shall also be available to the general public upon request.

7. For each of the fiscal years beginning on July 1, 1991, and July 1, 1992, one million dollars in tax credits may be allowed to be used for the homeless assistance pilot project, pursuant to this section.

(L. 1990 H.B. 960)
Effective 10-1-90

32.120. Director’s decisions to be in writing--director to determine amount of credit. The decision of the director of the department of economic development to approve or disapprove a proposal pursuant to section 32.110 shall be in writing, and if he approves the proposal, he shall state the maximum credit allowable to the business firm. A copy of the decision of the director of the department of economic development shall be transmitted to the director of revenue and to the governor.


32.125. Rules and regulations, promulgation, procedures. No rule or portion of a rule promulgated under the authority of this chapter shall become effective unless it has been promulgated pursuant to the provisions of section 536.024, RSMo.


*This section was amended by both S.B. 3 and S.B. 374 during the First Regular Session of the 88th General Assembly, 1995. Due to possible conflict, both versions are printed here.
135.460. Citation of law--tax credit, amount, claim, limitation--allowable programs--report--apportionment of credits--rulemaking authorit.

1. Section 135.460 and sections 620.1100 and 620.1103, RSMo, shall be known and may be cited as the “Youth Opportunities and Violence Prevention Act”.

2. As used in this section, the term “taxpayer” shall include corporations as defined in section 143.441 or 143.471, RSMo, and individuals, individual proprietorships and partnerships.

3. A taxpayer shall be allowed a tax credit against the tax otherwise due pursuant to chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.265, RSMo, chapter 147, RSMo, chapter 148, RSMo, or chapter 153, RSMo, in an amount equal to thirty percent for property contributions and fifty percent for monetary contributions of the amount such taxpayer contributed to the programs described in subsection 5 of this section, not to exceed two hundred thousand dollars per taxable year, per taxpayer; except as otherwise provided in subdivision (5) of subsection 5 of this section. The department of economic development shall prescribe the method for claiming the tax credits allowed in this section. No rule or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

4. The tax credits allowed by this section shall be claimed by the taxpayer to offset the taxes that become due in the taxpayer’s tax period in which the contribution was made. Any tax credit not used in such tax period may be carried over the next five succeeding tax periods.

5. The tax credit allowed by this section may only be claimed for monetary or property contributions to public or private programs authorized to participate pursuant to this section by the department of economic development and may be claimed for the development, establishment, implementation, operation, and expansion of the following activities and programs:

   (1) An adopt-a-school program. Components of the adopt-a-school program shall include donations for school activities, seminars, and functions; school-business employment programs; and the donation of property and equipment of the corporation to the school;

   (2) Expansion of programs to encourage school dropouts to reenter and complete high school or to complete a graduate equivalency degree program;

   (3) Employment programs. Such programs shall initially, but not exclusively, target unemployed youth living in poverty and youth living in areas with a high incidence of crime;

   (4) New or existing youth clubs or associations;

   (5) Employment/internship/apprenticeship programs in business or trades for persons less than twenty years of age, in which case the tax credit claimed pursuant to this section shall be equal to one-half of the amount paid to the intern or apprentice in that tax year, except that such credit shall not exceed ten thousand dollars per person;

   (6) Mentor and role model programs;

   (7) Drug and alcohol abuse prevention training programs for youth;

   (8) Donation of property or equipment of the taxpayer to schools, including schools which primarily educate children who have been expelled from other schools, or donation of the same to municipalities, or not-for-profit corporations or other not-for-profit organizations which offer programs dedicated to youth violence prevention as authorized by the department;

   (9) Not-for-profit, private or public youth activity centers;

   (10) Nonviolent conflict resolution and mediation programs;

   (11) Youth outreach and counseling programs.

6. Any program authorized in subsection 5 of this section shall, at least annually, submit a report to the department of economic development outlining the purpose and objectives of such program, the number of youth served, the specific activities provided pursuant to such program, the duration of such program and recorded youth attendance where applicable.

7. The department of economic development shall, at least annually submit a report to the Missouri general assembly listing the organizations participating, services offered and the number of youth served as the result of the implementation of this section.

