

COOPERATING SCHOOL DISTRICTS Truly Agreed & Finally Passed Bill Summaries

05-19-2008 - 09:46:45

[HB 1380](#) [Sater](#) (ENG) HCS HB 1380 -- SENIOR CITIZENS' SERVICES (Sater) COMMITTEE OF ORIGIN: Special Committee on Senior Citizen Advocacy This substitute allows a board of directors, formed under a Senior Citizens' Services Fund tax, to allocate moneys to senior-related programs for operational and capital needs from the property taxes collected. To be eligible, the program must be operated by a community facility that provides health, social, educational, and recreational services to adults 60 years of age or older. FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

Last Action: 5-16-08 S Truly Agreed to and Finally Passed

[HB 1678](#) [Day](#) (ENG) HB 1678 -- INTERSTATE COMPACT EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN (Day) COMMITTEE OF ORIGIN: Special Committee on Veterans This bill authorizes Missouri to enter into the Interstate Compact on Educational Opportunity for Military Children and establishes the Interstate Commission on Educational Opportunity for Military Children. The compact becomes effective upon its adoption by 10 states. Military children include the kindergarten through twelfth-grade children of active duty members of the armed services including the National Guard and the reserve, as well as the children of members who die while on active duty, retire, or are medically discharged for a period of one year afterward. The compact covers issues including facilitation of enrollment, both in classes and extracurricular activities; placement; graduation; and information-sharing. The commission is made up of one voting member from each participating state. The duties of the commission include dispute resolution between member states, enforcing the rules of the commission, and providing training and other administrative functions. The bill contains provisions for the formation of the commission's executive committee and other aspects such as its budget, liability, and legal status. FISCAL NOTE: Estimated Effect on General Revenue Fund of an income of \$0 or a cost of Less than \$251,009 in FY 2009, an income of \$0 or a cost of Less than \$284,364 in FY 2010, and an income of \$0 or a cost of Less than \$289,894 in FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

Last Action: 5-15-08 H Truly Agreed to and Finally Passed

[HB 1807](#) [Cox](#) (ENG) HCS HB 1807 -- STATE SCHOOLS FOR THE SEVERELY DISABLED (Cox) COMMITTEE OF ORIGIN: Committee on Elementary and Secondary Education This substitute renames the State Schools for Severely Handicapped Children to the Missouri Schools for the Severely Disabled. FISCAL NOTE: No impact on state funds in FY 2009, FY 2010, and FY 2011.

Last Action: 5-16-08 H Truly Agreed to and Finally Passed

[HB 2058](#) [Pearce](#) (ENG) HCS HB 2058 -- TAX INCENTIVES FOR BUSINESS DEVELOPMENT (Pearce) COMMITTEE OF ORIGIN: Special Committee on Job Creation and Economic Development This

substitute changes the laws regarding tax incentives for business development. VARIOUS TAX CREDIT PROGRAMS The substitute: (1) Increases the annual cap on the amount of tax credits the Department of Economic Development may authorize for the Enhanced Enterprise Zone Program from \$14 million to \$24 million; (2) Increases the fiscal year cap for economic development tax credits that are approved as part of the Neighborhood Assistance Program from \$4 million to \$6 million; (3) Allows the department to authorize up to \$5 million in tax credits per year to encourage equity investment in technology-based early stage Missouri companies, commonly referred to as angel investments. Investors who contribute the first \$500,000 in equity investment to a qualified Missouri business may be issued a tax credit equal to 30% of the investment or 40% if the qualified business is in a rural area or distressed community. An investor can receive a credit of up to \$50,000 for an investment in a single qualified business and up to \$100,000 for investments in more than one qualified business per year. Credits can be carried forward for up to three years or sold; (4) Increases the aggregate cap on the amount of tax credits the department may authorize for the Small Business Incubators Program from \$500,000 to \$2 million; and (5) Specifies that all demolition activities are part of remediation and allows remediation tax credits to include up to 100% of demolition costs that are not directly part of the remediation but which are necessary to accomplish the planned use of the facility. Demolition may occur on adjacent property that independently qualifies as abandoned or underutilized and is located in a municipality with fewer than 20,000 residents. Currently, some demolition activities associated with brownfield redevelopment are separate from remediation activities.

