

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 360
96TH GENERAL ASSEMBLY

1813L.07C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 135.950, 135.953, 135.963, 137.010, and 137.016, RSMo, and to enact in lieu thereof twelve new sections relating to rural community development, with an emergency clause for a certain section.

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

Section A. Sections 135.950, 135.953, 135.963, 137.010, and 137.016, RSMo, are
2 repealed and twelve new sections enacted in lieu thereof, to be known as sections 67.4500,
3 67.4505, 67.4510, 67.4515, 67.4520, 135.950, 135.953, 135.963, 137.010, 137.016, 226.224, and
4 620.2300, to read as follows:

67.4500. As used in sections 67.4500 to 67.4520, the following terms shall mean:

- 2 (1) "Authority", any county drinking water supply lake authority created by
3 sections 67.4500 to 67.4520;
- 4 (2) "Conservation storage level", the target elevation established for a drinking
5 water supply lake at the time of design and construction of such lake;
- 6 (3) "Costs", the sum total of all reasonable or necessary expenses incidental to the
7 acquisition, construction, expansion, repair, alteration, and improvement of the project,
8 including without limitation the following: the expense of studies and surveys; the cost of
9 all lands, properties, rights, easements, and franchises acquired; land title and mortgage
10 guaranty policies; architectural and engineering services; legal, organizational marketing,
11 or other special services; provisions for working capital; reserves for principal and
12 interest; and all other necessary and incidental expenses, including interest during
13 construction on bonds issued to finance the project and for a period subsequent to the
14 estimated date of completion of the project;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 (4) "Project", recreation and tourist facilities and services, including, but not
16 limited to, lakes, parks, recreation centers, restaurants, hunting and fishing reserves,
17 historic sites and attractions, and any other facilities that the authority may desire to
18 undertake, including the related infrastructure buildings and the usual and convenient
19 facilities appertaining to any undertakings, and any extensions or improvements of any
20 facilities, and the acquisition of any property necessary therefore, all as may be related to
21 the development of a water supply source, recreational and tourist accommodations, and
22 facilities;

23 (5) "Water commission", a water commission owning a reservoir formed under
24 sections 393.700 to 393.770;

25 (6) "Watershed", the area that contributes or may contribute to the surface water
26 of any lake as determined by the authority.

67.4505. 1. Any county of the third classification with a township form of
2 government and with more than seven thousand two hundred but fewer than seven
3 thousand three hundred inhabitants or any county of the second classification with more
4 than fifty-four thousand two hundred but fewer than fifty-four thousand three hundred
5 inhabitants may establish a county drinking water supply lake authority, which shall be
6 a body corporate and politic and a political subdivision of this state.

7 2. The authority may exercise the powers provided to it under section 67.4520 over
8 the reservoir area encompassing any drinking water supply lake of one thousand five
9 hundred acres or more, as measured at its conservation storage level, and within the lake's
10 watershed.

11 3. It shall be the purpose of each authority to promote the general welfare and a
12 safe drinking water supply through the construction, operation, and maintenance of a
13 drinking water supply lake.

14 4. The income of the authority and all property at any time owned by the authority
15 shall be exempt from all taxation or any assessments whatsoever to the state or of any
16 political subdivision, municipality, or other governmental agency thereof.

17 5. No county in which an authority is organized shall be held liable in connection
18 with the construction, operation, or maintenance of any project or program undertaken
19 under sections 67.4500 to 67.4520, including any actions taken by the authority in
20 connection with such project or program.

67.4510. A county drinking water supply lake authority shall consist of at least six
2 but not more than thirty members, appointed as follows:

3 (1) Members of the water commission shall appoint all members to the authority,
4 one-third of the initial members for a six-year term, one-third for a four-year term, and
5 the remaining one-third for a two-year term, until a successor is appointed; provided that,

6 if there is an odd number of members, the last person appointed shall serve a two-year
7 term. Upon the expiration of each term, a successor shall be appointed for a six-year term;

8 (2) No person shall be appointed to serve on the authority unless he or she is a
9 registered voter in the state for more than five years, a resident in the county where the
10 water commission is located for more than five years, and over the age of twenty-five years.
11 If any member moves outside such county, the seat shall be deemed vacant and a new
12 member shall be appointed by the county commission to complete the unexpired term.

67.4515. 1. The water commission shall by resolution establish a date and time for
2 the initial meeting of the authority.

3 2. At the initial meeting, and annually thereafter, the authority shall elect one of its
4 members as chairman and one as vice chairman, and appoint a secretary and a treasurer
5 who may be a member of the authority. If not a member of the authority, the secretary or
6 treasurer shall receive compensation that shall be fixed from time to time by action of the
7 authority. The authority may appoint an executive director who shall not be a member of
8 the authority and who shall serve at its pleasure. If an executive director is appointed, he
9 or she shall receive such compensation as shall be fixed from time to time by action of the
10 authority. The authority may designate the secretary to act in lieu of the executive
11 director. The secretary shall keep a record of the proceedings of the authority and shall
12 be the custodian of all books, documents, and papers filed with the authority, the minute
13 books or journal thereof, and its official seal. The secretary may cause copies to be made
14 of all minutes and other records and documents of the authority and may give certificates
15 under the official seal of the authority to the effect that the copies are true and correct
16 copies, and all persons dealing with the authority may rely on such certificates. The
17 authority, by resolution duly adopted, shall fix the powers and duties of its executive
18 director as it may from time to time deem proper and necessary.

