SECOND REGULAR SESSION

HOUSE COMMITTEE SUBSTITUTE FOR

SENATE SUBSTITUTE FOR

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# SENATE BILL NOS. 1694 & 1688

## 103RD GENERAL ASSEMBLY

7297H.06C JOSEPH ENGLER, Chief Clerk

## AN ACT

To repeal sections 99.918, 99.919, 99.930, 99.933, 99.936, 99.942, 99.948, 99.951, 99.954, 99.957, 99.960, 99.963, 99.965, 99.968, 99.975, and 99.980, RSMo, and to enact in lieu thereof twenty-eight new sections relating to financial incentives for economic development.

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

Section A. Sections 99.918, 99.919, 99.930, 99.933, 99.936, 99.942, 99.948, 99.951, 99.954, 99.957, 99.960, 99.963, 99.965, 99.968, 99.975, and 99.980, RSMo, are repealed and twenty-eight new sections enacted in lieu thereof, to be known as sections 99.918, 99.919, 99.930, 99.933, 99.936, 99.942, 99.948, 99.951, 99.954, 99.957, 99.960, 99.963, 99.965, 99.968, 99.975, 99.980, 620.2012, 620.6000, 620.6003, 620.6006, 620.6009, 620.6012, 620.6018, 620.6021, 620.6024, 620.6027, 620.6030, and 620.6033, to read as follows:

99.918. As used in sections 99.915 to 99.980, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Authority", the downtown economic stimulus authority for a municipality, created pursuant to section 99.921;

(2) "Baseline year", the calendar year prior to the adoption of an ordinance by the municipality approving a development project **or an expanded development project, as applicable**; provided, however, if economic activity taxes or state sales tax revenues, from businesses other than any out-of-state business or businesses locating in the development project area **or expanded development project area, as applicable**, decrease in the development project area **or expanded development project area, as applicable,** in the year

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.

following the year in which the ordinance approving a development project **or an expanded development project, as applicable,** is approved by a municipality, the baseline year may, at the option of the municipality approving the development project **or an expanded development project, as applicable**, be the year following the year of the adoption of the ordinance approving the development project**[**~~. When a development project area is located within a county for which public and individual assistance has been requested by the governor pursuant to Section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121, et seq., for an emergency proclaimed by the governor pursuant to section 44.100 due to a natural disaster of major proportions that occurred after May 1, 2003, but prior to May 10, 2003, and the development project area is a central business district that sustained severe damage as a result of such natural disaster, as determined by the state emergency management agency, the baseline year may, at the option of the municipality approving the development project, be the calendar year in which the natural disaster occurred or the year following the year in which the natural disaster occurred, provided that the municipality adopts an ordinance approving the development project within one year after the occurrence of the natural disaster~~**] or an expanded development project, as applicable**;

(3) "Blighted area", the same meaning as defined pursuant to section 99.805;

(4) "Central business district", the area at or near the historic core that is locally known as the "downtown" of a municipality **[**~~that has a median household income of sixty-two thousand dollars or less, according to the United States Census Bureau's American Community Survey, based on the most recent of five-year period estimate data in which the final year of the estimate ends in either zero or five. In addition, at least fifty percent of existing buildings in this area will have been built in excess of thirty-five years prior or vacant lots that had prior structures built in excess of thirty-five years prior to the adoption of the ordinance approving the redevelopment plan~~**]**. The historical land use emphasis of a central business district prior to redevelopment will have been a mixed use of business, commercial, financial, transportation, government, and multifamily residential uses**. The term "central business district" shall include the riverfront of a municipality that is near the municipality's downtown, and the riverfront may have an industrial historical land use**;

(5) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes, economic activity taxes other than economic activity taxes which are local sales taxes, and other local taxes other than local sales taxes, and, for local sales taxes and state taxes, the director of revenue;

(6) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more, and such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may

become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning;

(7) **"Department", the department of economic development;**

**(8) "Developer", the entity with which the municipality entered into a development agreement for the development of the development area as set forth in the municipality's application to the department for which a certificate of approval was issued under section 99.960 prior to January 1, 2013, and that has or is in the process of developing the development project, or the entity's affiliate, or the developer selected by the municipality for a development project pursuant to paragraph (a) of subdivision (2) of section 99.936;**

**(9)** "Development area", an area designated by a municipality in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area or a conservation area, which area shall have the following characteristics:

(a) It includes only those parcels of real property directly and substantially benefitted by the proposed development plan;

(b) It can be renovated through one or more development projects;

(c) It is located in the central business district;

(d) It has generally suffered from declining population or property taxes for the twenty-year period immediately preceding the area's designation as a development area or has structures in the area fifty percent or more of which have an age of thirty-five years or more;

(e) 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 (g) herein;

(f) The development area shall not exceed ten percent of the entire area of the municipality**. A development area approved after August 28, 2026, shall not be within a one-half-mile radius of the boundary of a development area included in an application to the department for which a certificate of approval was issued under section 99.960 prior to January 1, 2013, or of an expanded development area; provided, however, that in a municipality that is a city not within a county, the radius may be reduced but shall not be eliminated as part of the approval under section 99.948**; and

(g) The development area shall not include any property that is located within the one hundred year flood plain, as designated by the Federal Emergency Management Agency flood delineation maps, unless such property is protected by a structure that is inspected and certified by the United States Army Corps of Engineers. This subdivision shall not apply to property within the one hundred year flood plain if the buildings on the property have been or will be flood proofed in accordance with the Federal Emergency Management Agency's standards for flood proofing and the property is located in a home rule city with more than one hundred fifty-one thousand five hundred but fewer than one hundred fifty-one thousand six hundred inhabitants. Only those buildings certified as being flood proofed in accordance with the Federal Emergency Management Agency's standards for flood proofing by the authority shall be eligible for the state sales tax increment and the state income tax increment. Subject to the limitation set forth in this subdivision, the development area can be enlarged or modified as provided in section 99.951;

**The term "development area" shall also include an area designated as a development area as included in its application to the department for which a certificate of approval was issued under section 99.960 prior to January 1, 2013, as may be thereafter modified under section 99.948 in relation to an expanded development area;**

**[**~~(8)~~**] (10)** "Development plan", the comprehensive program of a municipality to reduce or eliminate those conditions which qualified a development area as a blighted area or a conservation area, and to thereby 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 99.915 to 99.980 and through the exercise of the powers set forth in sections 99.915 to 99.980. The development plan shall conform to the requirements of section 99.942;

**The term "development plan" shall also include the comprehensive program of the municipality as included in its application to the department for which a certificate of approval was issued under section 99.960 prior to January 1, 2013, as may be thereafter modified under section 99.948 in relation to an expanded development plan;**

**[**~~(9)~~**] (11)** "Development project", any development project within a development area which constitutes a major initiative in furtherance of the objectives of the development plan, and any such development project shall include a legal description of the area selected for such development project;

**The term "development project" shall also include a development project for which a certificate of approval was issued under section 99.960 prior to January 1, 2013, as may be thereafter modified under section 99.948 in relation to an expanded development project;**

[~~(10)~~] **(12)** "Development project area", the area located within a development area selected for a development project**, or the development project area for which a certificate of approval was issued under section 99.960 prior to January 1, 2013, as may be thereafter modified under section 99.948 in relation to an expanded development project**;

[~~(11)~~] **(13)** "Development project costs" include such costs to the development plan or a development project, as applicable, which are expended on public property, buildings, or rights-of-ways for public purposes to provide infrastructure to support a development project. Such costs shall only be allowed as an initial expense which, to be recoverable, must be included in the costs of a development plan or development project, except in circumstances of plan amendments approved by [~~the Missouri development finance board and~~] the department [~~of economic development~~]. Such infrastructure costs include, but are not limited to, the following:

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

(b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services;

(c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

(d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public buildings and fixtures;

(e) Costs of construction of public works or improvements;

(f) Financing costs, including, but not limited to, all necessary expenses related to the issuance of obligations issued to finance all or any portion of the infrastructure costs of one or more development projects, and which may include capitalized interest on any such obligations and reasonable reserves related to any such obligations;

(g) All or a portion of a taxing district's capital costs resulting from any development project necessarily incurred or to be incurred in furtherance of the objectives of the development plan, to the extent the municipality by written agreement accepts and approves such infrastructure costs;

(h) Payments to taxing districts on a pro rata basis to partially reimburse taxes diverted by approval of a development project;

(i) State government costs, including, but not limited to, the reasonable costs incurred by the department [~~of economic development,~~] **and** the department of revenue [~~and the office of administration~~] in evaluating an application for and administering state supplemental downtown development financing for a development project; and

(j) Endowment of positions at an institution of higher education which has a designation as a Carnegie Research I University including any campus of such university system, subject to the provisions of section 99.958. In addition, economic activity taxes and payment in lieu of taxes may be expended on or used to reimburse any reasonable or necessary costs incurred or estimated to be incurred in furtherance of a development plan or a development project;

**[**~~(12)~~**] (14)** "Economic activity taxes", 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 **or expanded development project area, as applicable**, which are not related to the relocation of any out-of-state business into the development project area **or expanded development project area, as applicable**, which exceed the amount of such taxes generated by economic activities within such development project area **or expanded development project area, as applicable,** in the baseline year plus, in development project areas **or expanded development project areas, as applicable,** where the baseline year is the year following the year in which the development project **or expanded development project, as applicable,** is approved by the municipality pursuant to subdivision (2) of this section, the total revenue from taxes which are imposed by the municipality and other taxing districts which is generated by economic activities within the development project area **or expanded development project area, as applicable,** resulting from the relocation of an out-of-state business or out-of-state businesses to the development project area **or expanded development project area, as applicable,** pursuant to section 99.919; 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. If a **business or** retail establishment relocates within one year from one facility to another facility within the same county and the municipality or authority finds that the **business or** retail establishment is a direct beneficiary of development financing, then for purposes of this definition, the economic activity taxes generated by the **business or** retail establishment shall equal the total additional revenues from taxes which are imposed by the municipality and other taxing districts which are generated by the economic activities within the development project area **or expanded development project area, as applicable,** which exceed the amount of taxes which are imposed by the municipality and other taxing districts which are generated by economic activities within the development project area **or expanded development project area, as applicable,** generated by the **business or** retail establishment in the baseline year;

**(15) "Expanded development area", an area designated by a municipality in respect to which the municipality has made a finding that there exist conditions which**

**cause the area to be classified as a blighted area or a conservation area, which area shall have the following characteristics:**

**(a) It includes only those parcels of real property directly and substantially benefited by the proposed expanded development plan;**

**(b) It can be renovated through one or more expanded development projects;**

**(c) It is located in the central business district;**

**(d) It furthers the development of the major initiative or has structures in the area fifty percent or more of which have an age of thirty-five years or more;**

**(e) Notwithstanding any other provision of law to the contrary, upon approval under section 99.948, an expanded development area may include areas designated as a development area included in an application to the department for which a certification of approval was issued under section 99.960 prior to January 1, 2013, provided that they are removed from the development area and were not developed prior to the removal from the development area. The expanded development area, together with the development area, shall not exceed ten percent of the entire area of the municipality; and**