QUALITY JOBS PROGRAM The substitute: (1) Eliminates the cap on the Quality Jobs Program. Currently, the department cannot issue more than \$40 million in tax credits for this program annually; (2) Allows tax credits to be issued for job retention projects until August 30, 2013. Tax credits for this project type were only authorized through August 30, 2007; (3) Allows a project facility to include separate buildings within the same county. Currently, they must be located within one mile of each other; and (4) Allows a company that leases or owns facilities that produce electricity derived from qualified renewable energy sources, or which produce fuel for the generation of electricity from qualified renewable energy sources, to participate in the program as a technology business project if it meets the other requirements of the program. Qualified renewable energy sources include open-looped biomass, close-looped biomass, solar, wind, geothermal, and hydropower but not ethanol distillation or production or biodiesel production.

COMMUNITY IMPROVEMENT DISTRICTS The substitute: (1) Allows community improvement districts (CID) to exist in special business districts within the City of St. Louis. Currently, any CID in St. Louis that is also in a special business district cannot levy a CID sales tax unless special assessments imposed on real property or businesses within the special business district are repealed; and (2) Excludes sales by public utilities and providers of communications, cable, or video services from the CID sales tax.

TAX POLICY AND TAXATION The substitute: (1) Authorizes the department to issue letter rulings regarding the New Markets Tax Credit Program. The letter rulings are binding in a court of law and must be issued within 60 days of a request. The department can refuse to issue the letter ruling for good cause, but must explain the reason for refusal. Letter rulings

are closed to the public; however, information can be released as long as anything which would identify the applicant or is otherwise protected is redacted; (2) Establishes in statute an exemption from state and local sales and use tax on all tangible personal property included on the United States munitions list that is sold to or purchased by a foreign government for a governmental purpose. Currently, this exemption is granted by the Department of Revenue through a letter ruling; (3) Specifies that the true value in money for assessment purposes of any possessor interest in real property located on or within the ultimate airport boundary shown by a federal airport layout plan of the Kansas City International Airport will be the true value in money of the possessor interest in the real property less the total costs paid toward any new construction or improvements completed on the property after January 1, 2009, if included in the possessor interest, unless paid by the political subdivision, regardless of the year the costs were incurred; and (4) Authorizes a property tax credit, beginning January 1, 2009, for expenses incurred to manufacture, maintain, or improve a freight line company's qualified rolling stock up to the amount of its tax liability. The state will annually reimburse a political subdivision for any loss in revenue. The provisions of the substitute regarding the Small Business Incubators Program contain an emergency clause.

Last Action: 5-16-08 H Truly Agreed to and Finally Passed

[HB 2191](#) [Nasheed](#)

(ENG) HB 2191 -- A+ SCHOOLS PROGRAM (Nasheed) COMMITTEE OF ORIGIN: Special Committee on Student Achievement This bill clarifies that a school district may participate in the A+ Schools Program regardless of its accreditation status by the State Board of Education if the district meets all other requirements. FISCAL NOTE: Estimated Cost on General Revenue Fund of \$0 in FY 2009, \$0 in FY 2010, and \$0 or Up to \$921,840 in FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.

Companions: [SB 1085](#)

Last Action: 5-16-08 H Truly Agreed to and Finally Passed

[HB 2393](#) [Richard](#)

(ENR) SS SCS HCS HB 2393 -- TAX CREDIT FOR MEGA-PROJECTS IN ENHANCED ENTERPRISE ZONES This bill authorizes an income tax credit for a mega-project that will be equal to a percentage of the taxpayer's payroll. No mega-projects can be approved after December 31, 2008. The Department of Economic Development cannot approve any tax credits for mega-projects prior to January 1, 2013, and no more than \$40 million can be issued annually for all mega-projects or to any single taxpayer. The total amount of tax credits issued cannot exceed \$240 million. "Mega-project" is defined as any manufacturing or assembling facility approved by the department for construction and operation that is located within an enhanced enterprise zone and which: (1) Projects new capital investment in excess of \$300 million over an eight-year period from the date the project is approved by the department; (2) Projects that the number of new jobs will exceed 1,000 over an eight-year period from the date the project is approved by the department; (3) Pays an average wage for new jobs that exceeds the county average wage; (4) Offers health insurance to all new employees and pays at least 80% of the premiums; and (5) Provides an acceptable plan to repay the mega-project's tax credits to the state. The taxpayer may submit an application to the department for approval of a mega-project, and the department may approve an application