8. The tax credit allowed by this section shall apply to all taxable years beginning after December 31, 1995.

As of August 28, 2005
9. For the purposes of the credits described in this section, in the case of a corporation described in section 143.471, RSMo, partnership, limited liability company described in section 347.015, RSMo, cooperative, marketing enterprise, or partnership, in computing Missouri’s tax liability, such credits shall be allowed to the following:

(1) The shareholders of the corporation described in section 143.471, RSMo;

(2) The partners of the partnership;

(3) The members of the limited liability company; and

(4) Individual members of the cooperative or marketing enterprise. Such credits shall be apportioned to the entities described in subdivisions (1) and (2) of this subsection in proportion to their share of ownership on the last day of the taxpayer’s tax period.


Effective 12-23-97

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830
YOUTH OPPORTUNITIES TAX CREDIT PROGRAM

[§§ 620.1100 - 620.1103 RSMo]

620.1100. Youth opportunities and violence prevention program established, purpose--advisory committee defined, members, appointment--fund, establishment, administration--program criteria, evaluation --database, development, operation.

1. The “Youth Opportunities and Violence Prevention Program” is hereby established in the division of community and economic development of the department of economic development to broaden and strengthen opportunities for positive development and participation in community life for youth, and to discourage such persons from engaging in criminal and violent behavior. For the purposes of section 135.460, RSMo, this section and section 620.1103, the term “advisory committee” shall mean an advisory committee to the division of community and economic development established pursuant to this section composed of ten members of the public. The ten members of the advisory committee shall include members of the private sector with expertise in youth programs, and at least one person under the age of twenty-one. Such members shall be appointed for two-year terms by the director of the department of economic development.

2. The “Youth Opportunities and Violence Prevention Fund” is hereby established in the state treasury and shall be administered by the department of economic development. The department may accept for deposit into the fund any grants, bequests, gifts, devises, contributions, appropriations, federal funds, and any other funds from whatever source derived. Moneys in the fund shall be used solely for purposes provided in section 135.460, RSMo, this section and section 620.1103. Any unexpended balance in the fund at the end of a fiscal year shall be exempt from the provisions of section 33.080, RSMo, relating to the transfer of unexpended balances to the general revenue fund.

3. The department of economic development in conjunction with the advisory committee shall establish program criteria and evaluation methods for tax credits claimed pursuant to section 135.460, RSMo. Such criteria and evaluation methods shall measure program effectiveness and outcomes, and shall give priority to local, neighborhood, community-based programs. The department shall monitor and evaluate all programs funded pursuant to section 135.460, RSMo, this section and section 620.1103. Such programs shall provide a priority for applications from areas of the state which have statistically higher incidence of crime, violence and poverty and such programs shall be funded before the programs which have applied from areas which do not exhibit crime, violence, and poverty to the same degree. The committee shall focus and support specific programs designed to generate self-esteem and a positive self-reliance in youth and which abate youth violence.

4. The department shall develop and operate a database which lists all participating and related programs. The database shall include indexes and cross references and shall be accessible by the public by computer-modem connection. The division of data processing and telecommunications of the office of administration and the department of economic development shall cooperate with the advisory committee in the development and operation of the program.

(L. 1995 H.B. 174, et al. § 13)

CROSS REFERENCES: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830 Tax credit for programs within youth opportunity program, RSMo 135.460

620.1103. Department may assign moneys, limitations--agreement, audit authorized--repayment of funds.

1. Notwithstanding any provision of law to the contrary, the department may in its discretion assign moneys from the youth opportunities and violence prevention fund to any entity designated by the department, for programs designated in section 135.460, RSMo, section 620.1100 and this section, including, but not limited to, schools, state agencies, political subdivisions and agencies thereof, not-for-profit corporations or not-for-profit organizations, the Missouri youth conservation corps, community action agencies, caring community programs, or any other entity or program such as any early childhood program, including, but not limited to, the parents as teachers program or similar programs; provided that, such assignment of funds does not exceed fifteen percent of the total value of the fund, and provided further that no more than ten percent of such funds assigned shall be used for administrative purposes.

2. Any entity receiving funds pursuant to the youth opportunities and violence prevention act shall sign an agreement to utilize such funds for the programs designated in section 135.460, RSMo, section 620.1100 and this section, including, but not limited to, schools, state agencies, political subdivisions and agencies thereof, not-for-profit corporations or not-for-profit organizations, the Missouri youth conservation corps, community action agencies, caring community programs, or any other entity or program such as any early childhood program, including, but not limited to, the parents as teachers program or similar programs; provided that, such assignment of funds does not exceed fifteen percent of the total value of the fund, and provided further that no more than ten percent of such funds assigned shall be used for administrative purposes.

