

**Missouri Rural  
Economic Stimulus Act  
“MORESA”**

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**State Supplemental Rural  
Development Financing Program**

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*Missouri Agricultural and Small Business  
Development Authority  
&  
Missouri Department of  
Economic Development*

**August 2004**

# **State Supplemental Rural Development Financing Program**

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## *Introduction*

The Missouri Downtown and Rural Economic Stimulus Act became law in 2003 (HB 289, §§99.915 – 99.1060, RSMo). The portion of the law covered by this program is referred to as “MORESA” and authorizes public financing for qualifying development projects in qualifying cities and towns (§§99.1000 – 99.1060, RSMo). The state financing authorized by MORESA is referred to as the "State Supplemental Rural Development Financing Program."

This document provides an overview of the Program, setting forth the various requirements for eligibility for financing under the Program, the procedural steps the Department of Economic Development (“DED”) and the Missouri Agricultural and Small Business Development Authority (MASBDA) will follow in considering Applications, Program Application requirements and Program Application forms.

Under the Act, Program Applications are made to MASBDA, which is to provide an analysis and recommendation to DED, which will be responsible for issuing a certificate of approval. In practice, MASBDA will, upon receipt of a Program Application, immediately forward copies to DED staff. During the review process, there will be communication and consultation between DED and MASBDA staff. MASBDA will present an analysis and funding recommendation to DED. If a project is to be approved for funding, DED would issue a Certificate of Approval outlining the terms of the financing. The Missouri Department of Revenue (“DOR”) also plays an important role in the program, assisting in determining tax revenues that are essential in calculating Baseline Year revenues and Other Net New Revenues.

Except as otherwise provided or unless the context requires otherwise, all capitalized terms used herein shall have the meanings set forth in Section 6.

## *Questions and Technical Assistance*

Representatives of MASBDA and DED can provide information and technical assistance, as requested by any Municipality, on the requirements of the Program and the general requirements of State Supplemental Rural Development Financing.

Further information or assistance can be obtained by contacting:

Missouri Agricultural and Small Business Development Authority  
1616 Missouri Blvd.  
P.O. Box 630  
Jefferson City, Missouri 65102  
Phone: 573/751-2129  
E-mail: [masbda@mda.mo.gov](mailto:masbda@mda.mo.gov)  
Web site: [www.mda.mo.gov](http://www.mda.mo.gov)

Missouri Department of Economic Development  
Division of Community Development  
MORESA Program  
301 West High Street, Room 770  
P.O. Box 118  
Jefferson City, MO 65102  
Phone: 573/526-0315  
E-mail: [cd@ded.mo.gov](mailto:cd@ded.mo.gov)  
Web site: [www.ded.mo.gov](http://www.ded.mo.gov)

# Section 1

## *Eligibility*

### **Eligible Municipalities**

Municipalities include any city, village, incorporated town, or any county of this state established on or prior to January 1, 2001 having a population of 99,999 or less.

### **Eligible Projects**

A *Development Project* is any development project within a Development Area that creates a renewable fuel production facility or other eligible new generation processing entity. The estimated cost of such facility must be at least \$3,000,000 and the project must be expected to create at least 30 new jobs.

### **Eligible Areas**

To qualify for the Program, a *Development Project* must be located in a *Development Area*. Within an eligible Municipality, a Development Area must meet all of the following criteria:

- It must be a Blighted Area;
- It includes only those parcels of real property directly and substantially benefited by the proposed Development Plan;
- It can be renovated through one or more Development Projects;
- It is contiguous (with limited exceptions for up to three noncontiguous areas); and
- It shall not exceed ten percent (10%) of the entire area of the Municipality.

## **Eligible Project Costs**

*Development Project Costs* that can be covered by state financing under this Program must be for public property, buildings, rights-of-way and infrastructure to support the Development Project. Such costs include, but are not limited to, the following:

- ♦ Costs of studies, appraisals, surveys, plans and specifications;
- ♦ Professional service costs, such as architectural, engineering, legal, marketing, financial or planning services;
- ♦ Land acquisition, demolition costs and site preparation;
- ♦ Costs of rehabilitating and repairing existing public buildings;
- ♦ Costs of constructing public works or improvements;
- ♦ Financing costs, such as costs of issuance, capitalized interest, underwriting expenses and reserve funds;
- ♦ A taxing district's capital costs resulting from the development project, to the extent the municipality by written agreement accepts and approves such costs; and
- ♦ State government costs related to evaluation and administration of the Development Project.