**(f) The expanded development area shall not include any property that is located within the one-hundred-year flood plain, as designated by the Federal Emergency Management Agency flood delineation maps, unless such property is protected by a structure that is inspected and certified by the U.S. Army Corps of Engineers and shall not be within a one-half mile radius of a development area included in an application to the department for which a certification of approval is issued under section 99.960 after August 28, 2026, but before the designation of the expanded development area by the municipality; provided, however, that in a municipality that is a city not within a county the radius may be reduced but shall not be eliminated as part of the approval under section 99.948;**

**(16) "Expanded development plan", the comprehensive program of a municipality to reduce or eliminate those conditions that qualify an expanded development area as a blighted area or a conservation area, and to thereby enhance the tax bases of the taxing districts which extend into the expanded development area through the reimbursement, payment, or other financing of expanded development project costs in accordance with sections 99.915 to 99.980 and through the exercise of the powers set forth in sections 99.915 to 99.980. The expanded development plan shall conform to the requirements of section 99.942;**

**(17) "Expanded development project", any development project within an expanded development area and is in furtherance of the objectives of the expanded**

**development plan, and any such expanded development project shall include a legal description of the area selected for such expanded development project;**

**(18) "Expanded development project area", the area located within an expanded development area selected for an expanded development project;**

**(19) "Expanded development project costs", costs to an expanded development plan or expanded development project as set forth in a certificate of approval from the department that are expended on or used to reimburse base building costs of an expanded development project including site preparation; foundation; structural; utility relocation and off-site utility; environmental mitigation and remediation; stormwater management; mechanical, engineering, and plumbing; landscaping and hardscaping; lighting; and temporary structural support or stabilization costs; and any costs allowable under the definition of development project costs in this section. Economic activity taxes, payment in lieu of taxes, and municipal residential earnings tax increment may be expended on or used to reimburse any reasonable or necessary costs incurred or estimated to be incurred in furtherance of an expanded development plan or expanded development project. Notwithstanding any provision of law to the contrary, expanded development project costs may include the payment of obligations issued to finance development project costs associated with the major initiative. "Expanded development project costs" shall not include costs expended on the interior improvements of an expanded development project;**

**[**~~(13)~~**] (20)** "Gambling establishment", an excursion gambling boat as defined in section 313.800 and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in sections 313.800 to 313.850;

**[**~~(14)~~**] (21)** "Major initiative", a development project within a central business district that:

(a) Promotes tourism, cultural activities, arts, entertainment, education, research, arenas, multipurpose facilities, libraries, ports, mass transit, museums, or conventions, the estimated cost of which is in excess of the amount set forth below for the municipality, as applicable; or

(b) Promotes business location or expansion, the estimated cost of which is in excess of the amount set forth below for the municipality, and is estimated to create at least as many new jobs as set forth below within three years of such location or expansion:

| Population of Municipality | Estimated Project Cost | New Jobs Created |
|---|---|---|
| 300,000 or more | $10,000,000 | at least 100 |
| 100,000 to 299,999 | $5,000,000 | at least 50 |
| 50,001 to 99,999 | $1,000,000 | at least 10 |
| 50,000 or less | $500,000 | at least 5; |

**The term "major initiative" shall also include a major initiative for which a certificate of approval was issued under section 99.960 prior to January 1, 2013;**

**(22) "Municipal residential earnings tax increment", those revenues from the municipal earnings tax for salaries or wages paid to natural persons residing in a primarily residential building, regardless of the inclusion of mixed uses within a portion of the building, in an expanded development project area that did not reside in the expanded development project area in the baseline year. The municipality may calculate the municipal residential earnings tax increment in a manner consistent with the state's calculation of state residential income tax increment, except the maximum marginal tax rate in effect shall be pursuant to the earnings tax rate approved by voters under sections 92.111 to 92.200;**

**[**~~(15)~~**] (23)** "Municipality", any city, village, incorporated town, or any county of this state established on or prior to January 1, 2001, or a census-designated place in any county designated by the county for purposes of sections 99.915 to 99.1060 **to which a certificate of approval was issued under section 99.960 prior to January 1, 2013**;

**[**~~(16)~~**] (24)** "New job", any job defined as a new job pursuant to subdivision (11) of section 100.710;

**[**~~(17)~~**] (25)** "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by the municipality or authority, or other public entity authorized to issue such obligations pursuant to sections 99.915 to 99.980 to carry out a development project **or expanded development project, as applicable,** or to refund outstanding obligations;

**[**~~(18)~~**] (26)** "Ordinance", an ordinance enacted by the governing body of any municipality or an order of the governing body of such a municipal entity whose governing body is not authorized to enact ordinances;

**[**~~(19)~~**] (27)** "Other net new revenues", the amount of state sales tax increment or state income tax increment or the combination of the amount of each such increment as determined under section 99.960**. For expanded development project areas, "other net new revenues" also includes the amount of state residential income tax increment as**

**determined under section 99.960. For development project areas approved by the department on or after August 28, 2026, "other net new revenues" may include the amount of state residential income tax increment as determined under section 99.960**;

**[**~~(20)~~**] (28)** "Out-of-state business", a business entity or operation that has been located outside of the state of Missouri prior to the time it relocates to a development project area **or expanded development project area, as applicable**;

**[**~~(21)~~**] (29)** "Payment in lieu of taxes", those revenues from real property in each development project area **or expanded development project area, as applicable**, which taxing districts would have received had the municipality not adopted a development plan **or expanded development plan, as applicable,** 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 **or expanded development project area, as applicable,** exceeds the total equalized value of real property in such development project area **or expanded development project area, as applicable,** during the baseline year until development financing for such development project area **or expanded development project area, as applicable,** expires or is terminated pursuant to sections 99.915 to 99.980;

**(30) "Retained job", an existing job in the state if the department determines that the existing job could be relocated to another state in the absence of the expanded development project authorized under sections 99.915 to 99.980;**

**[**~~(22)~~**] (31)** "Special allocation fund", the fund of the municipality or its authority required to be established pursuant to section 99.957 which special allocation fund shall contain at least four separate segregated accounts into which payments in lieu of taxes are deposited in one account, economic activity taxes are deposited in a second account, other net new revenues are deposited in a third account, and other revenues, if any, received by the authority or the municipality for the purpose of implementing a development plan or a development project **or expanded development plan or an expanded development project, as applicable,** are deposited in a fourth account;

**[**~~(23)~~**] (32)** "State income tax increment", up to fifty percent 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 **or in an expanded development project area and created by the expanded development project, as applicable, and for an expanded development project, up to fifty percent of the estimate of the income tax due the state for salaries or wages paid to employees in retained jobs at a business located in the expanded development project area and created by the expanded development project. In the case of an expanded development project wherein the department director has determined, through the cost-benefit**

**analysis and other analysis as determined by the department, that the projected state benefit is substantial and that the project is unlikely to occur without a higher percentage of state contribution, the increment percentage for the expanded development project may, at the department's discretion, be increased up to seventy percent of the income tax due to the state for salaries or wages paid to new employees in new jobs and employees in retained jobs at a business located in the expanded development project area and created by the expanded development project**. The estimate shall be a percentage of the gross payroll which percentage shall be based upon an analysis by the department of revenue of the practical tax rate on gross payroll as a factor in overall taxable income**. The department may provide in a certificate of approval for an expanded development project under section 99.960 that it will calculate and disburse state income tax increment based upon the applicable marginal personal income tax rate in effect under section 143.011 at the time the certificate is issued even in the event the state personal income tax rate is subsequently reduced, or the tax is eliminated;**

**(33) "State residential income tax increment", up to seventy percent of the estimate of the income tax due to the state for salaries or wages paid to natural persons residing in a primarily residential building, regardless of the inclusion of mixed uses within a portion of the building, in a development project area approved on or after August 28, 2026, or in an expanded development project area, as applicable, that did not reside in the development project area or expanded development project area, as applicable, in the baseline year. Annually, after the opening of the residential component of the development project or expanded development project, as applicable, the developer shall provide the department and the municipality with certified incomes of natural persons residing in leased or occupied residential units. The increment shall be the product of the total certified incomes for all residential units leased to or occupied by natural persons times the applicable marginal personal income tax rate in effect under section 143.011. The department may provide in a certificate of approval for an expanded development project under section 99.960 that the department shall calculate and disburse state residential income tax increment based upon the applicable marginal personal income tax rate in effect under section 143.011 at the time the certificate is issued in the event the state personal income tax rate is subsequently reduced, or the tax is eliminated. The developer shall allow the department to audit records of certified incomes of natural persons residing in leased or occupied residential units**;

**[**~~(24)~~**] (34)** "State sales tax increment", up to **[**~~one-half~~**] fifty percent** of the incremental increase in the state sales tax revenue in the development project area **or expanded development project area, as applicable**. **[**~~In no event shall the incremental increase include any amounts attributable to retail sales unless the Missouri development~~

~~finance board and the department of economic development are satisfied based on information provided by the municipality or authority, and such entities have made a finding that a substantial portion of all but a de minimus 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.~~**] In the case of an expanded development project wherein the department director has determined, through the cost-benefit analysis and other analysis as determined by the department, that the projected state benefit is substantial and that the project is unlikely to occur without a higher percentage of state contribution, the increment percentage for the expanded development project may, at the department's discretion, be increased up to seventy percent of the incremental increase in the state sales tax revenue in the expanded development project area.** The incremental increase for an existing facility shall be the amount by which the state sales tax revenue generated at the facility exceeds the state sales tax revenue generated at the facility in the baseline year. The incremental increase in development project areas **or expanded development project areas, as applicable,** where the baseline year is the year following the year in which the development project **or expanded development project, as applicable,** is approved by the municipality pursuant to subdivision (2) of this section shall be the state sales tax revenue generated by out-of-state businesses relocating into a development project area **or expanded development project area, as applicable**. The incremental increase for a Missouri facility which relocates to a development project area **or expanded development project area, as applicable,** shall be the amount by which the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the calendar year prior to relocation**. If the department elects to issue a certificate of approval for an expanded development project that applies the applicable marginal personal income tax rate for the state income tax increment and state residential income tax increment regardless of whether the rate may thereafter be reduced or the tax eliminated, the department may fix the state sales tax rate upon which the state sales tax increment is calculated at the rate in effect at the time the certificate of approval is issued, even if the state sales tax rate is increased thereafter**;

**[**~~(25)~~**] (35)** "State sales tax revenues", the general revenue portion of state sales tax revenues received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law;

**[**~~(26)~~**] (36)** "Taxing district's capital costs", those costs of taxing districts for capital improvements that are found by the municipal governing bodies to be necessary and to directly result from a development project **or expanded development project, as applicable**; and

**[**~~(27)~~**] (37)** "Taxing districts", any political subdivision of this state having the power to levy taxes.

99.919. Notwithstanding anything contained in sections 99.915 to 99.980 to the contrary, for development projects **or expanded development projects, as applicable,** that result in the relocation of an out-of-state business or out-of-state businesses to the development project area **or expanded development project area, as applicable**, the portion of economic activity taxes, the state income tax increment, the state sales tax increment and other net new revenues generated by such out-of-state business or businesses shall be calculated based upon the full amount of tax revenue generated by such out-of-state business or out-of-state businesses without reduction due to revenues generated in the baseline year.