if certain specified criteria are met. Prior to final approval of an application, a binding contract must be executed between the taxpayer and the department. The contract must include: (1) A repayment plan providing for cash payments to the General Revenue Fund which will result in a positive internal rate of return to the state and fully complying with the provisions of the World Trade Organization Agreement on Subsidies and Countervailing Measures. The rate of return must, over the life of the project, exceed 150% of the state's borrowing costs, based on the AAA-rated 20-year tax exempt bond rate average over a 20-year borrowing period. The rate must be verified by a professional third-party financial analysis; (2) A requirement that the department will stop issuing tax credits if, at any point, the total amount of tax credits issued, less the total amount of repayments received, equals \$155 million; (3) An obligation that the taxpayer construct a facility of at least one million square feet within five years from the date the project is approved; and (4) A requirement that tax credits will cease to be issued and the taxpayer will immediately repay the state an amount equal to all credits previously issued, less any amounts repaid, plus an additional amount that will provide the state a reasonable rate of return, if the taxpayer fails to meet any of the specified obligations. Upon the application's approval, tax credits will be issued annually for up to eight years from the commencement of the mega-project's commercial operations and may be extended beyond the life of the enhanced enterprise zone. Tax credits will be equal to the following percentages of annual payroll for the new jobs located at the mega-project: (1) 80% for the first three years that tax credits are issued for the mega-project; (2) 60% for the next two subsequent years; (3) 50% for the next two subsequent years; and (4) 30% for the remaining year. These tax credits may be claimed against income taxes imposed in Chapter 143, RSMo, excluding withholding taxes. The credits are redeemable; however, owners of these tax credits are not required to have any Missouri income tax liability in order to redeem the credits and receive a refund. The credits may be sold or transferred but cannot be carried forward past the year of issuance. Taxpayers who are issued these credits must provide an annual report to the department and the House of Representatives and Senate appropriations committees. The bill specifies the requirements of the report. Taxpayers cannot simultaneously receive tax credits under the New or Expanded Business Facility Program, Enterprise Zones Program, Relocating a Business to a Distressed Community Program, or Quality Jobs Program. If the department determines the average wage is below the county average wage or the taxpayer has not maintained the employee health insurance as required, the taxpayer will not receive tax credits for that year. Any action brought in any court contesting the approval of a mega-project and the issuance of tax credits or any other action related to the mega-project must be filed within 90 days of the department's approval of the mega-project. Records and documents relating to the proposed mega-project will be deemed closed until the application has been approved; however, information containing business plan information which may endanger the competitiveness of the business will remain closed. Taxpayers, and related taxpayers, who receive these credits are prohibited from directly employing certain individuals prior to January 1, 2022. These individuals are: (1) Any elected Missouri public official holding office as of January 1, 2008; or (2) Any

director, deputy director, division director, or employee directly involved in negotiations between the department and the taxpayer regarding the mega-project who was employed by the department as of January 1, 2008.

Companions: [SB 1234](#) [SB 1270](#)

Last Action: 5-15-08 G Sent to the Governor

[SB 711](#)

[Gibbons](#)

(ENR) SS/SCS/SB 711 - This act mandates tax rate roll-backs by all political subdivisions in reassessment years. The manner in which voter approved tax increases are applied to assessed values is modified. The act modifies eligibility and award provisions of the property tax credit and the time-line for assessment and appeal of property taxes.

The act prohibits the imposition of penalties and interest where there is clear and convincing evidence that a county made an error in the determination of taxes owed by a taxpayer. Under current law, counties may opt to accept property tax payments in installments. This act requires Jackson County to accept payments for property taxes in installments.

The income exemption for married claimants, under the property tax credit program, is increased from two thousand dollars to ten thousand dollars for claimants that own and occupy their homestead for the entire year. The maximum award under the property tax credit program is increased from seven hundred fifty dollars to eleven hundred dollars. The maximum upper limit and minimum base amounts, for the property tax credit for calendar year 2008, are extended to all subsequent calendar years. For homeowners claiming the property tax credit, the maximum upper limit is increased to thirty thousand dollars and the minimum base amount is increased to fifteen thousand dollars.