### **No Replacement of Prior Committed Funds**

No Development Project Costs will be reimbursed by the Program and no funds may be counted as the local match if such costs have been committed or incurred prior to MASBDA's approval of an Application and the issuance by DED of a Certificate of Approval. For this purpose the term "costs" include any moneys of the Municipality, Developer, or other source that has been identified as a funding source in the Development Plan, development agreement, or other documents relating to the proposed Development Project.

### **Restrictions on Refinancing of Pre-existing Public Financing**

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 DED and MASBDA. No approval can be granted unless the Application 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. (§99.1039.7, RSMo).

## Section 2

# *Application Requirements*

### **Application Form**

The Program Application and instructions for completing the application are located in Section 7 of this booklet. An originally signed Application plus four (4) copies of the Application and any attachments must be submitted to MASBDA. Additionally, three (3) copies of the Application and any attachments must be submitted to DED.

### **MASBDA Application Fee**

MASBDA charges an Application and processing fee of 25 basis points (1/4 of 1% or .0025) with a cap of \$25,000. The entire fee is due with the Application. Any unused portion of the fee will be refunded.

### **Application Requirements**

Program Applications may only be submitted to MASBDA following approval of the Development Plan by the Municipality and adoption of an ordinance by the Municipality approving the Development Project.

### **A Program Application must contain documentation or information as follows:**

- I. A copy of and proof of adoption of a Local Development Plan that meets all of the following requirements (§ 99.1027, RSMo):*
  - A. The Development Plan must be adopted in reliance on findings that a reasonable person would believe:
    - (1) The Development Area on the whole is a Blighted Area.
    - (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.

- (5) A business and residence relocation assistance plan has been developed, if applicable.
  - (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.
  - (7) 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.
- B. The 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 Project Area, categorized by full-time, part-time, and temporary positions;
  - (13) The total number of full-time equivalent positions in the Development Project Area;
  - (14) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the Development Project 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 Project 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 in the Development Project Area, categorized by full-time, part-time, and temporary positions;
- (18) For Development Projects located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to non-managerial employees in this state for the industries to be located in the Development Project Area, as established by the United States Bureau of Labor Statistics;
- (19) For Development Projects located outside of metropolitan statistical areas, the average weekly wage paid to non-managerial employees in the county for industries to be located in the Development Project Area, as established by the United States Department of Commerce;
- (20) A list of other community and economic benefits to result from the Development Project;
- (21) A list of all development subsidies that any business benefiting from public expenditures in the Development Area has previously received for the Development 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 Development 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 Development 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 businesses 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.

## ***II. Municipality's Ordinance Approving the Development Project***

A copy of the Municipality's ordinance approving the Development Project must be submitted.

## ***III. Local Funding Requirement***

State financing under the Program is only available if the Development Plan provides that 100% of Payments in Lieu of Taxes ("PILOTS") and 50% of Economic Activity Taxes ("EATS") generated by the Development Project are used each year for Development Project Costs.

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 100% PILOTS and 50% EATS.

The inclusion of local administrative fees as proposed project costs from local increment will be reviewed for reasonableness and will not exceed actual administrative costs caused directly by the Development Project and shall be paid only from PILOTS and EATS.

## ***IV. "But-For" & "Least Amount Necessary" Requirements***

The Applicant must demonstrate that the proposed Development Project could not be financed without the use of state funds. The Applicant request for state increment must be the minimum necessary to cause the Development Project to be developed.

Submissions must include:

- ♦ An affidavit that is signed by the Developer or Developers attesting that the Development Area has not been subject to growth and development through investment by private enterprise and specifying that the Development Area would not be reasonably anticipated to be developed without the appropriation of the Other Net New Revenues.
- ♦ As required in the local Development Plan, an economic feasibility analysis including a pro forma financial statement indicating the return on investment that may be expected without public assistance and 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.

**NOTE:** DED and MASBDA require in the return on investment ("ROI") calculation that state and federal incentives such as tax credits or proceeds from the sale of tax credits are not considered equity investments in the project and may not be treated as equity for purposes of calculating return on investment.

## ***V. Economic Benefit to State***

A state cost:benefit analysis must be submitted. The methodologies and underlying assumptions used in making the analysis must be included. DED and MASBDA must be allowed access to/communication with any entity or person that prepared the analysis.