99.930. 1. In any suit, action, or proceeding involving the validity or enforcement of or relating to any contract of an authority entered into pursuant to sections 99.915 to 99.980, such authority shall be conclusively deemed to have become established and authorized to transact business and exercise its powers under sections 99.915 to 99.980 upon proof of the adoption of the appropriate ordinance prescribed in section 99.921. Each such ordinance shall be deemed sufficient if it authorizes the exercise of powers under sections 99.915 to 99.980 by the authority and sets forth the findings of the municipality as required in subdivision (2) of section 99.921.

2. A copy of such ordinance duly certified by the clerk of the municipality shall be admissible in evidence in any suit, action, or proceeding.

3. No lawsuit to set aside the creation of an authority, the approval of a development plan, development project, development area or development project area, **or the approval of an expanded development plan, expanded development project, expanded development area, or expanded development project area, as applicable,** or a tax levied pursuant to sections 99.915 to 99.980, or to otherwise question the validity of the proceedings related thereto, shall be brought after the expiration of **[**~~ninety~~**] thirty** days from the effective date of the ordinance or resolution in question.

99.933. 1. The authority created pursuant to section 99.921 shall constitute a public body corporate and politic, exercising public and essential governmental functions.

2. A municipality or an authority created pursuant to section 99.921 shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of sections 99.915 to 99.980, including the following powers in addition to others granted pursuant to sections 99.915 to 99.980:

(1) To prepare or cause to be prepared and approved development plans and development projects to be considered at public hearings in accordance with sections 99.915

to 99.980 and to undertake and carry out development plans and development projects which have been adopted by ordinance;

(2) **To prepare or cause to be prepared and approved expanded development plans and expanded development projects to be considered in accordance with sections 99.915 to 99.980 and to undertake and carry out expanded development plans and expanded development projects which have been adopted by ordinance;**

**(3)** To arrange or contract for the furnishing or repair, by any person or agency, public or private, of services, privileges, streets, roads, public utilities, or other facilities for or in connection with any development project **or expanded development project, as applicable**; and notwithstanding anything to the contrary contained in sections 99.915 to 99.980 or any other provision of law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law relating to the determination of prevailing salaries or wages or compliance with labor standards, in the undertaking or carrying out of any development project **or expanded development project, as applicable**, and to include in any contract let in connection with any such development project **or expanded development project, as applicable,** provisions to fulfill such of the conditions as it may deem reasonable and appropriate;

**[~~(3)~~] (4)** Within a development area **or expanded development area, as applicable**, to acquire by purchase, lease, gift, grant, bequest, devise, obtain options upon, or otherwise acquire any real or personal property or any interest therein, necessary or incidental to a development project **or expanded development project, as applicable**, all in the manner and at such price as the municipality or authority determines is reasonably necessary to achieve the objectives of a development plan **or expanded development plan, as applicable**;

**[~~(4)~~] (5)** Within a development area **or expanded development area, as applicable**, subject to provisions of section 99.936 with regard to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide, retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest therein, all in the manner and at such price and subject to any covenants, restrictions, and conditions as the municipality or authority determines is reasonably necessary to achieve the objectives of a development plan **or expanded development plan, as applicable**; to make any such covenants, restrictions, or conditions as covenants running with the land, and to provide appropriate remedies for any breach of any such covenants, restrictions, or conditions, including the right in the municipality or authority to terminate such contracts and any interest in the property created pursuant thereto;

**[~~(5)~~] (6)** Within a development area **or expanded development area, as applicable**, to clear any area by demolition or removal of existing buildings and structures;

**[**~~(6)~~**] (7)** To install, repair, construct, reconstruct, or relocate streets, utilities, and site improvements as necessary or desirable for the preparation of a development area **or expanded development area, as applicable,** for use in accordance with a development plan **or expanded development plan, as applicable**;

**[**~~(7)~~**] (8)** Within a development area **or expanded development area, as applicable**, to fix, charge, and collect fees, rents, and other charges for the use of any real or personal property, or any portion thereof, in which the municipality or authority has any interest;

**[**~~(8)~~**] (9)** To accept grants, guarantees, and donations of property, labor, or other things of value from any public or private source for purposes of implementing a development plan **or expanded development plan, as applicable**;

**[**~~(9)~~**] (10)** In accordance with section 99.936, to select one or more developers to implement a development plan **or expanded development plan, as applicable**, or one or more development projects **or expanded development projects, as applicable**, or any portion thereof;

**[**~~(10)~~**] (11)** To charge as a development project cost **or expanded development project cost, as applicable,** the reasonable costs incurred by the municipality or authority, the department **[**~~of economic development, the Missouri development finance board,~~**]** or the department of revenue in evaluating, administering, or implementing the development plan or any development project **or the expanded development plan or any expanded development project, as applicable**;

**[**~~(11)~~**] (12)** To borrow money and issue obligations in accordance with sections 99.915 to 99.980 and provide security for any such loans or obligations;

**[**~~(12)~~**] (13)** To insure or provide for the insurance of any real or personal property or operations of the municipality or authority against any risks or hazards, including the power to pay premiums on any such insurance; and to enter into any contracts necessary to effectuate the purposes of sections 99.915 to 99.980;

**[**~~(13)~~**] (14)** Within a development area **or an expanded development area, as applicable**, to renovate, rehabilitate, own, operate, construct, repair, or improve any improvements, buildings, parking garages, fixtures, structures, and other facilities;

**[**~~(14)~~**] (15)** To invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control; to redeem obligations at the redemption price established therein or to purchase obligations at less than redemption price, all obligations so redeemed or purchased to be cancelled;

**[**~~(15)~~**] (16)** To borrow money and to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, the state, county, municipality, or other public body or from any sources, public or private, for the purposes of implementing a development plan **or expanded development plan, as applicable**, to give such security as may be required and to enter into and carry out contracts in connection therewith. A municipality or authority, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government for a project such conditions imposed pursuant to federal law as the municipality or authority may deem reasonable and appropriate and which are not inconsistent with the purposes of sections 99.915 to 99.980;

**[**~~(16)~~**] (17)** To incur development project costs and **expanded development project costs, as applicable, and** make such expenditures as may be necessary to carry out the purposes of sections 99.915 to 99.980; and to make expenditures from funds obtained from the federal government without regard to any other laws pertaining to the making and approval of appropriations and expenditures;

**[**~~(17)~~**] (18)** To loan the proceeds of obligations issued pursuant to sections 99.915 to 99.980 for the purpose of providing for the purchase, construction, extension, or improvement of public infrastructure related to a development project **or expanded development project, as applicable,** by a developer pursuant to a development contract approved by the municipality or authority in accordance with subdivision (2) of section 99.936;

**[**~~(18)~~**] (19)** To declare any funds, or any portion thereof, in the special allocation fund to be excess funds, so long as such excess funds have not been pledged to the payment of outstanding obligations**,** **[**~~or~~**]** outstanding development project costs **or outstanding expanded development project costs, as applicable**, are not necessary for the payment of development project costs**, or expanded development project costs, as applicable,** incurred or anticipated to be incurred, and are not required to pay baseline state sales taxes and baseline state withholding taxes to the director of revenue. Any such funds deemed to be excess shall be disbursed in the manner of surplus funds as provided in section 99.965;

**[**~~(19)~~**] (20)** To pledge or otherwise expend funds deposited to the special allocation fund, or any portion thereof, for the payment or reimbursement of development project costs **or expanded development project costs, as applicable,** incurred by the authority, the municipality, a developer selected by the municipality or authority, or any other entity with the consent of the municipality or authority; to pledge or otherwise expend funds deposited to the special allocation fund, or any portion thereof, or to mortgage or otherwise encumber its property, or any portion thereof, for the payment of obligations issued to finance development project costs **or expanded development project costs, as applicable**; provided, however, any such pledge or expenditure of economic activity taxes or other net new revenues shall be subject to annual appropriation by the municipality; and

**[**~~(20)~~**] (21)** To exercise all powers or parts or combinations of powers necessary, convenient, or appropriate to undertake and carry out development plans and any development projects **or expanded development plans and any expanded development projects, as applicable,** and all the powers granted pursuant to sections 99.915 to 99.980, excluding powers of eminent domain.

3. If any member of the governing body of the municipality, a commissioner of the authority, or an employee or consultant of the municipality or authority, involved in the planning and preparation of a development project **or expanded development project, as applicable**, owns or controls an interest, direct or indirect, in any property included in a development project area **or expanded development project area, as applicable**, the individual shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the governing body of the municipality and entered upon the minutes books of the governing body of the municipality. If an individual holds such an interest, then that individual shall refrain from any further official involvement in regard to a development project **or expanded development project, as applicable,** and from voting on any matter pertaining to such development project **or expanded development project, as applicable,** or communicating with other commissioners or members of the authority or the municipality concerning any matter pertaining to such development project **or expanded development project, as applicable**. Furthermore, subject to the succeeding sentence, no such member, commissioner, employee, or consultant shall acquire any interest, direct or indirect, in any property in a development project area or proposed development project area **or expanded development project area or proposed expanded development project area, as applicable**, after either such individual obtains knowledge of a development project **or expanded development project, as applicable**, or first public notice of such development project **or expanded development project, as applicable**, or development project area **or expanded development project area, as applicable,** pursuant to **[**~~subsection 2 of~~**]** section 99.951, whichever first occurs. At any time after one year from the adoption of an ordinance designating a development project area, **or expanded development project area, as applicable,** any commissioner may acquire an interest in real estate located in a development project area **or expanded development project area, as applicable,** so long as any such commissioner discloses such acquisition and refrains from voting on any matter related to the development project area **or expanded development project area, as applicable,** in which the property acquired by such commissioner is located.

4. An authority created pursuant to section 99.921 shall have the following powers in addition to others granted pursuant to sections 99.915 to 99.980:

(1) To sue and to be sued; to have a seal and to alter the same at the authority's pleasure; to have perpetual succession; to make and execute contracts and other instruments necessary or convenient to the exercise of the powers of the authority; and to make and from

time to time amend and repeal bylaws, rules, and regulations, not inconsistent with sections 99.915 to 99.980, to carry out the provisions of sections 99.915 to 99.980;

(2) To delegate to a municipality or other public body any of the powers or functions of the authority with respect to the planning or undertaking of a development project **or expanded development project**, and any such municipality or public body is hereby authorized to carry out or perform such powers or functions for the authority;

(3) To receive and exercise powers delegated by any authority, agency, or agent of a municipality created pursuant to this chapter or chapter 353, excluding powers of eminent domain.