(L. 1995 H.B. 174, et al. § 14)

CROSS REFERENCE: Tax credit for programs within youth opportunity program, RSMo 135.460
AFFORDABLE HOUSING ASSISTANCE CREDIT

§ 32.105 RSMo

32.105. Definitions--tax credits may be transferred, sold or assigned, requirements. As used in sections 32.100 to 32.125, the following terms mean:

(1) "Affordable housing assistance activities", money, real or personal property, or professional services expended or devoted to the construction, or rehabilitation of affordable housing units;

(2) "Affordable housing unit", a residential unit generally occupied by persons and families with incomes at or below the levels described in this subdivision and bearing a cost to the occupant no greater than thirty percent of the maximum eligible household income for the affordable housing unit. In the case of owner-occupied units, the cost to the occupant shall be considered the amount of the gross monthly mortgage payment, including casualty insurance, mortgage insurance, and taxes. In the case of rental units, the cost to the occupant shall be considered the amount of the gross rent. The cost to the occupant shall include the cost of any utilities, other than telephone. If any utilities are paid directly by the occupant, the maximum cost that may be paid by the occupant is to be reduced by a utility allowance prescribed by the commission. Persons or families are eligible occupants of affordable housing units if the household combined, adjusted gross income as defined by the commission is equal to or less than the following percentages of the median family income for the geographic area in which the residential unit is located, or the median family income for the state of Missouri, whichever is larger; ("geographic area" means the metropolitan area or county designated as an area by the federal Department of Housing and Urban Development under Section 8 of the United States Housing Act of 1937, as amended, for purposes of determining fair market rental rates):

Percent of State or Geographic Area Family

Size of Household Median Income

One Person 35%
Two Persons 40%
Three Persons 45%
Four Persons 50%
Five Persons 54%
Six Persons 58%
Seven Persons 62%
Eight Persons 66%

(3) "Business firm", person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in this state;

(4) "Commission", the Missouri housing development commission;

(5) "Community services", any type of counseling and advice, emergency assistance or medical care furnished to individuals or groups in the state of Missouri or transportation services at below-cost rates as provided in sections 208.250 to 208.275, RSMo;

(6) "Crime prevention", any activity which aids in the reduction of crime in the state of Missouri;

(7) "Defense industry contractor", a person, corporation or other entity which will be or has been negatively impacted as a result of its status as a prime contractor of the Department of Defense or as a second or third tier contractor. A "second tier contractor" means a person, corporation or other entity which contracts to perform manufacturing, maintenance or repair services for a prime contractor of the Department of Defense, and a "third tier contractor" means a person, corporation or other entity which contracts with a person, corporation or other entity which contracts with a prime contractor of the Department of Defense;

(8) "Doing business", among other methods of doing business in the state of Missouri, a partner in a firm or a shareholder in an S corporation shall be deemed to be doing business in the state of Missouri if such firm or S corporation, as the case may be, is doing business in the state of Missouri;

(9) "Economic development", the acquisition, renovation, improvement, or the furnishing or equipping of existing buildings and real estate in distressed or blighted areas of the state when such acquisition, renovation, improvement, or the furnishing or equipping of the business
development projects will result in the creation or retention of jobs within the state; or, until June 30, 1996, a defense conversion pilot project located in a standard metropolitan statistical area which contains a city with a population of at least three hundred fifty thousand inhabitants, which will assist Missouri-based defense industry contractors in their conversion from predominately defense-related contracting to nondefense-oriented manufacturing. Only neighborhood organizations, as defined in subdivision (13) of this section, may apply to conduct economic development projects. Prior to the approval of an economic development project, the neighborhood organization shall enter into a contractual agreement with the department of economic development. Credits approved for economic development projects may not exceed four million dollars from within any one fiscal year’s allocation, except that for fiscal years 2005, 2006, and 2007 credits approved for economic development projects shall not exceed six million dollars. Neighborhood assistance program tax credits for economic development projects and affordable housing assistance as defined in section 32.111 may be transferred, sold or assigned by a notarized endorsement thereof naming the transferee;

(10) “Education”, any type of scholastic instruction or scholarship assistance to an individual who resides in the state of Missouri that enables the individual to prepare himself or herself for better opportunities or community awareness activities rendered by a statewide organization established for the purpose of archeological education and preservation;

(11) “Homeless assistance pilot project”, the program established pursuant to section 32.117;

(12) “Job training”, any type of instruction to an individual who resides in the state of Missouri that enables the individual to acquire vocational skills so that the individual can become employable or be able to seek a higher grade of employment;

