
**Rules of
Department of Economic
Development**

**Division 80—Economic Development Program
Chapter 5—Business Use Incentives for Large-Scale
Development**

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**Title 4—DEPARTMENT OF
ECONOMIC DEVELOPMENT
Division 80—Economic Development
Programs**

**Chapter 5—Business Use Incentives for
Large-Scale Development**

4 CSR 80-5.010 Definitions

PURPOSE: This rule provides definitions for terms contained in the Missouri Business Use Incentives for Large-Scale Development Act as contained in sections 7 through 22 of Conference Committee Substitute for Senate Substitute for Senate Committee Substitute for House Substitute for House Committee Substitute for House Bill No. 1237, as enacted by the Eighty-Eighth General Assembly, Second Regular Session. These definitions relate to the contents of the Missouri Business Use Incentives for Large-Scale Development Act.

(1) “Average wage paid by the applicant” means the average wage paid within the county in which the project is located. The average wage will be determined by the most recent information provided by the Division of Employment Security based upon the wages paid to employees of businesses of substantially the same standard industrial classification (SIC) code as that of the applicant. In the event that the wage information is not available for a particular county or, is more than two (2) years old, or no other employer with a comparable SIC code is located there, the Department of Economic Development may utilize average wage information from adjacent counties or counties which the department determines are comparably situated.

(2) “Eligible industry” means a business located in Missouri or a business which is not located in the state but which would locate there as a result of the project, which otherwise satisfies the requirements of section 8(9) of the Act.

(3) “Invest” means the same as the term “new business facility investment” as defined in section 135.100(7), RSMo, except that for leased property, the value of real and personal property shall be determined by the present value of the projected annual lease payments throughout the term of the lease utilizing an interest rate established by the department. Investments may occur during a period commencing with a date established by the department and ending three (3) years after the issuance of certificates.

(4) “New jobs” means the number of jobs created by the eligible industry during a peri-

od commencing with a date established by the department and ending three (3) years after the issuance of certificates, and which otherwise satisfy the requirements of section 8(10) of the Act.

(5) “Overall positive fiscal impact” and “revenue impact of the program” mean the net state economic impact which is the value of the direct and indirect new state tax revenues resulting from the project over a fifteen (15)-year period (as determined by Department of Economic Development econometric models) less a projection of new state costs attributed to the project.

(6) “Project” means an economic development project as defined in section 8(7) of the Act.

(7) “Related taxpayer” means the same as that term is defined in section 135.100(9), RSMo.

(8) “Replacement of facilities” means the same as the term “replacement business facility” as defined in section 135.100(10), RSMo.

*AUTHORITY: section 620.1066, RSMo (Supp. 1995). * Original rule filed Aug. 29, 1996, effective March 30, 1997.*

**Original authority 1994, amended 1995.*

4 CSR 80-5.020 Determination of Eligible Industries and Projects

PURPOSE: This rule establishes the procedures and standards for the determination and approval of eligible industries and their economic development projects as required by section 10.1. of Conference Committee Substitute for Senate Substitute for Senate Committee Substitute for House Substitute for House Committee Substitute for House Bill No. 1237, as enacted by the 88th General Assembly, 2d Regular Session.

(1) The industry shall submit an application simultaneously to the Missouri Development Finance Board (the board) and to the Department of Economic Development (department) on forms prescribed by both. The department shall review the application to determine if it is in full compliance with the Act and rules promulgated pursuant thereto.

(2) The “credit worthiness” of an industry shall be determined by the board. In making such determination, the board may consider i) the industry’s ability to obtain a letter of credit from a financial institution; ii) the

credit rating of the industry as determined by a recognized rating agency; or iii) the industry’s ability to provide a buyer for the certificates.

(3) The number of new jobs to be created shall be in relation to the amount of the certificates to be issued and the “net state economic impact” of the project. The amount of the certificates shall not exceed the projected “net state economic impact.”

(4) The “likelihood of success of the economic development project” shall be measured by the probability that the industry will create the number of new jobs projected and the probability that the “net state economic impact” will be achieved.

(5) The department shall determine that there is at least one (1) other state that the applicant is considering for location of a project before the project is approved. This provision may be satisfied if a written offer from another state is obtained, or if the industry provides a written description of the consideration given by the industry to the other state, and attests to the validity of such information.

(6) An industry making application to the department and the board shall provide a complete listing of the differential of one (1)-time capital costs and ongoing operating costs (which shall include the impact of all state, federal and local tax, training, financing and other incentives) between the proposed project site and the projected capital and ongoing operating costs if the industry were to locate in another state, and the industry shall attest to the accuracy of such information.

*AUTHORITY: section 620.1066, RSMo (Supp. 1995). * Original rule filed Aug. 29, 1996, effective March 30, 1997.*

**Original authority 1994, amended 1995.*