19 3. Each member of the authority shall execute a surety bond in the penal sum of
20 fifty thousand dollars or, in lieu thereof, the chairman of the authority shall execute a
21 blanket bond covering each member and the employees or other officers of the authority,
22 each surety bond to be conditioned upon the faithful performance of the duties of the office
23 or offices covered, to be executed by a surety company authorized to transact business in
24 the state as surety, and to be approved by the attorney general and filed in the office of the
25 secretary of state. The cost of each such bond shall be paid by the authority.

26 4. No authority member shall participate in any deliberations or decisions
27 concerning issues where the authority member has a direct financial interest in contracts,
28 property, supplies, services, facilities, or equipment purchased, sold, or leased by the
29 authority. Authority members shall additionally be subject to the limitations regarding the
30 conduct of public officials as provided in chapter 105.

67.4520. 1. The authority may:

- 2 **(1) Acquire, own, construct, lease, and maintain recreational or water quality**
3 **projects;**
- 4 **(2) Acquire, own, lease, sell, or otherwise dispose of interests in and to real property**
5 **and improvements situated thereon and in personal property necessary to fulfill the**
6 **purposes of the authority;**
- 7 **(3) Contract and be contracted with, and to sue and be sued;**
- 8 **(4) Accept gifts, grants, loans, or contributions from the federal government, the**
9 **state of Missouri, political subdivisions, municipalities, foundations, other public or private**
10 **agencies, individuals, partnerships, or corporations;**
- 11 **(5) Employ such managerial, engineering, legal, technical, clerical, accounting,**
12 **advertising, stenographic, and other assistance as it may deem advisable. The authority**
13 **may also contract with independent contractors for any of the foregoing assistance;**
- 14 **(6) Disburse funds for its lawful activities and fix salaries and wages of its**
15 **employees;**
- 16 **(7) Fix rates, fees, and charges for the use of any projects and property owned,**
17 **leased, operated, or managed by the authority;**
- 18 **(8) Adopt, alter, or repeal its own bylaws, rules, and regulations governing the**
19 **manner in which its business may be transacted; however, said bylaws, rules, and**
20 **regulations shall not exceed the powers granted to the authority by sections 67.4500 to**
21 **67.4520;**
- 22 **(9) Either jointly with a similar body, or separately, recommend to the proper**
23 **departments of the government of the United States, or any state or subdivision thereof,**
24 **or to any other body, the carrying out of any public improvement;**
- 25 **(10) Provide for membership in any official, industrial, commercial, or trade**
26 **association, or any other organization concerned with such purposes, for receptions of**
27 **officials or others as may contribute to the advancement of the authority and development**
28 **therein, and for such other public relations activities as will promote the same, and such**
29 **activities shall be considered a public purpose;**
- 30 **(11) Cooperate with municipalities and other political subdivisions as provided in**
31 **chapter 70;**
- 32 **(12) Enter into any agreement with any other state, agency, authority, commission,**
33 **municipality, person, corporation, or the United States, to effect any of the provisions**
34 **contained in sections 67.4500 to 67.4520;**
- 35 **(13) Sell and supply water and construct, own, and operate infrastructure projects**
36 **in areas within its jurisdiction, including but not limited to roads, bridges, water and sewer**
37 **systems, and other infrastructure improvements;**

38 **(14) Issue revenue bonds in the same manner as provided under section 67.789; and**
39 **(15) Adopt tax increment financing within its boundaries in the same manner as**
40 **provided under section 67.790.**

41 **2. The state or any political subdivision or municipal corporation thereof may in**
42 **its discretion, with or without consideration, transfer or cause to be transferred to the**
43 **authority or may place in its possession or control, by deed, lease, or other contract or**
44 **agreement, either for a limited period or in fee, any property wherever situated.**

45 **3. The state or any political subdivision may appropriate, allocate, and expend such**
46 **funds of the state or political subdivision for the benefit of the authority as are reasonable**
47 **and necessary to carry out the provisions of sections 67.4500 to 67.4520.**

48 **4. The authority shall have the authority to exercise all zoning and planning powers**
49 **that are granted to cities, towns, and villages under chapter 89, except that the authority**
50 **shall not exercise such powers inside the corporate limits of any city, town, or village which**
51 **has adopted a city plan under the laws of this state before August 28, 2011.**

135.950. The following terms, whenever used in sections 135.950 to 135.970 mean:

- 2 (1) "Average wage", the new payroll divided by the number of new jobs;
- 3 (2) "Blighted area", an area which, by reason of the predominance of defective or
4 inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements,
5 improper subdivision or obsolete platting, or the existence of conditions which endanger life or
6 property by fire and other causes, or any combination of such factors, retards the provision of
7 housing accommodations or constitutes an economic or social liability or a menace to the public
8 health, safety, morals, or welfare in its present condition and use. **The term "blighted area"**
9 **shall also include any area which produces or generates or has the potential to produce or**
10 **generate electrical energy from a renewable energy resource, and which, by reason of**
11 **obsolescence, decadence, blight, dilapidation, deteriorating or inadequate site**
12 **improvements, substandard conditions, the predominance or defective or inadequate street**
13 **layout, unsanitary or unsafe conditions, improper subdivision or obsolete platting, or the**
14 **existence of conditions which endanger the life or property by fire or other means, or any**
15 **combination of such factors, is underutilized, unutilized, or diminishes the economic**
16 **usefulness of the land, improvements, or lock and dam site within such area for the**
17 **production, generation, conversion, and conveyance of electrical energy from a renewable**
18 **energy resource;**
- 19 (3) "Board", an enhanced enterprise zone board established pursuant to section 135.957;
- 20 (4) "Commencement of commercial operations" shall be deemed to occur during the first
21 taxable year for which the new business facility is first put into use by the taxpayer in the
22 enhanced business enterprise in which the taxpayer intends to use the new business facility;