**[**~~5. Any home rule city with more than four hundred thousand inhabitants and located in more than one county, any city not within a county, and any county with a charter form of government and with more than one million inhabitants shall approve a disadvantaged business enterprise program to be implemented by the downtown economic stimulus authority. The program shall require all businesses, vendors, and contractors working on projects undertaken by the authority to ensure enforcement of an equal opportunity employment plan and a minority and women-owned business program that is based on population and availability that contains specific worker ethnicity goals for each such business, vendor, and contractor, in accordance with applicable state and federal laws, rules, regulations, and orders.~~**]**

99.936. Real property which is acquired by a municipality or authority in a development project area **or expanded development project area, as applicable,** may be disposed of as follows:

(1) Within a development project area **or expanded development project area, as applicable**, the authority may sell, lease, exchange, or otherwise transfer real property, including land, improvements, and fixtures, or any interest therein, to any developer selected for a development project, or any portion thereof, in accordance with the development plan **or to a developer of an expanded development project, in accordance with the expanded development plan, as applicable**, subject to such covenants, conditions, and restrictions as may be deemed to be in the public interest or to carry out the purposes of sections 99.915 to 99.980. Such real property shall be sold, leased, or transferred at its fair market value for uses in accordance with the development plan **or expanded development plan, as applicable**; provided that such fair market value may be less than the cost of such property to the municipality or authority. In determining the fair market value of real property for uses in accordance with a development plan **or expanded development plan, as applicable**, the municipality or authority shall take into account and give consideration to the uses and purposes required by the development plan **or expanded development plan, as applicable**; the restrictions upon, and the covenants, conditions, and obligations assumed by the

developer of such property; the objectives of the development plan **or expanded development plan, as applicable**; and such other matters as the municipality or authority shall specify as being appropriate. In fixing rental and sale prices, a municipality or authority shall give consideration to appraisals of the property for such uses made by experts employed by the municipality or authority;

(2) **(a)** The municipality or authority shall, by public notice published in a newspaper having a general circulation in a development area, prior to selecting one or more developers for any development project, or any portion thereof, invite proposals from, and make available all pertinent information to, private developers or any persons interested in undertaking the development of such development project, or any portion thereof. Such notice shall be published at least once each week during the two weeks preceding the selection of a developer, shall identify the area of the development project or development projects, or any portion thereof, for which one or more developers are to be selected, and shall state that such further information as it is available may be obtained at the office of the municipality or authority. The municipality or authority shall consider all proposals and the financial and legal ability of the prospective developers to carry out their proposals. The municipality or authority may negotiate and enter into one or more contracts with any developer selected for the development of any such area for the development of such area by such developer in accordance with a development plan or for the sale or lease of any real property to any such developer in any such area for the purpose of developing such property in accordance with the development plan. The municipality or authority may enter into any such contract as it deems to be in the public interest and in furtherance of the purposes of sections 99.915 to 99.980; provided that the municipality or authority has, not less than ten days prior thereto, notified the governing body in writing of its intention to enter into such contract. Thereafter, the municipality or authority may execute such contract in accordance with the provisions of subdivision (1) of this section and deliver deeds, leases, and other instruments and take all steps necessary to effectuate such contract. In its discretion, the municipality or authority may, in accordance with the provisions of this subdivision, dispose of any real property in an area selected for a development project, or any portion thereof, to private developers for development under such reasonable competitive bidding procedures as it shall prescribe, subject to the provisions of subdivision (1) of this section**[**~~;~~**].**

**(b) The municipality or authority may negotiate and enter into one or more contracts with a developer of a development area included in an application to the department for which a certification of approval was issued under section 99.960 prior to January 1, 2013, or its affiliate, for the development of an expanded development area or expanded development project area in accordance with an expanded development plan or for the sale or lease of any real property to any such developer**

**in any such area for the purpose of developing such property in accordance with the expanded development plan. The municipality or authority may enter into any such contract as it deems to be in the public interest and in furtherance of the purposes of sections 99.915 to 99.980; provided that the municipality or authority has, not less than ten days prior thereto, notified the governing body in writing of its intention to enter into such contract. Thereafter, the municipality or authority may execute such contract in accordance with the provisions of subdivision (1) of this section and deliver deeds, leases, and other instruments and take all steps necessary to effectuate such contract. In its discretion, the municipality or authority may, in accordance with the provisions of this subdivision, dispose of any real property in an area selected for an expanded development project, or any portion thereof, to a developer for an expanded development project.**

(3) In carrying out a development project **or expanded development project, as applicable**, the authority may:

(a) Convey to the municipality such real property as, in accordance with the development plan **or expanded development plan, as applicable**, is to be dedicated as public right-of-way for streets, sidewalks, alleys, or other public ways, this power being additional to and not limiting any and all other powers of conveyance of property to municipalities expressed, generally or otherwise, in sections 99.915 to 99.980;

(b) Grant servitudes, easements, and rights-of-way for public utilities, sewers, streets, and other similar facilities, in accordance with the development plan **or expanded development plan, as applicable**; and

(c) Convey to the municipality or other appropriate public body such real property as, in accordance with the development plan **or expanded development plan, as applicable**, is to be used for parks, schools, public buildings, facilities, or other public purposes;

(4) The municipality or authority may operate and maintain real property in the development area **or expanded development area, as applicable,** pending the disposition or development of the property in accordance with a development plan **or expanded development plan, as applicable**, without regard to the provisions of subdivisions (1) and (2) of this section, for such uses and purposes as may be deemed desirable even though not in conformity with the development plan **or expanded development plan, as applicable**.

99.942. 1. A development plan **or expanded development plan, as applicable,** shall set forth in writing a general description of the program to be undertaken to accomplish the development projects **or expanded development projects, as applicable,** 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 **or expanded development area, as applicable**;

(3) The three-digit North American Industry Classification System number or numbers characterizing the development project **or expanded development project, as applicable**;

(4) The estimated development project costs **or expanded development project costs, as applicable**;

(5) The anticipated sources of funds to pay such development project costs **or expanded development projects costs, as applicable**;

(6) Evidence of the commitments to finance such development project costs **or expanded development project costs, as applicable**;

(7) The anticipated type and term of the sources of funds to pay such development project costs **or expanded development project costs, as applicable**;

(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 **or expanded development project area, as applicable**;

(10) An estimate as to the equalized assessed valuation after the development project area **or expanded development project area, as applicable,** is developed in accordance with a development plan **or expanded development plan, respectively**;

(11) The general land uses to apply in the development area **or expanded development area, as applicable**;

(12) The total number of individuals employed in the development area **or expanded development area, as applicable**, categorized by full-time, part-time, and temporary positions;

(13) The total number of full-time equivalent positions in the development area **or expanded development area, as applicable**;

(14) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area **or expanded development area, as applicable**;

(15) The total number of individuals employed in this state by the corporate parent of any business benefitting from public expenditures in the development 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 **and retained jobs, if applicable,** to be created by any business **[**~~benefitting from public expenditures~~**]** in the development area **or expanded development area, as applicable**, categorized by full-time, part-time, and temporary positions;

(17) The average hourly wage to be paid to all current and new employees at the project site **of a development project**, categorized by full-time, part-time, and temporary positions;

(18) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;

(19) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;

(20) A list of other community and economic benefits to result from the project;

(21) A list of all development subsidies that any business benefitting from public expenditures in the development area **or expanded development area, as applicable,** has previously received for the 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 project for which the funding pursuant to **[**~~this act~~**] sections 99.915 to 99.980** is being sought;

(23) A statement as to whether the development project **or expanded development project, as applicable,** 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**. For an expanded development project, a statement as to whether such jobs may be retained jobs**;

(24) A statement as to whether or not the 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**. For an expanded development project, a statement as to whether such jobs may be retained jobs**;

(25) A list of businesses that are competing with the business benefitting from the development plan in the county containing the development area and in each contiguous county;

(26) A market study for the development area **or expanded development area, as applicable**; **[**~~and~~**]**

(27) **An expanded development plan shall include a description of any amendment to or modification of a development area sought in conjunction with an expanded development project and a description of any amendment to or modification of a development project area sought in conjunction with an expanded development project;**

**(28) The total number of natural persons residing in the expanded development area in the baseline year, if a municipal residential earnings tax increment or state residential income tax increment is sought to be included in funding;**

**(29) For an expanded development area, the identity of the developer;**

**(30) For an expanded development area, an explanation of how the area is in the central business district and either furthers the development of the major initiative or has structures in the area fifty percent or more of which have an age of thirty-five years or more; and**

**(31)** A certification by the chief officer of the applicant as to the accuracy of the development plan **or expanded development plan, as applicable**.

2. For any home rule city with more than four hundred thousand inhabitants and located in more than one county, for any county with a charter form of government and with more than one million inhabitants, any county of the first classification with more than one hundred thirty-five thousand four hundred but less than one hundred thirty-five thousand five hundred inhabitants and any municipality within the county, and for any city not within a county, the authority shall be required in connection with the designation of the development area, development projects, and development project areas, to work with local community development corporations, as defined in subsection 3 of section 135.400, with a goal that over the term of the development plan five percent of the funds generated pursuant to section 99.957 will be expended in connection with such projects through the community development revolving fund created pursuant to section 99.939.

3. The development plan **or expanded development plan, as applicable,** may be adopted by a municipality in reliance on findings that a reasonable person would believe:

(1) The development area **or expanded development area, as applicable,** on the whole is a blighted area or a conservation area. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the development area or project **or expanded development area or project, as applicable,** pursuant to this subsection, a written statement, signed by members of the governing body of the municipality or authority confirming that the information has been independently reviewed by the members of the governing body of the municipality or authority with due diligence to confirm its accuracy, truthfulness, and completeness. The study shall be of sufficient specificity to allow representatives of the authority or the municipality to conduct investigations deemed necessary in order to confirm its findings;

(2) The development area **or expanded development area, as applicable,** has not been subject to **material** 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 **or expanded development projects, as applicable,** and the adoption of local and state development financing;

(3) The development plan **or expanded development plan, as applicable,** 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~~**] thirty** years from the adoption of the ordinance approving any development project **or expanded development project, as applicable**, of the completion of such development project **or expanded development project, as applicable,** and retirement of obligations incurred to finance development project costs **or expanded development project costs, as applicable,** have been stated, provided that no ordinance approving a development project **or expanded development project, as applicable,** shall be adopted later than fifteen years from the adoption of the ordinance approving the development plan **or expanded development plan, as applicable,** and provided that no property for a development project **or expanded development project, as applicable,** shall be acquired by eminent domain later than ten years from the adoption of the ordinance approving such development plan **or expanded development plan, as applicable**;

(5) In the event any business or residence is to be relocated as a direct result of the implementation of the development plan **or expanded development plan, as applicable**, a plan has been developed for relocation assistance for businesses and residences;

(6) A cost-benefit analysis showing the economic impact of the development plan **or expanded development plan, as applicable,** on the municipality and school districts that are at least partially within the boundaries of the development area **or expanded development area, as applicable**. The analysis shall show the impact on the economy if the development projects **or expanded development projects, as applicable,** are not built pursuant to the development plan **or expanded development plan, as applicable,** under consideration. The cost-benefit analysis shall include a fiscal impact study on each municipality and school district which is at least partially within the boundaries of the development area **or expanded development area, as applicable**, and sufficient information from the authority to evaluate whether each development project **or expanded development project, as applicable,** as proposed is financially feasible;

(7) The development plan does not include the initial development or redevelopment of any gambling establishment; and

(8) 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.