Voter approved property tax rate increases must be adjusted to derive the same amount of revenue as would be realized if the tax rate increase were applied to a political subdivision's most recent total assessed valuation, as certified by the city or county clerk on or before the date of the election in which the increase was approved. Under current law, the Hancock Amendment of the Missouri Constitution requires political subdivisions to roll-back their tax rate ceiling due to increases in assessed value. This act requires every political subdivision, in a reassessment year, to roll-back its prior year's tax rate regardless of whether the political subdivision was levying the tax at its tax rate ceiling. A governing body of a political subdivision may, in a non-reassessment year, modify its tax rate, not to exceed its maximum authorized voter approved levy, through the adoption of an ordinance, resolution, or policy statement explaining its actions. A school district which levies a tax rate below the performance levy due to mandatory roll-backs provided for under this act will remain eligible to receive grants currently provided to small school districts. Political subdivisions, which have received voter approval for an increase to their tax rate ceiling subsequent to setting their most recent tax rate, are exempt from the mandatory roll-back in reassessment years provision.

Effective January 1, 2009, for all charter counties and the City of St.

Louis, assessors are required to provide the city or county clerks with assessment books on or before March first of each year. The city or county clerks must make abstracts of the assessment books showing the aggregate amounts of different types of property and the valuations of each type for each political subdivision levying taxes on property. The governing bodies of political subdivisions must use the information provided in the abstracts to informally project non-binding tax rate levies and provide such projected levies to the clerk no later than April 15th of each year. Utilizing the projected tax levies, the county collector must then calculate the projected tax liability for each property for which the assessor intends to provide a notice of increased assessed value by April thirtieth. Failure by a political subdivision to provide projected tax levies by April 15th will result in a twenty percent reduction in such political subdivision tax levy for the tax year. However, if a political subdivision's failure to provide projected tax levies in the time prescribed is due to a delinquency in the provision of, or a failure to provide, the required information by either the clerk or the assessor, no such reduction will be triggered.

Beginning January 1, 2011, all counties will be subject to the same projected tax liability and notice requirements applicable to the City of St. Louis and charter counties. The state tax commission must develop, or enter into contracts for the development of, computer software programs which will produce the notice of projected tax liability. Upon receiving a request from a collector, the commission must provide the computer software programs to such collector.

Under current law, certain counties and the City of St. Louis must deduct either one eighth of one percent or one quarter of one percent of all ad valorem property tax collections and deposit such amount into the county's assessment fund until December 31, 2009. This act extends this requirement until December 31, 2015. For all years beginning on or after January 1, 2010, if the state tax commission withholds state assessment reimbursement funds from a county for three consecutive quarters, the extra one-eighth of one percent or one quarter of one percent collection revenues in the county assessment fund will be forfeited and returned by the county to the political subdivisions within such county.

The clerk of a circuit court is required to send the county collector a notice that an appeal seeking exemption has been filed upon a taxpayer's timely filing of an appeal of a final decision of the board of equalization. Such notice must contain the name of the taxpayer, the case number assigned by the court, and the parcel or locator number of the property being appealed. The notice to the collector must state that the taxes in dispute are to be impounded. The act also requires the state tax commission to send the county collector a notice of appeal upon timely filing of a taxpayer's appeal. Such notice must contain the taxpayer's name, the appeal number assigned by the commission, the assessed value by the board of equalization and the assessed value proposed by the taxpayer, if such values are available to the commission when the appeal is filed. Such notice must specifically state that the taxes in dispute are to be impounded and if such notice is filed in an odd numbered year, it shall serve as notice to the collector to impound taxes for the following even numbered year if no decision has been rendered

in the appeal.

A taxpayer is relieved from the requirement of filing a statement of protest if such taxpayer filed an appeal from a local board of equalization to the state tax commission or circuit court. The act modifies several other provisions of law regarding notification of appeal of assessment and the impounding, investment and refund of protested tax payments.

The act repeals the requirement that the state tax commission notify each school district of the equivalent sales ratio for the previous year, which was adopted to determine the equalized assessed valuation of the property and the equalized operating levy of the school district for distributions under the old school funding formula.