23 (5) "County average wage", the average wages in each county as determined by the
24 department for the most recently completed full calendar year. However, if the computed county
25 average wage is above the statewide average wage, the statewide average wage shall be deemed
26 the county average wage for such county for the purpose of determining eligibility. The
27 department shall publish the county average wage for each county at least annually.
28 Notwithstanding the provisions of this subdivision to the contrary, for any taxpayer that in
29 conjunction with their project is relocating employees from a Missouri county with a higher
30 county average wage, such taxpayer shall obtain the endorsement of the governing body of the
31 community from which jobs are being relocated or the county average wage for their project shall
32 be the county average wage for the county from which the employees are being relocated;

33 (6) "Department", the department of economic development;

34 (7) "Director", the director of the department of economic development;

35 (8) "Employee", a person employed by the enhanced business enterprise that is scheduled
36 to work an average of at least one thousand hours per year, and such person at all times has
37 health insurance offered to him or her, which is partially paid for by the employer;

38 (9) "Enhanced business enterprise", an industry or one of a cluster of industries that is
39 either:

40 (a) Identified by the department as critical to the state's economic security and growth;
41 or

42 (b) Will have an impact on industry cluster development, as identified by the governing
43 authority in its application for designation of an enhanced enterprise zone and approved by the
44 department; but excluding gambling establishments (NAICS industry group 7132), retail trade
45 (NAICS sectors 44 and 45), educational services (NAICS sector 61), religious organizations
46 (NAICS industry group 8131), public administration (NAICS sector 92), and food and drinking
47 places (NAICS subsector 722), however, notwithstanding provisions of this section to the
48 contrary, headquarters or administrative offices of an otherwise excluded business may qualify
49 for benefits if the offices serve a multistate territory. In the event a national, state, or regional
50 headquarters operation is not the predominant activity of a project facility, the new jobs and
51 investment of such headquarters operation is considered eligible for benefits under this section
52 if the other requirements are satisfied. Service industries may be eligible only if a majority of
53 its annual revenues will be derived from out of the state;

54 (10) "Existing business facility", any facility in this state which was employed by the
55 taxpayer claiming the credit in the operation of an enhanced business enterprise immediately
56 prior to an expansion, acquisition, addition, or replacement;

57 (11) "Facility", any building used as an enhanced business enterprise located within an
58 enhanced enterprise zone, including the land on which the facility is located and all machinery,

59 equipment, and other real and depreciable tangible personal property acquired for use at and
60 located at or within such facility and used in connection with the operation of such facility;

61 (12) "Facility base employment", the greater of the number of employees located at the
62 facility on the date of the notice of intent, or for the twelve-month period prior to the date of the
63 notice of intent, the average number of employees located at the facility, or in the event the
64 project facility has not been in operation for a full twelve-month period, the average number of
65 employees for the number of months the facility has been in operation prior to the date of the
66 notice of intent;

67 (13) "Facility base payroll", the total amount of taxable wages paid by the enhanced
68 business enterprise to employees of the enhanced business enterprise located at the facility in the
69 twelve months prior to the notice of intent, not including the payroll of owners of the enhanced
70 business enterprise unless the enhanced business enterprise is participating in an employee stock
71 ownership plan. For the purposes of calculating the benefits under this program, the amount of
72 base payroll shall increase each year based on the consumer price index or other comparable
73 measure, as determined by the department;

74 (14) "Governing authority", the body holding primary legislative authority over a county
75 or incorporated municipality;

76 (15) "Megaproject", any manufacturing or assembling facility, approved by the
77 department for construction and operation within an enhanced enterprise zone, which satisfies
78 the following:

79 (a) The new capital investment is projected to exceed three hundred million dollars over
80 a period of eight years from the date of approval by the department;

81 (b) The number of new jobs is projected to exceed one thousand over a period of eight
82 years beginning on the date of approval by the department;

83 (c) The average wage of new jobs to be created shall exceed the county average wage;

84 (d) The taxpayer shall offer health insurance to all new jobs and pay at least eighty
85 percent of such insurance premiums; and

86 (e) An acceptable plan of repayment, to the state, of the tax credits provided for the
87 megaproject has been provided by the taxpayer;

88 (16) "NAICS", the 1997 edition of the North American Industry Classification System
89 as prepared by the Executive Office of the President, Office of Management and Budget. Any
90 NAICS sector, subsector, industry group or industry identified in this section shall include its
91 corresponding classification in subsequent federal industry classification systems;

92 (17) "New business facility", a facility that **does not produce or generate electrical**
93 **energy from a renewable energy resource and** satisfies the following requirements:

94 (a) Such facility is employed by the taxpayer in the operation of an enhanced business
95 enterprise. Such facility shall not be considered a new business facility in the hands of the

96 taxpayer if the taxpayer's only activity with respect to such facility is to lease it to another person
97 or persons. If the taxpayer employs only a portion of such facility in the operation of an
98 enhanced business enterprise, and leases another portion of such facility to another person or
99 persons or does not otherwise use such other portions in the operation of an enhanced business
100 enterprise, the portion employed by the taxpayer in the operation of an enhanced business
101 enterprise shall be considered a new business facility, if the requirements of paragraphs (b), (c),
102 and (d) of this subdivision are satisfied;