(13) “Neighborhood organization”, any organization performing community services or economic development activities in the state of Missouri and:

(a) Holding a ruling from the Internal Revenue Service of the United States Department of the Treasury that the organization is exempt from income taxation pursuant to the provisions of the Internal Revenue Code; or

(b) Incorporated in the state of Missouri as a not-for-profit corporation pursuant to the provisions of chapter 355, RSMo; or

(c) Designated as a community development corporation by the United States government pursuant to the provisions of Title VII of the Economic Opportunity Act of 1964;

(14) “Physical revitalization”, furnishing financial assistance, labor, material, or technical advice to aid in the physical improvement or rehabilitation of any part or all of a neighborhood area;

(15) “S corporation”, a corporation described in Section 1361(a)(1) of the United States Internal Revenue Code and not subject to the taxes imposed by section 143.071, RSMo, by reason of section 143.471, RSMo;

(16) “Workfare renovation project”, any project initiated pursuant to sections 215.340 to 215.355, RSMo.


CROSS REFERENCES: Neighborhood organization may appeal decision of an administrative officer to board of adjustment, when, procedure, RSMo 89.100 Neighborhood organization may appeal decision of board of adjustment, when, procedure, RSMo 89.110
NEIGHBORHOOD PRESERVATION CREDIT  
[§§ 135.475 - 135.487 RSMo]

135.475. Rebuilding communities and neighborhood preservation act cited. Sections 135.475 to 135.487 shall be known and may be cited as the “Rebuilding Communities and Neighborhood Preservation Act”.

(L. 1999 S.B. 20 § 1) Effective 1-1-00

135.478. Definitions. As used in sections 135.481 to 135.487, the following terms mean:

1. “Department”, the department of economic development;

2. “Director”, the director of the department of economic development;

3. “Distressed community”, as defined in section 135.530;

4. “Eligible costs for a new residence”, expenses incurred for property acquisition, development, site preparation other than demolition, surveys, architectural and engineering services and construction and all other necessary and incidental expenses incurred for constructing a new market rate residence, which is or will be owner-occupied, which is not replacing a national register listed or local historic structure; except that, costs paid for by the taxpayer with grants or forgivable loans, other than tax credits, provided pursuant to state or federal governmental programs are ineligible;

5. “Eligible costs for rehabilitation”, expenses incurred for the renovation or rehabilitation of an existing residence including site preparation, surveys, architectural and engineering services, construction, modification, expansion, remodeling, structural alteration, replacements and alterations; except that, costs paid for by the taxpayer with grants or forgivable loans other than tax credits provided pursuant to state or federal governmental programs are ineligible;

6. “Eligible residence”, a single-family residence forty years of age or older, located in this state and not within a distressed community as defined by section 135.530, which is occupied or intended to be or occupied long-term by the owner or offered for sale at market rate for owner-occupancy and which is either located within a United States census block group which, if in a metropolitan statistical area, has a median household income of less than ninety percent, but greater than or equal to seventy percent of the median household income for the metropolitan statistical area in which the census block group is located, or which, if located within a United States census block group in a nonmetropolitan area, has a median household income of less than ninety percent, but greater than or equal to seventy percent of the median household income for the nonmetropolitan areas in the state;

7. “Flood plain”, any land or area susceptible to being inundated by water from any source or located in a one hundred-year flood plain area determined by Federal Emergency Management Agency mapping as subject to flooding;

8. “New residence”, a residence constructed on land which if located within a distressed community has either been vacant for at least two years or is or was occupied by a structure which has been condemned by the local entity in which the structure is located or which, if located outside of a distressed community but within a census block group as described in subdivision (6) or (10) of this section, either replaces a residence forty years of age or older demolished for purposes of constructing a replacement residence, or which is constructed on vacant property which has been classified for not less than forty continuous years as residential or utility, commercial, railroad or other real property pursuant to article X, section 4(b) of the Missouri Constitution, as defined in section 137.016, RSMo; except that, no new residence shall be constructed in a flood plain or on property used for agricultural purposes. In a distressed community, the term “new residence” shall include condominiums, owner-occupied units or other units intended to be owner-occupied in multiple unit structures;

9. “Project”, new construction, rehabilitation or substantial rehabilitation of a residence that qualifies for a tax credit pursuant to sections 135.475 to 135.487;