**NOTE:** DED and MASBDA require in the cost:benefit analysis that State costs must include all state funding or incentives related to the project, including non-discretionary tax credits.

## ***VI. Baseline Estimates – DOR Verification***

The Applicant must identify:

- A. the existing businesses located within the Development Project Area and the Development Area;
- B. 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. DED will submit the information received in the Application to DOR for verification of amounts and DED and MASBDA will review the information presented.

**NOTE:** The baseline prepared at this time is only an estimate based upon the information provided and available as of the date the Application was submitted. Applicants have a duty to supplement with additional baseline information as soon as it is available.

## ***VII. State Increment Estimates***

The Applicant must prepare an estimate of the state sales tax increment and state income tax increment within the development project area after redevelopment and the methodologies and underlying assumptions used in determining the estimate of the state sales tax increment and the state income tax increment.

## ***VIII. State Increment Sought***

The Applicant must specify the amounts and types of state increment sought to be disbursed from the State Supplemental Rural Development Fund and the number of years such funding is desired.

***Other Net New Revenues*** may be one or both of the following:

***State Sales Tax Increment*** – up to fifty percent (50%) of the incremental increase in the general revenue portion of State Sales Taxes in the Development Project Area;

***State Income Tax Increment*** - up to fifty percent (50%) of the State Income Taxes 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 less the amount in the Baseline Year. Ordinarily, the Baseline Year will be the calendar year prior to the date on which an ordinance is passed approving the Development Project. The increment shall be a percentage of the gross payroll for the New Jobs, that percentage being based upon an analysis by the Department of Revenue (DOR) of the practical tax rate.

**Retail Restriction**

In no event shall the incremental increase include any amounts attributable to retail sales unless:

- ♦ DED and MASBDA are satisfied based on information provided by the Municipality or Authority, that a substantial portion of all but a de minimis 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; and
- ♦ The Municipality or Authority has made a finding that a substantial portion of all but a de minimis portion of the sales tax increment attributable to retail sales is from new sources that did not exist in the state during the baseline year.

**No Displacement of Existing State Tax Revenues**

The Department of Economic Development will, with the assistance of the Department of Revenue, evaluate the effect of "displaced" sales and/or withholding taxes. Generally, displaced taxes are those that are being moved from one area of the State to another as a result of the proposed Development Project within the Development Area.

**Maximum Number of Years of State Financing:**

No more than fifteen (15) years of State Supplemental Rural Development Financing can be provided absent specific approval from DED and MASBDA for a longer term, which cannot exceed twenty-five (25) years.

## Section 3

### *Findings and Determinations By DED and MASBDA*

- ♦ **Apply to MASBDA.** Program Applications may be submitted to MASBDA at any time. Application must be provided with the requisite number of copies. MASBDA will forward copies to DED.
- ♦ **Determination of Completeness of Program Application.** Following receipt by MASBDA of an executed Application, MASBDA will determine whether the Application is complete. If the Application is incomplete MASBDA staff will notify the Applicant in writing of the information that is needed to complete the Application.
- ♦ **Due Diligence and Document Request Period.** Following the Determination of Completeness of Application, DED and MASBDA staff will investigate the facts and circumstances covered by such Application and may request additional supporting information they deem necessary to complete their review of the Application. The due diligence period will last as long as DED and MASBDA staff determine to be necessary to adequately review and analyze the Application, but will use their reasonable efforts to process the completed Application within sixty (60) days.
- ♦ **Amendment of Application.** The Applicant may amend the Application at any time and shall supplement the Application with updated information as it becomes available.
- ♦ **MASBDA Analysis and Recommendation.** Following receipt of any amendments or supplements to the Application, MASBDA shall make a written recommendation to DED to approve or deny the Application and shall state the basis upon which MASBDA is recommending approval or denial. MASBDA shall set forth the terms and conditions upon which it recommends approval if it recommends approval.

If an Application is denied by MASBDA, MASBDA will state the basis upon which MASBDA has concluded that the Application should be denied in writing to the Applicant.

- ♦ **Certificate of Approval.** Following DED's receipt of a funding recommendation from MASBDA, DED would issue a Certificate of Approval containing the terms and conditions of the approval. The Certificate will state, at a minimum:
  - ✓ the percentage and type of increment awarded;
  - ✓ the maximum duration of the increment(s);
  - ✓ the maximum amount of increment(s) to be disbursed in any year, which may be the lesser of actual awarded increment(s) or a specific dollar amount;
  - ✓ the maximum amount of increment(s) to be disbursed over the duration of the increment(s); and
  - ✓ any other conditions or stipulations as determined by MASBDA and DED.