103 (b) Such facility is acquired by, or leased to, the taxpayer after December 31, 2004. A
104 facility shall be deemed to have been acquired by, or leased to, the taxpayer after December 31,
105 2004, if the transfer of title to the taxpayer, the transfer of possession pursuant to a binding
106 contract to transfer title to the taxpayer, or the commencement of the term of the lease to the
107 taxpayer occurs after December 31, 2004;

108 (c) If such facility was acquired by the taxpayer from another taxpayer and such facility
109 was employed immediately prior to the acquisition by another taxpayer in the operation of an
110 enhanced business enterprise, the operation of the same or a substantially similar enhanced
111 business enterprise is not continued by the taxpayer at such facility; and

112 (d) Such facility is not a replacement business facility, as defined in subdivision (25) of
113 this section;

114 (18) "New business facility employee", an employee of the taxpayer in the operation of
115 a new business facility during the taxable year for which the credit allowed by section 135.967
116 is claimed, except that truck drivers and rail and barge vehicle operators and other operators of
117 rolling stock for hire shall not constitute new business facility employees;

118 (19) "New business facility investment", the value of real and depreciable tangible
119 personal property, acquired by the taxpayer as part of the new business facility, which is used by
120 the taxpayer in the operation of the new business facility, during the taxable year for which the
121 credit allowed by 135.967 is claimed, except that trucks, truck-trailers, truck semitrailers, rail
122 vehicles, barge vehicles, aircraft and other rolling stock for hire, track, switches, barges, bridges,
123 tunnels, and rail yards and spurs shall not constitute new business facility investments. The total
124 value of such property during such taxable year shall be:

125 (a) Its original cost if owned by the taxpayer; or

126 (b) Eight times the net annual rental rate, if leased by the taxpayer. The net annual rental
127 rate shall be the annual rental rate paid by the taxpayer less any annual rental rate received by the
128 taxpayer from subrentals. The new business facility investment shall be determined by dividing
129 by twelve the sum of the total value of such property on the last business day of each calendar
130 month of the taxable year. If the new business facility is in operation for less than an entire
131 taxable year, the new business facility investment shall be determined by dividing the sum of the
132 total value of such property on the last business day of each full calendar month during the

133 portion of such taxable year during which the new business facility was in operation by the
134 number of full calendar months during such period;

135 (20) "New job", the number of employees located at the facility that exceeds the facility
136 base employment less any decrease in the number of the employees at related facilities below the
137 related facility base employment. No job that was created prior to the date of the notice of intent
138 shall be deemed a new job;

139 (21) "Notice of intent", a form developed by the department which is completed by the
140 enhanced business enterprise and submitted to the department which states the enhanced
141 business enterprise's intent to hire new jobs and request benefits under such program;

142 (22) "Related facility", a facility operated by the enhanced business enterprise or a
143 related company in this state that is directly related to the operation of the project facility;

144 (23) "Related facility base employment", the greater of:

145 (a) The number of employees located at all related facilities on the date of the notice of
146 intent; or

147 (b) For the twelve-month period prior to the date of the notice of intent, the average
148 number of employees located at all related facilities of the enhanced business enterprise or a
149 related company located in this state;

150 (24) "Related taxpayer":

151 (a) A corporation, partnership, trust, or association controlled by the taxpayer;

152 (b) An individual, corporation, partnership, trust, or association in control of the
153 taxpayer; or

154 (c) A corporation, partnership, trust or association controlled by an individual,
155 corporation, partnership, trust or association in control of the taxpayer. "Control of a
156 corporation" shall mean ownership, directly or indirectly, of stock possessing at least fifty
157 percent of the total combined voting power of all classes of stock entitled to vote, "control of a
158 partnership or association" shall mean ownership of at least fifty percent of the capital or profits
159 interest in such partnership or association, and "control of a trust" shall mean ownership, directly
160 or indirectly, of at least fifty percent of the beneficial interest in the principal or income of such
161 trust; ownership shall be determined as provided in Section 318 of the Internal Revenue Code
162 of 1986, as amended;

163 (25) **"Renewable energy generation zone", an area which has been found, by a**
164 **resolution or ordinance adopted by the governing authority having jurisdiction of such**
165 **area, to be a blighted area and which contains land, improvements, or a lock and dam site**
166 **which is unutilized or underutilized for the production, generation, conversion, and**
167 **conveyance of electrical energy from a renewable energy resource;**