10. “Qualifying residence”, a single-family residence, forty years of age or older, located in this state which is occupied or intended to be occupied long-term by the owner or offered for sale at market rate for owner-occupancy and which is located in a metropolitan statistical area or nonmetropolitan statistical area within a United States census block group which has a median household income of less than seventy percent of the median household income for the metropolitan statistical area or nonmetropolitan area, respectively, or which is located within a distressed community. A qualifying residence shall include a condominium or residence within a multiple residential structure or a structure containing multiple single-family residences which is located within a distressed community;

11. “Substantial rehabilitation”, rehabilitation the costs of which exceed fifty percent of the purchase price or the cost basis of the structure immediately prior to rehabilitation; provided that, the structure is at least fifty years old notwithstanding any provision of sections 135.475 to 135.487 to the contrary;

12. “Tax liability”, the tax due pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo;

135.481. Taxpayers incurring eligible costs entitled to tax credit, amount, qualifications.

1. (1) Any taxpayer who incurs eligible costs for a new residence located in a distressed community or within a census block group as described in subdivision (10) of section 135.478, or for a multiple unit condominium described in subdivision (2) of this subsection, shall receive a tax credit equal to fifteen percent of such costs against his or her tax liability. The tax credit shall not exceed forty thousand dollars per new residence in any ten-year period.

(2) For the purposes of this section, a “multiple unit condominium” is one that is intended to be owner occupied, which is constructed on property subject to an industrial development contract as defined in section 100.310, RSMo, and which lies within an area with a city zoning classification of urban redevelopment district established after January 1, 2000, and before December 31, 2001, and which is constructed in connection with the qualified rehabilitation of a structure more than ninety years old eligible for the historic structures rehabilitation tax credit described in sections 253.545 to 253.559, RSMo, and is under way by January 1, 2000, and completed by January 1, 2002.

2. Any taxpayer who incurs eligible costs for a new residence located within a census block as described in subdivision (6) of section 135.478 shall receive a tax credit equal to fifteen percent of such costs against his or her tax liability. The tax credit shall not exceed twenty-five thousand dollars per new residence in any ten-year period.

3. Any taxpayer who is not performing substantial rehabilitation and who incurs eligible costs for rehabilitation of an eligible residence or a qualifying residence shall receive a tax credit equal to twenty-five percent of such costs against his or her tax liability. The minimum eligible costs for rehabilitation of an eligible residence shall be ten thousand dollars. The tax credit shall not exceed twenty-five thousand dollars in any ten-year period.

4. Any taxpayer who incurs eligible costs for substantial rehabilitation of a qualifying residence shall receive a tax credit equal to thirty-five percent of such costs against his or her tax liability. The minimum eligible costs for substantial rehabilitation of a qualifying residence shall be five thousand dollars. The tax credit shall not exceed seventy thousand dollars in any ten-year period.

5. A taxpayer shall be eligible to receive tax credits for new construction or rehabilitation pursuant to only one subsection of this section.

6. No tax credit shall be issued pursuant to this section for any structure which is in violation of any municipal or county property, maintenance or zoning code.

7. No tax credit shall be issued pursuant to sections 135.475 to 135.487 for the construction or rehabilitation of rental property.

135.484. Limitation on available tax credits, allocation of available credits.

1. Beginning January 1, 2000, tax credits shall be allowed pursuant to section 135.481 in an amount not to exceed sixteen million dollars per year. Of this total amount of tax credits in any given year, eight million dollars shall be set aside for projects in areas described in subdivision (6) of section 135.478 and eight million dollars for projects in areas described in subdivision (10) of section 135.478. The maximum tax credit for a project consisting of multiple-unit qualifying residences in a distressed community shall not exceed three million dollars.

2. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year in which the credit is first claimed may be carried back to any of the taxpayer’s three prior tax years and carried forward to any of the taxpayer’s five subsequent tax years. A certificate of tax credit issued to a taxpayer by the department may be assigned, transferred, sold or otherwise conveyed. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit and the value of the credit.

3. The tax credits allowed pursuant to sections 135.475 to 135.487 may not be claimed in addition to any other state tax credits, with the exception of the historic structures rehabilitation tax credit authorized pursuant to sections 253.545 to 253.559, RSMo, which insofar as sections 135.475 to 135.487 are concerned may be claimed only in conjunction with the tax credit allowed pursuant to subsection 4 of section 135.481. In order for a taxpayer eligible for the historic structures rehabilitation tax credit to claim the tax credit allowed pursuant to subsection 4 of section 135.481, the taxpayer must comply with the requirements of sections 253.545 to 253.559, RSMo, and in such cases, the amount of the tax credit pursuant to subsection 4 of section 135.481 shall be limited to the lesser of twenty percent of the taxpayer’s eligible costs or forty thousand dollars.