**NOTE:** No Municipality shall commit any New State Revenues for a Development Project prior to receipt of a Certificate of Approval.

- ♦ **Request for Annual Appropriation.** DED will request appropriation authority from the State Supplemental Rural Development Fund adequate to cover all approved Development Projects. The law limits that annual amount available for MORESA to \$12,000,000.
- ♦ **Final Certification of Eligible Project Costs.** Promptly following completion of the Development Project, the Applicant shall provide a written certification signed by the chief officer of the Applicant to DED and MASBDA of the completion of the Development Project and shall provide DED and MASBDA with written evidence of the actual total costs and actual Eligible Project Costs of the Development Project.

## Section 4

### *Ongoing Administration of Approved Projects*

#### *Determining the Baseline*

DED, with the assistance of information from the Municipality and DOR, will determine the baseline. The baseline may change depending on the project. To achieve timely disbursements of increment, Municipalities must cooperate fully with DED and DOR and provide requested information and any supplemental information relevant to determining the baseline in a timely manner.

#### *Determining the Increment*

The DOR, with the assistance of DED and MASBDA, will be developing any additional forms to be used in calculating the increment to be deposited into the State Supplemental Rural Development Fund.

DED, with the assistance of DOR, will calculate the disbursements to be made to Municipalities pursuant to the Certificate of Approval for a Development Project.

#### *Disbursing the Increment*

Unless otherwise provided, the funds (if generated) will be provided in semi-annual payments.

The treasurer or other designated financial officer of the Municipality with approved Development Projects shall deposit the approved New State Revenues in a separate segregated account within the special allocation fund established pursuant to section 99.1042.

***Reimbursement of DED, MASBDA and DOR Costs.*** All personnel and other reasonable costs incurred by DED, MASBDA and DOR for the administration and operation of the Program shall be from the State Supplemental Rural Development Fund prior to disbursement of funds to any Municipality.

DED, MASBDA and DOR shall prepare and make available on an annual basis an accounting of the personnel and other reasonable costs incurred in administering and operating the Program.

## Section 5

### *Reporting Requirements*

- ♦ **Hearing Notices:** Municipalities (or their Authority) must send a copy of any and all hearing notices required by the Act to DED and MASBDA.
- ♦ **Business Relocations:** By the last day of February each year, each Municipality or authority shall report to DED the name, mailing address, phone number and primary line of business of any business that **relocates** to the Development Area and the previous location and address of the business and the new address within the Development Area.
- ♦ **Annual Report:** Each Municipality shall submit an annual report to DED and MASBDA as specified in section 99.1060 by October 30<sup>th</sup> of each year in electronic format. DED will provide a format for this report. DED will post all annual reports on its web site upon completion. DED 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
- ♦ **Failure to File Annual Report:** Any Municipality that fails to timely file the Annual Report shall be ineligible to receive any disbursements from the State Supplemental Rural Development Fund.
- ♦ **Annual Statement Publication:** Each Municipality shall publish the annual statement required by section 99.1060.9 in a newspaper of general circulation within the Municipality. The Municipality shall annually provide an affidavit of publication of the annual statement to DED and MASBDA.



## Section 6

### *Definitions*

For purposes of interpreting this Program Summary, the Act and submitting an Application, DED and MASBDA will use the following definitions unless otherwise specified:

**“Act”** means sections 99.000 to 99.1060, RSMo, the Missouri Rural Economic Stimulus Act.

**"Applicant"** means the Municipality submitting a Program Application to DED and MASBDA for assistance pursuant to the State Supplemental Rural Development Financing Program.

**"Approved Project"** means a Program Application that has received final approval by MASBDA and has received a Certificate of Approval from the Director of DED.

**"Authority"** means the rural economic stimulus authority created by the Applicant pursuant to the Act.

**"Baseline Year"** means for most Development Projects the calendar year prior to the adoption of the ordinance designating the area for a Development Project. There are exceptions to this in the Act in certain circumstances.

**"Blighted Area"** means 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.

**"Certificate of Approval"** means the certificate of approval issued by DED after an Approved Application that contains the terms of the New State Revenues to be made available, subject to appropriation of funds by the general assembly, for a Development Project.