99.948. 1. A municipality which has created an authority pursuant to section 99.921 may:

(1) Approve by ordinance the exercise by the authority of the powers, functions, and duties of the authority under sections 99.915 to 99.980; and

(2) After adopting an ordinance in accordance with subdivision (1) of this subsection and after receipt of recommendations from the authority in accordance with **[**~~subsection~~**]** **subsections** 3 **and 4** of this section, by ordinance, designate development areas **or expanded development areas,** adopt the development plans and development projects **or adopt expanded development plans and expanded development projects**, designate a development project area for each development project adopted **or designate an expanded development project area for each expanded development project adopted**, and adopt development financing for each such development project area **or adopt development financing for each such expanded development project area**. No development plan **or expanded development plan, as applicable,** may be adopted until the development area **or expanded development area, as applicable,** is designated. No development project **or expanded development project, as applicable,** shall be adopted until the development plan **or expanded development plan, as applicable,** is adopted and the development project area for each development project **or the expanded development project area for each expanded development project, as applicable,** shall be designated at the time of adopting the development project **or expanded development project, as applicable**.

2. A municipality may authorize an authority created pursuant to section 99.921 to exercise all powers and perform all functions of a transportation development district pursuant to sections 238.200 to **[**~~238.275~~**]** **238.280** within a development area **or expanded development area, as applicable. An expanded development project shall not, by virtue of receiving increments under sections 99.915 to 99.980, be rendered ineligible to participate in the programs established by sections 67.1401 to 67.1571, sections 100.010 to 100.200, and sections 238.200 to 238.280**.

3. **With respect to development plans and development areas,** the municipality or authority shall hold public hearings and provide notice pursuant to sections 99.957 and 99.960. Within ten days following the completion of any such public hearing, the authority shall vote on and shall make recommendation to the governing body of the municipality with regard to any development plan, development projects, designation of a development area or amendments thereto which were proposed at such public hearing.

**4. The municipality or authority may only consider and approve any expanded development plan, expanded development project, designation of an expanded**

**development area or amendments thereto, modification of a development area or development project area, and, to the extent required under section 99.951, amendments thereto at a meeting held in accordance with chapter 610.**

99.951. 1. Prior to the adoption of the ordinance designating a development area, adopting a development plan, or approving a development project, the municipality or authority shall fix a time and place for a public hearing and notify each taxing district located wholly or partially within the boundaries of the proposed development area or development project area affected. Such notice shall comply with the provisions of subsection 2 of this section. At the public hearing any interested person or affected taxing district may file with the municipality or authority written objections to, or comments on, and may be heard orally in respect to, any issues regarding the plan or issues embodied in the notice. The municipality or authority shall hear and consider all protests, objections, comments, and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may be made in the development plan, development project, development area or development project area, provided that written notice of such changes is available at the public hearing. After the public hearing but prior to the adoption of an ordinance designating a development area, adopting a development plan or approving a development project, changes may be made to any such proposed development plan, development project, development area, or development project area without a further hearing, if such changes do not enlarge the exterior boundaries of the development area, and do not substantially affect the general land uses established in a development plan or development project, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the development area or development project area, as applicable, not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance designating the development area, adopting a development plan, approving a development project, or designating a development project area, no ordinance shall be adopted altering the exterior boundaries of the development area or a development project area affecting the general land uses established pursuant to the development plan or the general nature of a development project without holding a public hearing in accordance with this section. One public hearing may be held for the simultaneous consideration of a development area, development plan, development project, or development project area.

2. Notice of the public hearing required by this section shall be given by publication and mailing. Notice by publication shall be given by publication at least twice, the first publication to be not more than thirty days and the second publication to be not more than ten days prior to the hearing, in a newspaper of general circulation in the proposed development

area or development project area, as applicable, and in two minority newspapers, if such newspapers are published in the municipality, of which one shall be published in the Spanish language, if such a newspaper is published in the municipality. Notice by mailing shall be given by depositing such notice in the United States mail by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the proposed development area or development project area, as applicable, which is to be subjected to the payment or payments in lieu of taxes and economic activity taxes pursuant to section 99.957. Such notice shall be mailed not less than ten working days prior to the date set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall also be sent to the persons last listed on the tax rolls within the preceding three years as the owners of such property.

3. The notices issued pursuant to this section shall include the following:

(1) The time and place of the public hearing;

(2) The general boundaries of the proposed development area or development project area, as applicable, by street location, where possible;

(3) A statement that all interested persons shall be given an opportunity to be heard at the public hearing;

(4) A description of the development plan and the proposed development projects and a location and time where the entire development plan or development projects proposed may be reviewed by any interested party;

(5) An estimate of other net new revenues;

(6) A statement that development financing involving tax revenues and payments in lieu of taxes is being sought for the project and an estimate of the amount of local development financing that will be requested, if applicable; and

(7) Such other matters as the municipality or authority may deem appropriate.

4. Not less than forty-five days prior to the date set for the public hearing, the municipality or authority shall give notice by mail as provided in subsection 2 of this section to all taxing districts with jurisdiction over taxable property in the development area or development project area, as applicable, and in addition to the other requirements pursuant to subsection 3 of this section, the notice shall include an invitation to each taxing district to submit comments to the municipality or authority concerning the subject matter of the hearing prior to the date of the hearing.

5. **Prior to the adoption of an ordinance designating an expanded development area, approving an expanded development plan or expanded development project, or modifying a development area or development project area, as applicable, the municipality or authority shall notify each affected taxing district located wholly or partially within the boundaries of the proposed expanded development area or**

**expanded development project area, as applicable, of the meeting at which such ordinance shall be considered. Such notice shall comply with chapter 610, contain a summary of the ordinance, and be provided not less than forty-five days prior to the meeting. At the meeting, any interested person or affected taxing district may file with the municipality or authority written objections to, or comments on, and may be heard orally in respect to, any issues regarding the plan, project, or areas embodied in the ordinance. The municipality or authority shall hear and consider all protests, objections, comments, and other evidence presented at the meeting. The ordinance may be considered at subsequent meetings subject to any notice requirements applicable under chapter 610. Prior to adoption of an ordinance designating an expanded development area, approving an expanded development plan or expanded development project, or modifying a development area or development project area, as applicable, changes may be made to the proposed expanded development area, expanded development plan, expanded development project, or development area or development project area modification, as applicable, so long as such changes are identified during the meeting at which the adoption of the ordinance is considered, recorded in the minutes of such meeting, and subject to public comment during the meeting. After adoption of the ordinance, changes may be made to the expanded development area, expanded development plan, expanded development project, or development area or development project area modification, as applicable, so long as the area, plan, project, or modification remains generally consistent with that approved by the ordinance. Any change which would render the expanded development area, expanded development plan, expanded development project, or development area or development project area modification not generally consistent with the approved ordinance shall be considered and approved only at a meeting held in accordance with chapter 610.**

**6.** A copy of any and all hearing notices required by this section shall be submitted by the municipality or authority to the director of the department **[**~~of economic development~~**]** and the date such notices were mailed or published, as applicable.

99.954. 1. For the purpose of financing development project costs **or expanded development project costs, as applicable**, obligations may be issued by the municipality, or, at the request of the municipality, by the authority or any other political subdivision authorized to issue bonds, but in no event by the state, to pay or reimburse development project costs **or expanded development project costs, as applicable**. Such obligations, when so issued, shall be retired in the manner provided in the ordinance or resolution authorizing the issuance of such obligations.

2. Obligations issued pursuant to sections 99.915 to 99.980 may be issued in one or more series bearing interest at such rate or rates as the issuing entity shall determine by ordinance or resolution. Such obligations shall bear such date or dates, be in such denomination, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, contain such covenants, terms, and conditions, and be subject to redemption as such ordinance or resolution shall provide. Obligations issued pursuant to sections 99.915 to 99.980 may be sold at public or private sale at such price as shall be determined by the issuing entity and shall state that obligations issued pursuant to sections 99.915 to 99.980 are special obligations payable solely from the funds specifically pledged. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to sections 99.915 to 99.980.

3. In the event the obligations contain a recital that they are issued pursuant to sections 99.915 to 99.980, such recital shall be conclusive evidence of their validity and of the regularity of their issuance.

4. Neither the municipality, the authority, or any other entity issuing such obligations, or the members, commissioners, directors, or the officers of any such entities nor any person executing any obligation shall be personally liable for such obligation by reason of the issuance thereof. The obligations issued pursuant to sections 99.915 to 99.980 shall not be a general obligation of the state, the municipality, or any political subdivision thereof, nor in any event shall such obligation be payable out of any funds or properties other than those specifically pledged as security for such obligations. The obligations shall not constitute indebtedness within the meaning of any constitutional, statutory, or charter debt limitation or restriction.

5. Obligations issued pursuant to sections 99.915 to 99.980 may be issued to refund, in whole or in part, obligations theretofore issued by such entity pursuant to the authority of sections 99.915 to 99.980, whether at or prior to maturity; provided, however, that the last maturity of the refunding obligations shall not be expressed to mature later than the last maturity date of the obligations to be refunded.

6. In the event a municipality or authority issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay for development project costs **or expanded development project costs, as applicable**, the municipality may retire such obligations from funds in the special allocation fund in amounts and in such manner as if such obligations had been issued pursuant to the provisions of sections 99.915 to 99.980.

7. State supplemental downtown development financing shall not be used for retiring or refinancing debt or obligations on a previously publicly financed redevelopment project without express approval from the director of the department **[**~~of economic development and~~

~~the Missouri development finance board~~**]**. No approval shall be granted unless the application for state supplemental downtown development financing contains development projects **or expanded development projects, as applicable,** that are new projects which were not a part of the development projects for which there is existing public debt or obligations.

99.957. 1. A municipality, after designating a development area, adopting a development plan, and adopting any development project in conformance with the procedures of sections 99.915 to 99.980, may adopt development financing for the development project area selected for any such development project **or for the expanded development project area selected for any expanded development project, as applicable,** by passing an ordinance. Upon the adoption of the first of any such ordinances, the municipality shall establish, or shall direct the authority to establish, a special allocation fund for the development area **or expanded development area, as applicable**.