As of August 28, 2005

*Word “sections” does not appear in original rolls.*
135.487. Procedure for application for tax credit—department of economic development may cooperate with political subdivisions to determine eligibility—department to conduct annual program evaluation.

1. To obtain any credit allowed pursuant to sections 135.475 to 135.487, a taxpayer shall submit to the department, for preliminary approval, an application for tax credit. The director shall, upon final approval of an application and presentation of acceptable proof of substantial completion of construction, issue the taxpayer a certificate of tax credit. The director shall issue all credits allowed pursuant to sections 135.475 to 135.487 in the order the applications are received. In the case of a taxpayer other than an owner-occupant, the director shall not delay the issuance of a tax credit pursuant to sections 135.475 to 135.487 until the sale of a residence at market rate for owner-occupancy. A taxpayer, taxpayer other than an owner-occupant who receives a certificate of tax credit pursuant to sections 135.475 to 135.487 shall, within thirty days of the date of the sale of a residence, furnish to the director satisfactory proof that such residence was sold at market rate for owner-occupancy. If the director reasonably determines that a residence was not in good faith intended for long-term owner occupancy, the director make revoke any tax credits issued and seek recovery of any tax credits issued pursuant to section 620.017, RSMo.

2. The department may cooperate with a municipality or a county in which a project is located to help identify the location of the project, the type and eligibility of the project, the estimated cost of the project and the completion date of the project.

3. The department may promulgate such rules or regulations or issue administrative guidelines as are necessary to administer the provisions of sections 135.475 to 135.487. 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.

4. The department shall conduct annually a comprehensive program evaluation illustrating where the tax credits allowed pursuant to sections 135.475 to 135.487 are being utilized, explaining the economic impact of such program and making recommendations on appropriate program modifications to ensure the program’s success.

(L. 1999 S.B. 20 § 5)

Effective 1-1-00

CROSS REFERENCE: Tax Credit Accountability Act of 2004, additional requirements, RSMo 135.800 to 135.830
100.263. Infrastructure development fund, created, purpose—lapse into general revenue, prohibited. An “Infrastructure Development Fund” shall be established from which moneys shall be used to make low-interest or interest-free loans, loan guarantees, or grants to local political subdivisions and to state agencies. The fund may receive funds from the federal government for infrastructure development purposes, but other public or private funds may be received by the board for deposit in the fund. The general assembly may appropriate state moneys to the fund. The infrastructure development fund shall be administered by the board under the provisions of sections 100.250 to 100.297. Any moneys remaining in the fund at the end of any fiscal year shall not revert to the general revenue fund.

(L. 1989 H.B. 378)
TAX CREDIT FOR CONTRIBUTION

[§ 100.286.6 RSMo]

100.286. Loans secured by certain funds--standards--information required --review and certification by participating lender--board approval --fee, tax credit, limitation.

6. Any taxpayer shall be entitled to a tax credit against any tax otherwise due under the provisions of chapter 143, RSMo, excluding withholding tax imposed by sections 143.191 to 143.261, RSMo, chapter 147, RSMo, or chapter 148, RSMo, in the amount of fifty percent of any amount contributed in money or property by the taxpayer to the development and reserve fund, the infrastructure development fund or the export finance fund during the taxpayer’s tax year, provided, however, the total tax credits awarded in any calendar year beginning after January 1, 1994, shall not be the greater of ten million dollars or five percent of the average growth in general revenue receipts in the preceding three fiscal years. This limit may be exceeded only upon joint agreement by the commissioner of administration, the director of the department of economic development, and the director of the department of revenue that such action is essential to ensure retention or attraction of investment in Missouri. If the board receives, as a contribution, real property, the contributor at such contributor’s own expense shall have two independent appraisals conducted by appraisers certified by the Master Appraisal Institute. Both appraisals shall be submitted to the board, and the tax credit certified by the board to the contributor shall be based upon the value of the lower of the two appraisals. The board shall not certify the tax credit until the property is deeded to the board. Such credit shall not apply to reserve participation fees paid by borrowers under sections 100.250 to 100.297. The portion of earned tax credits which exceeds the taxpayer’s tax liability may be carried forward for up to five years.