JASON ZAMKUS

	Last Action:	5-16-08 H Truly Agreed to and Finally Passed
SB 748	Ridgeway	Requires taxes property taxes paid by certain non-resident taxpayers to be added-back to adjusted gross income.
	Last Action:	4-29-08 H Truly Agreed to and Finally Passed
SB 768	Rupp	Creates the Missouri Commission on Autism Spectrum Disorders.
	Last Action:	5- 8-08 H Truly Agreed to and Finally Passed
SB 930	Stouffer	Modifies various provisions relating to the regulation of transportation.
	Last Action:	5-16-08 H Truly Agreed to and Finally Passed
SB 939	Stouffer	Modifies various provisions relating to levee and drainage districts.
	Last Action:	4-30-08 S Truly Agreed to and Finally Passed
SB 1066	Ridgeway	(ENR) SB 1066 " This act creates an alternative method of obtaining teacher certification from the State Board of Education. An individual may obtain teacher certification by obtaining certification from the American Board for Certification of Teacher Excellence (ABCTE) and verification of ability to work with children by completing sixty contact hours in the classroom as described in the act. Such certification may not be granted in the areas of early childhood education, elementary education, or special education. An applicant may apply for a career continuous professional certificate after completing thirty contact hours of professional development within four years, validated completion of a mentoring program as described in the act, attainment of a successful performance-based teacher evaluation, and participation in a beginning teacher assistance program. Applicants for an initial ABCTE certificate are responsible for any associated fees. A school district may develop its own policy for fee reimbursement. This method of obtaining teacher certification terminates on August 28, 2014.

This act grants the State Auditor the power to audit any school district in the state in the same manner as any agency of the state.

This act modifies the duties of the Joint Committee on Education and the Commissioner of Education. Currently, the Commissioner of

Education is required to distribute \$18 million per fiscal year to address statewide areas of critical needs. This amendment requires that any disbursement of the \$18 million must be first approved by the Joint Committee on Education. Prior to distributing any of the \$18 million, the Commissioner of Education must appear before the Joint Committee on Education and present how and what programs are to be funded with the \$18 million. The Joint Committee on Education shall review the Commissioner's proposal and affirm by a majority vote prior to disbursement.

This act is similar to provisions contained in SB 804 (2008), SB 480 (2007) and HB 620 (2007).

MICHAEL RUFF

Last Action: 5- 1-08 G Signed by the Governor

[SB 1170](#) [Mayer](#)

(HCS) HCS/SCS/SB 1170 " This act creates the Rebuild Missouri Schools Program. The State Board of Education will distribute no-interest funding to school districts that have had one or more school facility severely damaged or destroyed due to an act of God or extreme weather event as described in the act. Such facilities must be located in an area declared a disaster area by the Governor or President.

An eligible school district applying for funding must enter into an agreement with the state board of education that specifies the following: the funding will only be used for the costs of an emergency project under the act; the school district will pay no interest for the funding; the school district must repay, subject to annual appropriation, the amount of the funding in annual installments, not more than twenty years from the date the funding is received by the school district; any repayment by the school district is annually subject to appropriation, which may be from the district's incidental fund or capital projects fund; and a pledge to the State Board of Education from the district of the use and occupancy of the school facilities that constitute the emergency project for a period ending not earlier than the date the repayment will be completed.

An eligible school district must repay the funding over a twenty-year period pursuant to an annual appropriation by the school district for repayment. Any funding awarded by the State Board of Education cannot exceed the cost of the emergency project minus the amount of any insurance proceeds or other moneys received. If a school district receives any insurance proceeds or other moneys after receiving funding, it must pay to the state board of education the amount by which the sum of the funding under the program plus insurance proceeds and other moneys exceeds the cost of the project as described in the act. If the Rebuild Missouri Schools Fund is no longer in existence, a school district must pay any payments into the General Revenue Fund.

Funding provided under this act, and a repayment obligation, will not be considered a constitutional or statutory debt limitation applicable to a school district.

The State Board of Education must promulgate rules and regulations but must not do so in a way to exclude a public school district that received severe damage after April 1, 2006 from participating in the program.

The provisions of this section will expire in six years unless reauthorized.

This section contains an emergency clause. (Section 160.459)

LEASE-PURCHASE AGREEMENTS: Current law places a twenty-year limitation on lease-purchase agreements on the boards of educational institutions. This act increases the statutory limitation from twenty years to twenty-five years. (Section 177.088)

MICHAEL RUFF

Last Action: 5-16-08 S Emergency Clause Adopted (Vote: Y: 31/N: 0)