2. Immediately upon the adoption of a resolution or ordinance adopting development financing for a development project area **or expanded development project area, as applicable,** pursuant to subsection 1 of this section, the county assessor shall determine the total equalized assessed value of all taxable real property within such development project area **or expanded development project area, as applicable,** by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such development project area **or expanded development project area, as applicable,** as of the date of the adoption of such resolution or ordinance and shall provide to the clerk of the municipality written certification of such amount as the total initial equalized assessed value of the taxable real property within such development project area **or expanded development project area, as applicable**.

3. In each of the twenty-five calendar years following the adoption of an ordinance adopting development financing for a development project area **or expanded development project area, as applicable,** pursuant to subsection 1 of this section unless and until development financing for such development project area **or expanded development project area, as applicable,** is terminated by ordinance of the municipality, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such development project area by taxing districts at the tax rates determined in the manner provided in section 99.968 shall be divided as follows:

(1) That portion of taxes, penalties, and interest levied upon each taxable lot, block, tract, or parcel of real property in such development project area **or expanded development project area, as applicable,** which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area as certified by the county assessor in accordance with subsection 2 of this section shall be allocated to and, when collected, shall be paid by the collecting authority to the respective

affected taxing districts in the manner required by law in the absence of the adoption of development financing;

(2) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the development project area **or expanded development project area, as applicable,** and any applicable penalty and interest over and above the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area **or expanded development project area, as applicable,** as certified by the county assessor in accordance with subsection 2 of this section shall be allocated to and, when collected, shall be paid to the collecting officer of the municipality who shall deposit such payment in lieu of taxes into a separate segregated account for payments in lieu of taxes within the special fund. Payments in lieu of taxes which are due and owing shall constitute a lien against the real property from which such payments in lieu of taxes are derived and shall be collected in the same manner as real property taxes, including the assessment of penalties and interest where applicable. The lien of payments in lieu of taxes may be foreclosed in the same manner as the lien of real property taxes. No part of the current equalized assessed valuation of each taxable lot, block, tract, or parcel of property in any such development project area **or expanded development project area, as applicable,** attributable to any increase above the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in such development project area **or expanded development project area, as applicable,** as certified by the county assessor in accordance with subsection 2 of this section shall be used in calculating the general state school aid formula provided for in section 163.031 until development financing for such development project area expires or is terminated in accordance with sections 99.915 to 99.980;

(3) For purposes of this section, "levies upon taxable real property in such development area **or expanded development area, as applicable,** by taxing districts" shall not include the blind pension fund tax levied under the authority of Section 38(b), Article III, of the Missouri Constitution, the merchants' and manufacturers' inventory replacement tax levied under the authority of subsection 2 of Section 6, Article X of the Missouri Constitution, the desegregation sales tax, or the conservation taxes.

4. In each of the twenty-five calendar years**, or at the option of the municipality up to thirty calendar years,** following the adoption of an ordinance or resolution adopting development financing for a development project area **or expanded development project area, as applicable,** pursuant to subsection 1 of this section unless and until development financing for such development project area **or expanded development project area, as applicable,** is terminated in accordance with sections 99.915 to 99.980, fifty percent**, or at the option of the municipality a higher percentage,** of the economic activity taxes from

such development project area **or expanded development project area, as applicable,** shall be allocated to, and paid by the collecting officer of any such economic activity tax to, the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account for economic activity taxes within the special allocation fund. Provided however, in any county, the governing body of the county may, by resolution, exclude any portion of any countywide sales tax of such county.

5. In no event shall a municipality collect and deposit economic activity taxes in the special allocation fund unless the [~~developing~~] **development** project **or expanded development project, as applicable,** has been approved for state supplemental downtown development financing pursuant to section 99.960.

**6. For a municipality seeking state residential income tax increment, in each of the twenty-five calendar years, or at the option of the municipality up to thirty calendar years, following the adoption of an ordinance or resolution adopting development financing for a development project area pursuant to sections 99.915 to 99.980, or an expanded development project area pursuant to subsection 1 of this section, as applicable, unless and until development financing for such development project area or expanded development project area, as applicable, is terminated in accordance with sections 99.915 to 99.980, seventy percent, or at the option of the municipality a higher percentage, of the municipal residential earnings tax increment from such expanded development project area shall be allocated to, and paid by the collecting officer of any such municipal residential earnings tax to, the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account for municipal residential earnings taxes within the special allocation fund. This section shall not apply to a municipality that, in the determination of the department, has adopted an ordinance that allocates a sufficient amount of the additional economic activity taxes to the expanded development project for the period for which other net new revenues are sought from the state to substitute for the municipal residential earnings tax amount in this section. For purposes of this subsection, "additional economic activity taxes" means economic activity taxes above the percentage required in subsection 4 of this section but is limited to taxes the municipality has determined are legally permissible to be used for the expanded development project costs including, but not limited to, taxes imposed under sections 92.111 to 92.200, 94.510, 94.577, and 144.032.**

**7. In no event shall a municipality collect and deposit municipal residential earnings tax increment in the special allocation fund unless the expanded development project has been approved for state supplemental downtown development financing pursuant to section 99.960.**

99.960. 1. A municipality shall submit an application to the department **[**~~of economic development~~**]** for review and **[**~~submission of an analysis and recommendation to the Missouri development finance board for~~**]** a determination as to approval of the disbursement of the project costs of one or more development projects **or expanded development projects, as applicable,** from the state supplemental downtown development fund. **[**~~The department of economic development shall forward the application to the Missouri development finance board with the analysis and recommendation.~~**]** In no event shall any approval authorize a disbursement of one or more development projects **or expanded development projects, as applicable,** from the state supplemental downtown development fund which exceeds the allowable amount of other net new revenues derived from the development area **or expanded development area, as applicable**. An application submitted to the department **[**~~of economic development~~**]** shall contain the following, in addition to the items set forth in section 99.942:

(1) **[**~~An estimate~~**] A certification** that **for a minimum of twenty-five years** one hundred percent of the payments in lieu of taxes and economic activity taxes **and, for development projects approved after August 28, 2026, for which the municipality is applying to the department for state residential income tax increment and for expanded development projects, if applicable under subsection 6 of section 99.957, one hundred percent of the municipal residential earnings tax increment,** deposited to the special allocation fund must and will be used to pay development project costs **or expanded development project costs, as applicable,** or obligations issued to finance development project costs **or expanded development project costs, as applicable,** to achieve the objectives of the development plan **or expanded development plan, as applicable**. Contributions to the development project **or expanded development project, as applicable,** 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 one hundred percent of payments in lieu of taxes**, [**~~and~~**]** economic activity taxes**, and the municipal residential earnings tax increment** from the fund;

(2) Identification of the existing businesses located within the development project area **or expanded development project area, as applicable,** and the development area **or expanded development area, as applicable**;

(3) 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 **or expanded development project area, as applicable**. Provisions of section 32.057 notwithstanding, municipalities will provide this information to the department of revenue for verification. The department of revenue will verify the information provided by the municipalities within forty-five days of receiving a request for such verification from a municipality;

(4) An estimate of the state sales tax increment and state income tax increment within the development project area **or expanded development project area, as applicable,** after redevelopment;

(5) **If the municipality seeks state residential income tax increment to be included in other net new revenues:**

**(a) The total number of natural persons residing in the expanded development area and each expanded development project area in the baseline year, if state residential income tax increment is sought to be included in other net new revenues;**

**(b) An estimate of the number of primarily residential buildings and the number of residential units in such buildings to be in the development area and each development project area or expanded development area and each expanded development project area, as applicable, regardless of the inclusion of mixed uses within a portion of the building after redevelopment;**

**(c) An estimate of the occupancy rate for each residential building and total projected income for natural persons residing in leased or occupied residential units in the development area and each development project area or the expanded development area and each expanded development project area, as applicable, after redevelopment; and**

**(d) An estimate of the state residential income tax increment within the development area and each development project area or expanded development area and each expanded development project area, as applicable, after redevelopment;**

**(6) The identity of the developer, and for an expanded development area, if an affiliate of the developer of the development area, documentation substantiating the relationship;**

**(7)** An affidavit that is signed by the developer or developers attesting that the provision of subdivision (2) of subsection 3 of section 99.942 has been met and specifying that the development area would not be reasonably anticipated to be developed without the appropriation of the other net new revenues**. For expanded development areas, the affidavit shall apply to the development area and the associated expanded development area together**;

**[**~~(6)~~**] (8)** The amounts and types of other net new revenues sought by the applicant to be disbursed from **the** state supplemental downtown development fund over the term of the development plan **or expanded development plan, as applicable**;

**[**~~(7)~~**] (9)** The methodologies and underlying assumptions used in determining the estimate of the state sales tax increment**, [**~~and~~**]** the state income tax increment**, and the state residential income tax increment if requested**; and

**[**~~(8)~~**] (10)** Any other information reasonably requested by the department **[**~~of economic development and the Missouri development finance board~~**]**.

2. The department **[**~~of economic development~~**]** shall make all reasonable efforts to process applications within sixty days of receipt of the application.

3. The **[**~~Missouri development finance board~~**] department** shall make a determination regarding the application for a certificate allowing disbursements from the state supplemental downtown development fund **[**~~and shall forward such determination to the director of the department of economic development~~**]**. In no event shall the amount of disbursements from the state supplemental downtown development fund approved for a project, in addition to any other state economic development funding or other state incentives, exceed the projected state benefit of the development project **or expanded development project, as applicable**, as determined by the department **[**~~of economic development~~**]** through a cost-benefit analysis. Any political subdivision located either wholly or partially within the development area shall be permitted to submit information to the department **[**~~of economic development~~**]** for consideration in its cost-benefit analysis. Upon approval of state supplemental downtown development financing, a certificate of approval shall be issued by the department **[**~~of economic development~~**]** containing the terms and limitations of the disbursement.

4. At no time shall the annual amount of other net new revenues approved for disbursements from the state supplemental downtown development fund exceed one hundred eight million dollars.

5. Development projects **or expanded development projects, as applicable,** receiving disbursements from the state supplemental downtown development fund shall be limited to receiving such disbursements for fifteen years, unless specific approval for a longer term is given by the director of the department **[**~~of economic development~~**]**, as set forth in the certificate of approval; except that, in no case shall the duration exceed **[**~~twenty-five~~**] thirty** years. **The department shall not approve a duration of other net new revenues in excess of the number of years that the municipality has allocated economic activity taxes and, if applicable, municipal residential income tax, to the development project or expanded development project, as applicable.** The approved term notwithstanding, state supplemental downtown development financing shall terminate when development financing for a development project **or expanded development project, as applicable,** is terminated by a municipality.

6. The municipality shall deposit payments received from the state supplemental downtown development fund in a separate segregated account for other net new revenues within the special allocation fund.

7. Development project costs **or expanded development project costs, as applicable,** may include, at the prerogative of the state, the portion of salaries and expenses of the department **[**~~of economic development, the Missouri development finance board,~~**]** and the department of revenue reasonably allocable to each development project **or expanded development project, as applicable,** approved for disbursements from the state supplemental downtown development fund for the ongoing administrative functions associated with such development project **or expanded development project, as applicable**. Such amounts shall be recovered from other net new revenues deposited into the state supplemental downtown development fund created pursuant to section 99.963.