168 (26) **"Renewable energy resource", shall include:**

169 (a) **Wind;**

- 170 **(b) Solar thermal sources or photovoltaic cells and panels;**
171 **(c) Dedicated crops grown for energy production;**
172 **(d) Cellulosic agricultural residues;**
173 **(e) Plant residues;**
174 **(f) Methane from landfills, agricultural operations, or wastewater treatment;**
175 **(g) Thermal depolymerization or pyrolysis for converting waste material to energy;**
176 **(h) Clean and untreated wood such as pallets;**
177 **(i) Hydroelectric power, which shall include electrical energy produced or**
178 **generated by hydroelectric power generating equipment, as such term is defined in section**
179 **137.010;**
180 **(j) Fuel cells using hydrogen produced by one or more of the renewable resources**
181 **provided in paragraphs (a) to (i) of this subdivision; or**
182 **(k) Any other sources of energy, not including nuclear energy, that are certified as**
183 **renewable by rule by the department of natural resources;**
184 **(27) "Replacement business facility", a facility otherwise described in subdivision (17)**
185 **of this section, hereafter referred to in this subdivision as "new facility", which replaces another**
186 **facility, hereafter referred to in this subdivision as "old facility", located within the state, which**
187 **the taxpayer or a related taxpayer previously operated but discontinued operating on or before**
188 **the close of the first taxable year for which the credit allowed by this section is claimed. A new**
189 **facility shall be deemed to replace an old facility if the following conditions are met:**
190 (a) The old facility was operated by the taxpayer or a related taxpayer during the
191 taxpayer's or related taxpayer's taxable period immediately preceding the taxable year in which
192 commencement of commercial operations occurs at the new facility; and
193 (b) The old facility was employed by the taxpayer or a related taxpayer in the operation
194 of an enhanced business enterprise and the taxpayer continues the operation of the same or
195 substantially similar enhanced business enterprise at the new facility. Notwithstanding the
196 preceding provisions of this subdivision, a facility shall not be considered a replacement business
197 facility if the taxpayer's new business facility investment, as computed in subdivision (19) of this
198 section, in the new facility during the tax period for which the credits allowed in section 135.967
199 are claimed exceed one million dollars and if the total number of employees at the new facility
200 exceeds the total number of employees at the old facility by at least two;
201 **[(26)] (28) "Same or substantially similar enhanced business enterprise", an enhanced**
202 **business enterprise in which the nature of the products produced or sold, or activities conducted,**
203 **are similar in character and use or are produced, sold, performed, or conducted in the same or**
204 **similar manner as in another enhanced business enterprise.**

135.953. 1. For purposes of sections 135.950 to 135.970, an area shall meet the
2 following criteria in order to qualify as an enhanced enterprise zone:

3 (1) The area shall be a blighted area, have pervasive poverty, unemployment and general
4 distress; and

5 (2) At least sixty percent of the residents living in the area have incomes below ninety
6 percent of the median income of all residents:

7 (a) Within the state of Missouri, according to the last decennial census or other
8 appropriate source as approved by the director; or

9 (b) Within the county or city not within a county in which the area is located, according
10 to the last decennial census or other appropriate source as approved by the director; and

11 (3) The resident population of the area shall be at least five hundred but not more than
12 one hundred thousand at the time of designation as an enhanced enterprise zone if the area lies
13 within a metropolitan statistical area, as established by the United States Census Bureau, or if
14 the area does not lie within a metropolitan statistical area, the resident population of the area at
15 the time of designation shall be at least five hundred but not more than forty thousand
16 inhabitants. If the population of the jurisdiction of the governing authority does not meet the
17 minimum population requirements set forth in this subdivision, the population of the area must
18 be at least fifty percent of the population of the jurisdiction. However, no enhanced enterprise
19 zone shall be created which consists of the total area within the political boundaries of a county;
20 and

21 (4) The level of unemployment of persons, according to the most recent data available
22 from the United States Bureau of Census and approved by the director, within the area is equal
23 to or exceeds the average rate of unemployment for:

24 (a) The state of Missouri over the previous twelve months; or

25 (b) The county or city not within a county over the previous twelve months.

26 2. Notwithstanding the requirements of subsection 1 of this section to the contrary, an
27 enhanced enterprise zone may be established in an area located within a county for which public
28 and individual assistance has been requested by the governor pursuant to Section 401 of the
29 Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for
30 an emergency proclaimed by the governor pursuant to section 44.100 due to a natural disaster
31 of major proportions, if the area to be designated is blighted and sustained severe damage as a
32 result of such natural disaster, as determined by the state emergency management agency. An
33 application for designation as an enhanced enterprise zone pursuant to this subsection shall be
34 made before the expiration of one year from the date the governor requested federal relief for the
35 area sought to be designated.

36 3. Notwithstanding the requirements of subsection 1 of this section to the contrary, an
37 enhanced enterprise zone may be designated in a county of declining population if it meets the
38 requirements of subdivisions (1), (3) and either (2) or (4) of subsection 1 of this section. For the
39 purposes of this subsection, a "county of declining population" is one that has lost one percent

40 or more of its population as demonstrated by comparing the most recent decennial census
41 population to the next most recent decennial census population for the county.

42 4. In addition to meeting the requirements of subsection 1, 2, or 3 of this section, an area,
43 to qualify as an enhanced enterprise zone, shall be demonstrated by the governing authority to
44 have either:

45 (1) The potential to create sustainable jobs in a targeted industry; or

46 (2) A demonstrated impact on local industry cluster development.

47 **5. Notwithstanding the requirements of subsections 1 and 4 of this section to the**
48 **contrary, a renewable energy generation zone may be designated as an enhanced enterprise**
49 **zone if the renewable energy generation zone meets the criteria set forth in subdivision (25)**
50 **of section 135.950.**

135.963. 1. Improvements made to real property as such term is defined in section
2 137.010 which are made in an enhanced enterprise zone subsequent to the date such zone or
3 expansion thereto was designated, may, upon approval of an authorizing resolution **or ordinance**
4 by the governing authority having jurisdiction of the area in which the improvements are made,
5 be exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more
6 affected political subdivisions. **Improvements made to real property, as such term is defined**
7 **in section 137.010, which are locally assessed and in a renewable energy generation zone**
8 **designated as an enhanced enterprise zone, subsequent to the date such enhanced**
9 **enterprise zone or expansion thereto was designated, may, upon approval of an authorizing**
10 **resolution or ordinance by the governing authority having jurisdiction of the area in which**
11 **the improvements are made, be exempt, in whole or in part, from assessment and payment**
12 **of ad valorem taxes of one or more affected political subdivisions.** In addition to enhanced
13 business enterprises, a speculative industrial or warehouse building constructed by a public entity
14 or a private entity if the land is leased by a public entity may be subject to such exemption.