**"DED"** means the Department of Economic Development.

**"Developer"** means the developer named in the Approved Application.

**"Development Area"** an area designated by a Municipality in respect to which the Municipality has made a finding that the area has 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) to (b) herein; 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, RSMo.

**"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.

**"Development Plan"** means the comprehensive program of a Municipality to 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;

**"Development Project"** means any development project in a development area which creates a Renewable Fuel Production Facility or other Eligible New Generation Processing Entity. A development project must be projected to cost at least \$3,000,000 and be expected to create at least 30 new jobs. Any such development project shall include a legal description of the area selected for such development project;

**"Development Project Area"** means the area located within a Development Area selected for a Development Project;

**"Development Project Costs"** mean the costs of a Development Project that are expended for public property, buildings, rights-of-way and infrastructure to support the Development Project. Such costs include, but are not limited to, the following:

(a) Costs of studies, appraisals, surveys, plans and specifications;

(b) Professional service costs, such as architectural, engineering, legal, marketing, financial or planning services;

(c) Land acquisition, demolition costs and site preparation;

(d) Costs of rehabilitating and repairing existing public buildings;

(e) Costs of constructing public works or improvements;

(f) Financing costs, such as costs of issuance, capitalized interest, underwriting expenses and reserve funds;

(g) A taxing district's capital costs resulting from the Development Project, to the extent the municipality by written agreement accepts and approves such costs; and

(h) State government costs related to evaluation and administration of the Development Project.

**"DOR"** means the Department of Revenue.

**"EATS"** or **"economic activity taxes"** generally means 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 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. Special rules apply for retail establishments or the relocation into the Development Project Area of an out-of-state business.

**"Eligible New Generation Processing Entity"** means 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 MASBDA, for the purpose of owning or operating within this state a development 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.

**"Eligible Project Costs"** means the costs that MASBDA has approved as eligible for reimbursement from Other Net New Revenues.

**"MASBDA"** means the Missouri Agricultural and Small Business Development Authority.

**"Municipality"** means any city, village, incorporated town or county established on or prior to January 1, 2001, with a population of 99,999 or less.

**"New Job"** means a full-time position (averaging at least 35 hours per week over a twelve-month period) created within the Development Project Area. "New Jobs" does not include jobs of recalled workers or replacement jobs (jobs that formerly existed with the Reporting Business in the State).

**"Other Net New Revenues"** means the amount of State Sales Tax Increment or State Income Tax Increment or the combination of the amount of each such increment as approved by MASBDA and set forth in the Certificate of Approval issued by DED.

**"Person"** means an individual, corporation, partnership or other entity.

**"PILOTS"** or **"payments in lieu of taxes"** means 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, RSMo. Requirements regarding recording and calculating are found in the Act.

**"Program Application"** or **"Application"** means the form submitted by a Municipality for the consideration of requests under the Program to DED and MASBDA.

**"Reporting Business"** means each Person required to report taxable sales, salaries or other information to DOR for the calculation of state increment.

**"Renewable Fuel Production Facility"** means 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.

**"State income tax increment"** means up to 50% 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 DOR of the practical tax rate on gross payroll as a factor in overall taxable income.

**"State sales tax increment"** means up to one-half of the incremental increase in the State Sales Tax Revenue in the Development Project Area. There are special restrictions for amounts attributable to retail sales, relocating facilities and relocating out-of-state businesses.

**"State sales tax revenue"** means 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.

**"State Supplemental Rural Development Fund"** means the special fund by that name created within the state treasury into which Other Net New Revenues are deposited, and from which disbursements for Approved Projects are to be made by DED pursuant to Certificates of Approval and subject to appropriation by the General Assembly.

## Section 7

### *Forms*

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#### **Application Part I – Cover Sheet**

#### **Application Part II – Attachment Checklist**

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An original and four (4) copies of a completed Application with all attachments should be submitted, along with a check payable to MASBDA, in an amount as set forth below, to:

**Missouri Agricultural and Small Business Development Authority  
1616 Missouri Blvd.  
P.O. Box 630  
Jefferson City, Missouri 65102**

#### **MASBDA Application & Processing Fee**

MASBDA charges an Application and processing fee of 25 basis points (1/4 of 1% or .0025) with a cap of \$25,000. The entire fee is due with the Application. Any unused portion of the fee will be refunded.

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Three (3) copies of a completed Application with all attachments should be submitted to:

**Missouri Department of Economic Development  
Division of Community Development  
MORESA Program  
301 West High Street, Room 770  
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