8. A development project **or expanded development project, as applicable,** approved for state supplemental downtown development financing may not thereafter elect to receive tax increment financing pursuant to the real property tax increment allocation redevelopment act, sections 99.800 to 99.865, and continue to receive state supplemental downtown development financing pursuant to sections 99.915 to 99.980.

9. The department **[**~~of economic development, in conjunction with the Missouri development finance board,~~**]** may establish the procedures and standards for the determination and approval of applications by the promulgation of rules and regulations and publish forms to implement the provisions of this section and section 99.963.

10. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section and section 99.963 shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section, section 99.963, and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2003, shall be invalid and void.

**[**~~11. The Missouri development finance board shall consider parity based on population and geography of the state among the regions of the state in making determinations on applications pursuant to this section.~~**]**

99.963. 1. There is hereby established within the state treasury a special fund to be known as the "State Supplemental Downtown Development Fund", to be administered by the department **[**~~of economic development~~**]**. Any unexpended balance and any interest in the fund at the end of the biennium shall be exempt from the provisions of section 33.080 relating to the transfer of unexpended balances to the general revenue fund. The fund shall consist of:

(1) The first one hundred fifty million dollars of other net new revenues generated annually by the development projects **and expanded development projects, as applicable**;

(2) Money received from costs charged pursuant to subsection 7 of section 99.960; and

(3) Gifts, contributions, grants, or bequests received from federal, private, or other sources.

2. Notwithstanding the provisions of section 144.700 to the contrary, the department of revenue shall annually submit the first one hundred fifty million of other net new revenues generated by the development projects **and expanded development projects** to the treasurer for deposit in the state supplemental downtown development fund.

3. The department **[**~~of economic development~~**]** shall annually disburse funds from the state supplemental downtown development fund in amounts determined pursuant to the certificates of approval for projects, **[**~~providing~~**]** **provided** that the amounts of other net new revenues generated from the development area **or expanded development area, as applicable,** have been verified and all of the conditions of sections 99.915 to 99.980 **and the certificate of approval** are met.

If the revenues appropriated **by the general assembly** from the state supplemental downtown development fund are not sufficient to equal the amounts determined to be disbursed pursuant to such certificates of approval, the department **[**~~of economic development~~**]** shall disburse the revenues on a pro rata basis to all such projects and other costs approved pursuant to section 99.960.

4. In no event shall the amounts distributed to a project from the state supplemental downtown development fund exceed the **[**~~lessor~~**]** **lesser** of the amount of the certificates of approval for projects or the actual other net new revenues generated by the projects**, except in the event that the state personal income tax rate is reduced or the tax eliminated and the department issues a certificate of approval using the applicable marginal state personal income tax rate in effect at the time the certificate is issued, as authorized under sections 99.915 to 99.980, in which case the actual other net new revenues shall be calculated as set forth in the certificate**.

5. The department **[**~~of economic development shall not~~**]** **may decline to** disburse any moneys from the state supplemental downtown development fund for any project which has not complied with the annual reporting requirements of section 99.980.

6. Money in the state supplemental downtown development fund may be spent for the reasonable and necessary costs associated with the administration of the program authorized under sections 99.915 to 99.980.

7. No municipality shall obligate or commit the expenditure of disbursements received from the state supplemental downtown development fund prior to receiving a

certificate of approval for the development project **or expanded development project, as applicable,** generating other net new revenues.

8. Taxpayers in any development area **or expanded development area, as applicable,** who are required to remit sales taxes pursuant to chapter 144 or income tax withholdings pursuant to chapter 143 shall provide additional information to the department of revenue in a form prescribed by the department **of revenue** by rule. Such information shall include but shall not be limited to information upon which other net new revenues can be calculated, and shall include the number of new jobs **and retained jobs, if applicable**, the gross payroll for such jobs, and sales tax generated in the development area **or expanded development area, as applicable,** by such taxpayer in the baseline year and during the time period related to the withholding or sales tax remittance.

9. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2003, shall be invalid and void.

99.965. 1. When all development project costs **or expanded development project costs, as applicable,** and all obligations issued to finance development project costs **or expanded development project costs, as applicable,** have been paid in full, the municipality shall adopt an ordinance terminating development financing for all development project areas **or expanded development project areas, as applicable**. Immediately upon the adoption of such ordinance, all payments in lieu of taxes, all economic activity taxes, **municipal residential earnings tax increment,** and other net new revenues then remaining in the special allocation fund shall be deemed to be surplus funds; and thereafter, the rates of the taxing districts shall be extended and taxes levied, collected, and distributed in the manner applicable in the absence of the adoption of development financing. Surplus payments in lieu of taxes shall be paid to the county collector who shall immediately thereafter pay such funds to the taxing districts in the development area **or expanded development area, as applicable,** selected in the same manner and proportion as the most recent distribution by the collector to the affected taxing districts of real property taxes from real property in the development area **or expanded development area, as applicable**. Surplus economic activity taxes shall be paid to the taxing districts in the development area **or expanded development area, as applicable,** in proportion to the then current levy rates of such taxing districts that are attributable to economic activity taxes. **Surplus municipal residential earnings tax**

**increment shall be paid to the municipality.** Surplus other net new revenues shall be paid to the state. Any other funds remaining in the special allocation fund following the adoption of an ordinance terminating development financing in accordance with this section shall be deposited to the general fund of the municipality.

2. Upon the payment of all development project costs **or expanded development project costs, as applicable**, retirement of obligations, and the distribution of any surplus funds pursuant to this section, the municipality shall adopt an ordinance dissolving the special allocation fund and terminating the designation of the development area as a development area **or the expanded development area as an expanded development area, as applicable**.

3. Nothing in sections 99.915 to 99.980 shall be construed as relieving property in such areas from paying a uniform rate of taxes, as required by Section 3, Article X of the Missouri Constitution.

99.968. In each of the twenty-five calendar years following the adoption of an ordinance adopting development financing for a development project area **or expanded development project area, as applicable**, unless and until development financing for such development project area **or expanded development project area, as applicable,** is terminated by ordinance of the municipality, then, in respect to every taxing district containing such development project area **or expanded development project area, as applicable**, the county clerk, or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such development project area **or expanded development project area, as applicable,** for the purpose of computing any debt service levies to be extended upon taxable property within such development project area **or expanded development project area, as applicable**, shall in every year that development financing is in effect **with respect to real property taxes** ascertain the amount of value of taxable property in such development project area **or expanded development project area, as applicable,** by including in such amount the certified total initial equalized assessed value of all taxable real property in such development project area **or expanded development project area, as applicable,** in lieu of the equalized assessed value of all taxable real property in such development project area. For the purpose of measuring the size of payments in lieu of taxes under sections 99.915 to 99.980, all tax levies shall then be extended to the current equalized assessed value of all property in the development project area **or expanded development project area, as applicable,** in the same manner as the tax rate percentage is extended to all other taxable property in the taxing district.

99.975. 1. No new applications **for a development area, development plan, or development project** made pursuant to sections 99.915 to 99.980 shall be approved after January 1, 2013**, and before August 28, 2026**.

2. [~~No applications made pursuant to sections 99.915 to 99.980 shall be approved prior to August 28, 2003, except for applications for projects that are located within a county for which public and individual assistance has been requested by the governor pursuant to section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by the governor pursuant to section 44.100 due to a natural disaster of major proportions that occurred after May 1, 2003, but prior to May 10, 2003, and the development project area is a central business district that sustained severe damage as a result of such natural disaster, as determined by the state emergency management agency~~] **On or after August 28, 2026, the department may approve up to four new applications for a development area, development plan, or development project from a municipality. The department shall consider parity based on geography of the state in making determinations on applications pursuant to this subsection. No new application for a development area, development plan, or development project shall be approved after December 31, 2032**.

3. Prior to December 31, 2006, the Missouri development finance board may approve up to two applications made pursuant to sections 99.915 to 99.980 **for a development project** [~~in a home rule city with more than four hundred thousand inhabitants and located in more than one county~~] in which the state sales tax increment for such projects approved pursuant to the provisions of this subsection shall be up to one-half of the incremental increase in all sales taxes levied pursuant to section 144.020. [~~In no event shall the incremental increase include any amounts attributable to retail sales unless the Missouri development finance board and the department of economic development are satisfied based on information provided by the municipality or authority, and such entities have made a finding that a substantial portion of all but a de minimus 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.~~]

**4. No new applications for expanded development projects made pursuant to sections 99.915 to 99.980 shall be approved after January 1, 2037.**

**5. No later than December 31, 2030, a municipality eligible to apply to the department for other net new revenues for an expanded development area under section 99.960 must submit to the department a map or other documentation identifying the bounds of the expanded development area to which it will limit itself in its application or applications to the department. The submission shall include the projected locations of the possible expanded development project areas and a list of possible expanded development projects, along with any potential amendments to a development area that may be sought in conjunction with an expanded development project. The municipality shall be limited to inclusion in any application to the department under section 99.960 to**

**the expanded development area identified to the department no later than December 31, 2030.**

**6.** The incremental increase for an existing facility shall be the amount of all state sales taxes generated pursuant to section 144.020 at the facility in excess of the amount of all state sales taxes generated pursuant to section 144.020 at the facility in the baseline year. The incremental increase in development project areas **or expanded development project areas, as applicable,** where the baseline year is the year following the year in which the development project **or expanded development project, as applicable,** is approved by the municipality pursuant to subdivision (2) of section 99.918 shall be the state sales tax revenue generated by out-of-state businesses relocating into a development project area **or expanded development project area, as applicable**. The incremental increase for a Missouri facility which relocates to a development project area **or expanded development project area, as applicable,** shall be the amount by which the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the calendar year prior to relocation.

99.980. 1. By the last day of February each year, the municipality or authority shall report to the director of the department **[**~~of economic development~~**]** the name, address, phone number, and primary line of business of any business which relocates to the development area **or expanded development area, as applicable**.