15 2. Such authorizing resolution shall specify the percent of the exemption to be granted,
16 the duration of the exemption to be granted, and the political subdivisions to which such
17 exemption is to apply and any other terms, conditions, or stipulations otherwise required. A copy
18 of the resolution shall be provided to the director within thirty calendar days following adoption
19 of the resolution by the governing authority.

20 3. No exemption shall be granted until the governing authority holds a public hearing
21 for the purpose of obtaining the opinions and suggestions of residents of political subdivisions
22 to be affected by the exemption from property taxes. The governing authority shall send, by
23 certified mail, a notice of such hearing to each political subdivision in the area to be affected and
24 shall publish notice of such hearing in a newspaper of general circulation in the area to be
25 affected by the exemption at least twenty days prior to the hearing but not more than thirty days
26 prior to the hearing. Such notice shall state the time, location, date, and purpose of the hearing.

27 4. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem taxes
28 otherwise imposed on subsequent improvements to real property located in an enhanced
29 enterprise zone of enhanced business enterprises or speculative industrial or warehouse buildings
30 as indicated in subsection 1 of this section shall become and remain exempt from assessment and
31 payment of ad valorem taxes of any political subdivision of this state or municipality thereof for
32 a period of not less than ten years following the date such improvements were assessed, provided
33 the improved properties are used for enhanced business enterprises. The exemption for
34 speculative buildings is subject to the approval of the governing authority for a period not to
35 exceed two years if the building is owned by a private entity and five years if the building is
36 owned or ground leased by a public entity. This shall not preclude the building receiving an
37 exemption for the remaining time period established by the governing authority if it was
38 occupied by an enhanced business enterprise. The two- and five-year time periods indicated for
39 speculative buildings shall not be an addition to the local abatement time period for such facility.

40 5. No exemption shall be granted for a period more than twenty-five years following the
41 date on which the original enhanced enterprise zone was designated by the department.

42 6. The provisions of subsection 1 of this section shall not apply to improvements made
43 to real property begun prior to August 28, 2004.

44 7. The abatement referred to in this section shall not relieve the assessor or other
45 responsible official from ascertaining the amount of the equalized assessed value of all taxable
46 property annually as required by section 99.855, 99.957, or 99.1042 and shall not have the effect
47 of reducing the payments in lieu of taxes referred to in subdivision (2) of subsection 1 of section
48 99.845, subdivision (2) of subsection 3 of section 99.957, or subdivision (2) of subsection 3 of
49 section 99.1042 unless such reduction is set forth in the plan approved by the governing body
50 of the municipality pursuant to subdivision (1) of subsection 1 of section 99.820, section 99.942,
51 or section 99.1027.

 137.010. The following words, terms and phrases when used in laws governing taxation
2 and revenue in the state of Missouri shall have the meanings ascribed to them in this section,
3 except when the context clearly indicates a different meaning:

4 (1) "Grain and other agricultural crops in an unmanufactured condition" shall mean
5 grains and feeds including, but not limited to, soybeans, cow peas, wheat, corn, oats, barley,
6 kafir, rye, flax, grain sorghums, cotton, and such other products as are usually stored in grain and
7 other elevators and on farms; but excluding such grains and other agricultural crops after being
8 processed into products of such processing, when packaged or sacked. The term "processing"
9 shall not include hulling, cleaning, drying, grating, or polishing;

10 (2) **"Hydroelectric power generating equipment", very-low-head turbine**
11 **generators with a nameplate generating capacity of at least four hundred kilowatts but not**
12 **more than six hundred kilowatts and machinery and equipment used directly in the**

13 **production, generation, conversion, storage, or conveyance of hydroelectric power to land-**
14 **based devices and appurtenances used in the transmission of electrical energy;**

15 (3) "Intangible personal property", for the purpose of taxation, shall include all property
16 other than real property and tangible personal property, as defined by this section;

17 [(3)] (4) "Real property" includes land itself, whether laid out in town lots or otherwise,
18 and all growing crops, buildings, structures, improvements and fixtures of whatever kind
19 thereon, **hydroelectric power generating equipment**, the installed poles used in the
20 transmission or reception of electrical energy, audio signals, video signals or similar purposes,
21 provided the owner of such installed poles is also an owner of a fee simple interest, possessor
22 of an easement, holder of a license or franchise, or is the beneficiary of a right-of-way dedicated
23 for public utility purposes for the underlying land; attached wires, transformers, amplifiers,
24 substations, and other such devices and appurtenances used in the transmission or reception of
25 electrical energy, audio signals, video signals or similar purposes when owned by the owner of
26 the installed poles, otherwise such items are considered personal property; and stationary
27 property used for transportation of liquid and gaseous products, including, but not limited to,
28 petroleum products, natural gas, water, and sewage;

29 [(4)] (5) "Tangible personal property" includes every tangible thing being the subject of
30 ownership or part ownership whether animate or inanimate, other than money, and not forming
31 part or parcel of real property as herein defined, but does not include household goods, furniture,
32 wearing apparel and articles of personal use and adornment, as defined by the state tax
33 commission, owned and used by a person in his home or dwelling place.

