



State of Missouri Chapter 100 Bonds Program Summary

COMMON NAME: Chapter 100 Bonds

LEGAL NAME: Missouri Chapter 100

STATUTORY CITATION: §§ 100.010-100.200 RSMO

PROGRAM TYPE: Business Recruitment and Expansion

FUNDING LIMITS: Missouri Law authorizes municipalities to issue Industrial Development Bonds (IDBs). There is no preset limit on the amount that may be authorized.

TYPE OF BENEFITS: Property tax abatement and sales tax exemption on construction materials. Both are negotiated terms.

DESCRIPTION OF BENEFITS: There are two primary reasons to issue industrial development bonds ("IDBs") under the Act. First, if the bonds are tax-exempt, it may be possible to issue the bonds at lower interest rates than those obtained through conventional financing. Second, even if the bonds are not tax-exempt, ad valorem taxes on bond-financed property may be abated so long as the bonds are outstanding. Such tax abatement may result in a significant financial benefit to a company.

ALLOWED USES OF BENEFITS: IDBs may be issued by any city, county, town or village (referred to as a "municipality") to issue bonds to finance the costs of warehouses, distribution facilities and industrial plants. In connection with such projects, the bond proceeds may be used to finance land, buildings, fixtures and machinery.

ELIGIBLE GEOGRAPHIC AREA: Statewide

ELIGIBLE BUSINESS TYPES: IDBs may be used to finance various industrial projects, including industrial, warehouses, distribution, research and development facilities, offices with interstate commerce, and agricultural processing industries.

BENEFITS ELIGIBILITY REQUIREMENTS: All property of any political subdivision is exempt from taxation. In a typical IDB transaction, the Municipality holds fee title to the project and leases the project to the company, thereby providing tax abatement. The exact amount of abatement is a negotiated item with the municipality.



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SPECIAL REQUIREMENTS: The municipality may issue a project exemption certificate which would allow construction materials to be purchased exempt from sales tax. This is typically negotiated and left to the discretion of the municipality.

INTERNET LINKS:

Statutes: <http://www.moga.mo.gov/STATUTES/STATUTES.HTM>

Missouri Department of Economic Development: www.MissouriDevelopment.org

Missouri Development Finance Board: www.mdfb.org

SOURCES: "Chapter 100" Missouri Department of Economic Development