137.016. 1. As used in section 4(b) of article X of the Missouri Constitution, the
2 following terms mean:

3 (1) "Agricultural and horticultural property", all real property used for agricultural
4 purposes and devoted primarily to the raising and harvesting of crops; to the feeding, breeding
5 and management of livestock which shall include breeding, showing, and boarding of horses; to
6 dairying, or to any other combination thereof; and buildings and structures customarily
7 associated with farming, agricultural, and horticultural uses. Agricultural and horticultural
8 property shall also include land devoted to and qualifying for payments or other compensation
9 under a soil conservation or agricultural assistance program under an agreement with an agency
10 of the federal government. Agricultural and horticultural property shall further include land and
11 improvements, exclusive of structures, on privately owned airports that qualify as reliever
12 airports under the Nation Plan of Integrated Airports System, to receive federal airport
13 improvement project funds through the Federal Aviation Administration. Real property
14 classified as forest croplands shall not be agricultural or horticultural property so long as it is
15 classified as forest croplands and shall be taxed in accordance with the laws enacted to
16 implement section 7 of article X of the Missouri Constitution. **Agricultural and horticultural**

17 **property shall also include any sawmill or planing mill defined in the U.S. Department of**
18 **Labor's Standard Industrial Classification (SIC) Manual under Industry Group 242 with**
19 **the SIC number 2421;**

20 (2) "Residential property", all real property improved by a structure which is used or
21 intended to be used for residential living by human occupants, vacant land in connection with
22 an airport, land used as a golf course, and manufactured home parks, but residential property
23 shall not include other similar facilities used primarily for transient housing. For the purposes
24 of this section, "transient housing" means all rooms available for rent or lease for which the
25 receipts from the rent or lease of such rooms are subject to state sales tax pursuant to subdivision
26 (6) of subsection 1 of section 144.020;

27 (3) "Utility, industrial, commercial, railroad and other real property", all real property
28 used directly or indirectly, for any commercial, mining, industrial, manufacturing, trade,
29 professional, business, or similar purpose, including all property centrally assessed by the state
30 tax commission but shall not include floating docks, portions of which are separately owned and
31 the remainder of which is designated for common ownership and in which no one person or
32 business entity owns more than five individual units. All other real property not included in the
33 property listed in subclasses (1) and (2) of section 4(b) of article X of the Missouri Constitution,
34 as such property is defined in this section, shall be deemed to be included in the term "utility,
35 industrial, commercial, railroad and other real property".

36 2. Pursuant to article X of the state constitution, any taxing district may adjust its
37 operating levy to recoup any loss of property tax revenue, except revenues from the surtax
38 imposed pursuant to article X, subsection 2 of section 6 of the constitution, as the result of
39 changing the classification of structures intended to be used for residential living by human
40 occupants which contain five or more dwelling units if such adjustment of the levy does not
41 exceed the highest tax rate in effect subsequent to the 1980 tax year. For purposes of this
42 section, loss in revenue shall include the difference between the revenue that would have been
43 collected on such property under its classification prior to enactment of this section and the
44 amount to be collected under its classification under this section. The county assessor of each
45 county or city not within a county shall provide information to each taxing district within its
46 boundaries regarding the difference in assessed valuation of such property as the result of such
47 change in classification.

48 3. All reclassification of property as the result of changing the classification of structures
49 intended to be used for residential living by human occupants which contain five or more
50 dwelling units shall apply to assessments made after December 31, 1994.

51 4. Where real property is used or held for use for more than one purpose and such uses
52 result in different classifications, the county assessor shall allocate to each classification the
53 percentage of the true value in money of the property devoted to each use; except that, where

54 agricultural and horticultural property, as defined in this section, also contains a dwelling unit
55 or units, the farm dwelling, appurtenant residential-related structures and up to five acres
56 immediately surrounding such farm dwelling shall be residential property, as defined in this
57 section.

58 5. All real property which is vacant, unused, or held for future use; which is used for a
59 private club, a not-for-profit or other nonexempt lodge, club, business, trade, service
60 organization, or similar entity; or for which a determination as to its classification cannot be
61 made under the definitions set out in subsection 1 of this section, shall be classified according
62 to its immediate most suitable economic use, which use shall be determined after consideration
63 of:

64 (1) Immediate prior use, if any, of such property;

65 (2) Location of such property;

66 (3) Zoning classification of such property; except that, such zoning classification shall
67 not be considered conclusive if, upon consideration of all factors, it is determined that such
68 zoning classification does not reflect the immediate most suitable economic use of the property;

69 (4) Other legal restrictions on the use of such property;

70 (5) Availability of water, electricity, gas, sewers, street lighting, and other public services
71 for such property;

72 (6) Size of such property;

73 (7) Access of such property to public thoroughfares; and

74 (8) Any other factors relevant to a determination of the immediate most suitable
75 economic use of such property.

76 6. All lands classified as forest croplands shall not, for taxation purposes, be classified
77 as subclass (1), subclass (2), or subclass (3) real property, as such classes are prescribed in
78 section 4(b) of article X of the Missouri Constitution and defined in this section, but shall be
79 taxed in accordance with the laws enacted to implement section 7 of article X of the Missouri
80 Constitution.

81 **7. No property tax classification changes resulting from this section shall have the**
82 **effect of eliminating employer obligations under chapter 287.**

**226.224. Notwithstanding any provision of the law to the contrary, the state
2 highways and transportation commission may enter into binding highway infrastructure
3 agreements to reimburse or repay, in an amount and in such terms agreed upon by the
4 parties, any funds advanced by or for the benefit of a county, political subdivision, or
5 private entity to expedite state road construction or improvement. Such highway
6 infrastructure improvement agreements may provide for the assignment of the state
7 highways and transportation commission's reimbursement or repayment obligations in
8 order to facilitate the funding of such improvements. The funds advanced by or for the**

9 benefit of the county, political subdivision, or private entity for the construction or
10 improvement of state highway infrastructure shall be repaid by the state highways and
11 transportation commission from funds from the state road fund in a manner, time period,
12 and interest rate agreed to upon by the respective parties. The state highways and
13 transportation commission may condition the reimbursement or repayment of such
14 advanced funds upon projected highway revenues and may delay repayment of the
15 advanced funds if highway revenues fall below the projections used to determine the
16 repayment schedule or if repayment would jeopardize the receipt of federal highway
17 moneys.

620.2300. 1. As used in this section, the following terms shall mean;

- 2 (1) "Department", the Missouri department of economic development;
- 3 (2) "Biomass facility", a biomass renewable energy facility or biomass fuel
4 production facility that will not be a major source for air quality permitting purposes;
- 5 (3) "Commission", the Missouri public service commission;
- 6 (4) "County average wage", the average wages in each county as determined by the
7 department for the most recently completed full calendar year. However, if the computed
8 county average wage is above the statewide average wage, the statewide average wage shall
9 be deemed the county average wage for such county for the purpose of determining
10 eligibility. The department shall publish the county average wage for each county at least
11 annually. Notwithstanding the provisions of this subdivision to the contrary, for any
12 project that is relocating employees from a Missouri county with a higher county average
13 wage, the company shall obtain the endorsement of the governing body of the community
14 from which jobs are being relocated or the county average wage for their project shall be
15 the county average wage for the county from which the employees are being relocated;
- 16 (5) "Full-time employee", an employee of the project facility that is scheduled to
17 work an average of at least thirty-five hours per week for a twelve-month period, and one
18 for which the employer offers health insurance and pays at least fifty percent of such
19 insurance premiums;
- 20 (6) "Major source", the same meaning as is provided under 40 CFR 70.2;
- 21 (7) "New job", the number of full-time employees located at the project facility that
22 exceeds the project facility base employment less any decrease in the number of full-time
23 employees at related facilities below the related facility base employment. An employee
24 that spends less than fifty percent of the employee's work time at the project facility is still
25 considered to be located at a facility if the employee receives his or her directions and
26 control from that facility, is on the facility's payroll, one hundred percent of the employee's
27 income from such employment is Missouri income, and the employee is paid at or above
28 the state average wage;

29 **(8) "Park", an area consisting of a parcel or tract of land, or any combination of**
30 **parcels or contiguous land that meet all of the following requirements:**

31 **(a) The area consists of at least fifty contiguous acres;**

32 **(b) The property within the area is subject to remediation under a clean up**
33 **program supervised by the Missouri department of natural resources or United States**
34 **environmental protection agency;**

35 **(c) The area contains a manufacturing facility that is closed, undergoing closure,**
36 **idle, underutilized, or curtailed and that at one time employed at least two hundred**
37 **employees;**

38 **(d) The development plan for the area includes a biomass facility; and**

39 **(e) Property located within the area will be used for the development of renewable**
40 **energy and the demonstration of industrial on-site energy generation;**

41 **(9) "Project", a cleanfields renewable energy demonstration project located within**
42 **a park that will result in the creation of at least fifty new jobs and the retention of at least**
43 **fifty existing jobs;**

44 **(10) "Project application", an application submitted to the department, by an**
45 **owner of all or a portion of a park, on a form provided by the department, requesting**
46 **benefits provided under this section;**

47 **(11) "Project facility", a biomass facility at which the new jobs will be located. A**
48 **project facility may include separate buildings that are located within fifty miles of each**
49 **other or within the same county such that their purpose and operations are interrelated;**

50 **(12) "Project facility base employment", the greater of the number of full-time**
51 **employees located at the project facility on the date of the project application or for the**
52 **twelve-month period prior to the date of the project application, the average number of**
53 **full-time employees located at the project facility. In the event the project facility has not**
54 **been in operation for a full twelve-month period, the average number of full-time**
55 **employees for the number of months the project facility has been in operation prior to the**
56 **date of the project application.**

57 **2. The owner of a park seeking to establish a project shall submit a project**
58 **application to the department for certification of such project. The department shall**
59 **review all project applications received under this section and, in consultation with the**
60 **department of natural resources, verify satisfaction of the requirements of this section. If**
61 **the department approves a project application, the department shall forward such**
62 **application and approval to the commission.**

63 **3. Notwithstanding provisions of section 393.1030 to the contrary, upon receipt of**
64 **an application and approval from the department, the commission shall assign double**

65 **credit to any electric power, renewable energy, renewable energy credits, or any successor**
66 **credit generated from:**

67 **(1) Renewable energy resources purchased from the biomass facility located in the**
68 **park by an electric power supplier;**

69 **(2) Electric power generated off-site by utilizing biomass fuel sold by the biomass**
70 **facility located at the park; or**

71 **(3) Electric power generated off-site by renewable energy resources utilizing**
72 **storage equipment manufactured at the park that increases the quantity of electricity**
73 **delivered to the electric power supplier.**

Section B. Because of the need to ensure the creation of jobs through the utilization of
2 alternative energy sources, the enactment of section 620.2300 of section A of this act is deemed
3 necessary for the immediate preservation of the public health, welfare, peace and safety, and is
4 hereby declared to be an emergency act within the meaning of the constitution, and the enactment
5 of section 620.2300 of section A of this act shall be in full force and effect upon its passage and
6 approval.

✓