2. Each year the governing body of the municipality, or its designee, shall prepare a report concerning the status of the development plan, the development area, and the included development projects **or the expanded development plan, the expanded development area, and the included expanded development projects, as applicable**, and shall submit a copy of such report to the director of the department **[**~~of economic development~~**]**. **Unless otherwise determined by the department,** the report shall include the following:

(1) The name, street and mailing addresses, phone number, and chief officer of the granting body;

(2) The name, street and mailing addresses, phone number, and chief officer of any business benefitting from public expenditures in such development plans and projects **or expanded development plans and projects, as applicable**;

(3) The amount and source of revenue in the special allocation fund;

(4) The amount and purpose of expenditures from the special allocation fund;

(5) The amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness;

(6) The original equalized assessed value of the development area **or expanded development area, as applicable**;

(7) The assessed valuation added to the development area **or expanded development area, as applicable**;

(8) Payments made in lieu of taxes received and expended;

(9) The economic activity taxes generated within the development area **or expanded development area, as applicable,** in the baseline year;

(10) The economic activity taxes generated within the development area **or expanded development area, as applicable,** after the baseline year;

(11) Reports on contracts made incident to the implementation and furtherance of a development area, the development plan, and the included development projects **or an expanded development area, the expanded development plan, and the included expanded development projects, as applicable**;

(12) A copy of the development plan **or expanded development plan, as applicable**;

(13) The cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired, or remodeled;

(14) The number of parcels acquired by or through initiation of eminent domain proceedings;

(15) For municipalities with more than four hundred thousand inhabitants and located in more than one county, any county with a charter form of government and with more than one million inhabitants, any city not within a county, and any county of the first classification with more than one hundred thirty-five thousand four hundred but less than one hundred thirty-five thousand five hundred inhabitants and any municipality located therein, the number of development projects developed in connection with community development corporations and the amount of funds generated pursuant to section 99.957 which are expended in connection with such project;

(16) A summary of the number of net new jobs created **and retained jobs, if applicable**, categorized by full-time, part-time, and temporary positions, and by wage groups;

(17) The comparison of the total employment in this state by any business, including any corporate parent, benefitting from public expenditures in the development area **or expanded development area, as applicable,** on the date of the application compared to such employment on the date of the report, categorized by full-time, part-time, and temporary positions;

(18) A statement as to whether public expenditures on any development project **or expanded development project, as applicable,** during the previous fiscal year have reduced employment at any other site controlled by any business benefitting from public expenditures in the development area **or expanded development area, as applicable,** or its corporate parent, within or without of this state as a result of automation, merger, acquisition, corporate restructuring, or other business activity;

(19) A summary of the other community and economic benefits resulting from the project, consistent with those identified in the application;

(20) A signed certification by the chief officer of the authority or municipality as to the accuracy of the progress report; and

(21) Any additional reasonable information the department **[**~~of economic development~~**]** deems necessary.

3. The report shall include an analysis of the distribution of state supplemental downtown development financing by **the** municipality **[**~~and by economic development region, as defined by the department of economic development~~**]**.

4. The department shall compile and publish all data from the progress reports in both written and electronic form, including the department's internet website.

5. The department shall have access at all reasonable times to the project site and the records of any authority or municipality in order to monitor the development project or projects **or expanded development project or projects, as applicable,** and to prepare progress reports.

6. Data contained in the report required pursuant to the provisions of subsection 1 of this section and any information regarding amounts disbursed to municipalities pursuant to the provisions of sections 99.957 and 99.963 shall be deemed a public record, as defined in section 610.010.

7. Any municipality failing to file an annual report as required pursuant to this section **[**~~shall~~**] may be determined by the department to** be ineligible to receive any disbursements from the state supplemental downtown development fund pursuant to section 99.963.

8. The **[**~~Missouri development finance board and the~~**]** department **[**~~of economic development~~**]** shall annually review the reports provided pursuant to this section.

9. The director of the department **[**~~of economic development~~**]** shall submit a report to the governor, the speaker of the house of representatives, and the president pro tempore of the senate no later than April thirtieth of each year. The report shall contain a summary of all information received by the director of **[**~~economic development~~**] the department** pursuant to subsection 2 of this section.

10. An annual statement showing the payments made in lieu of taxes received and expended in that year, the status of the development area **or expanded development area, as applicable**, the development plan **or expanded development plan, as applicable**, the development projects in the development plan **or the expanded development projects in the expanded development plan, as applicable**, the amount of outstanding obligations, and any additional information that the municipality deems necessary shall be published in a newspaper of general circulation in the municipality.

11. Five years after the establishment of the development area and the development plan **or the expanded development area and expanded development plan, as applicable,** and **unless otherwise determined by the municipality or authority,** every five years

thereafter the governing body of the municipality or authority shall hold a public hearing regarding the development area and the development plan **or the expanded development area and the expanded development plan, as applicable,** and the development projects **or expanded development projects, as applicable,** adopted pursuant to sections 99.915 to 99.980. The purpose of the hearing shall be to determine if the development area **or expanded development area, as applicable**, development plan **or expanded development plan, as applicable**, and the included development projects **or expanded development projects, as applicable,** are making satisfactory progress under the proposed time schedule contained within the approved development plan **or expanded development plan, as applicable,** for completion of such development projects **or expanded development projects, as applicable**. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the municipality or authority once each week for four weeks immediately prior to the hearing.

**620.2012. 1. In exchange for the consideration provided by the new tax revenues and other economic stimuli that will be generated by the creation or retention of jobs and the making of new capital investment in this state, a qualified company may be eligible to receive the tax credits described in this section if:**

**(1) The department makes, and the qualified company accepts, a proposal for benefits that includes tax credits authorized by this section; and**

**(2) The qualified company will:**

**(a) Expend at least thirty million dollars in new capital investment for the project no later than two years after the date of the notice of intent if the project is located within a certified Missouri innovation zone; or**

**(b) Expend at least fifty million dollars in new capital investment for the project no later than two years after the date of the notice of intent if the project is located outside of a Missouri innovation zone.**

**For the purposes of this section, "Missouri innovation zone" shall mean an area certified by the department under section 620.6000.**

**2. Notwithstanding the provisions of subdivision (29) of subsection 1 of section 620.2005 to the contrary, a data storage center as defined in subdivision (4) of subsection 1 of section 144.810 shall not be eligible to be a qualified company for the purposes of the tax credits authorized under this section.**

**3. A qualified company that intends to seek the benefits authorized under this section shall submit to the department a notice of intent. Notwithstanding the provisions of subsection 1 of section 620.2020 to the contrary, a notice of intent from a qualified company that did not receive and accept a proposal of benefits for tax credits**

**under this section shall be ineligible for the tax credits under this section. The department shall respond within thirty days to a notice of intent with an approval or a rejection, provided that the department may withhold approval or provide a contingent approval until it is satisfied that proper documentation of eligibility has been provided. A failure of the department to respond within thirty days shall not result in the notice of intent being deemed approved.**

**4. The tax credits authorized by this section shall not exceed two and one-half percent of the new capital investment made at the project facility during the three-year period beginning upon the date of the notice of intent. No new capital investment incurred prior to the date of the notice of intent shall be eligible for tax credits under this section.**

**5. Tax credits authorized by this section shall be included in and subject to the limitations on the maximum amount of tax credits that may be authorized in a fiscal year as provided in subdivision (1) of subsection 7 of section 620.2020. The provisions of subsection 9 of section 620.2020 shall also apply to tax credits authorized pursuant to this section, except that any authorization of tax credits under this section shall expire if, within two years from the date of the notice of intent for the project, the qualified company has failed to meet the minimum required new capital investment as required in subdivision (2) of subsection 1 of this section.**

**6. The amount of tax credits proposed and awarded to a qualified company under this section shall not exceed the least amount necessary to obtain the qualified company's commitment to initiate the project. In determining the amount of tax credits to include in a proposal for benefits to a qualified company under this section, the department shall consider the following factors:**

**(1) The significance of the qualified company's need for program benefits;**

**(2) The overall size and quality of the proposed project, including the number of jobs created or retained, new capital investment, proposed wages for such jobs, growth potential of the qualified company, and similar factors;**

**(3) The financial stability and creditworthiness of the qualified company;**

**(4) The level of economic distress in the area;**

**(5) An evaluation of the competitiveness of alternative locations for the project facility, as applicable; and**

**(6) The percent of local incentives committed.**

**7. Notwithstanding the provisions of subsection 3 of section 620.2020 to the contrary, a qualified company receiving benefits under this section shall provide an annual report of the number of jobs created or retained, and wage information for such jobs, new capital investment, and such other information as may be required by the**

**department to document the basis for program benefits no later than ninety days prior to the end of the qualified company's tax year immediately following the tax year for which the benefits provided under this section are attributed. Failure to timely file the annual report required under this section may result in the forfeiture of tax credits attributable to the year for which the reporting was required.**

**8. Upon approval of a notice of intent to receive tax credits under subsection 3 of this section, the department and the qualified company shall enter into a written agreement covering the applicable project period. The agreement shall specify, at a minimum:**

**(1) The committed number of jobs created or retained, wages for such jobs, and new capital investment for each year during the project period;**

**(2) The terms and conditions upon the issuance of tax credits, which, notwithstanding subsection 4 of section 620.2020 to the contrary, shall be issued no sooner than when the qualified company files its first annual report required under subsection 3 of section 620.2020 after making the minimum required new capital investment as set forth in subdivision (2) of subsection 1 of this section;**

**(3) Clawback provisions, as may be required by the department; and**

**(4) Any other provisions the department may require.**

**9. Notwithstanding any other provision of law to the contrary, any qualified company that is awarded tax credits under this section shall not simultaneously receive benefits under sections 135.100 to 135.155, 620.2010, or 620.2015 for the same jobs, wages, or new capital investment that qualified for tax credits under this section.**

**620.6000. 1. Sections 620.6000 to 620.6033 shall be known and may be cited as the "Missouri Innovation, Public Safety, and Accountability Act".**

**2. As used in sections 620.6000 to 620.6033, the following terms mean:**

**(1) "Application", a written submission seeking designation, certification, approval, authorization, incentive eligibility, permit, license, or other action under sections 620.6000 to 620.6033, as applicable;**

**(2) "Baseline", local revenue actually received during the twelve consecutive calendar months immediately preceding certification of a Missouri innovation zone that is attributable to activity occurring within the geographic boundaries of the certified zone;**

**(3) "City", any incorporated city, town, or municipality organized under the laws of the state of Missouri;**

**(4) "Department", the Missouri department of economic development;**

**(5) "Executive branch", the chief executive officer of a participating city and any department, agency, or officer acting under the authority of such chief executive officer,**

**consistent with the city's form of government to administer, oversee, and carry out the responsibilities of a Missouri innovation zone authorized under sections 620.6000 to 620.6033;**

**(6) "Main street district", an accredited, associated, or affiliated main street district of the Missouri main street program created under sections 251.470 to 251.485;**

**(7) "Master plan", a written submission prepared and submitted by the executive branch of an eligible city to the department under sections 620.6000 to 620.6006 for the purpose of requesting designation and certification of a Missouri innovation zone;**

**(8) "Master scorecard", the scoring framework adopted and administered by the department to assign point values and incentive levels for development incentives expressly enumerated under section 620.6003 within a certified Missouri innovation zone;**

**(9) "Missouri innovation zone", a locally designated contiguous geographic area within a participating city that encompasses the boundaries of the city's downtown or primary commercial core, or, in the absence of a clearly defined downtown, the central business district or a qualified Missouri main street district, as applicable, except that no such zone shall exceed ten percent of the total area of the participating city;**

**(10) "Net-new local revenue", the amount by which local tax receipts attributable to activity within a certified Missouri innovation zone exceed the applicable baseline local tax receipts, as actually received by the participating city, net of refunds, chargebacks, or statutory distribution adjustments;**

**(11) "Net-new property tax revenue", the amount by which ad valorem real property tax revenues actually collected by a participating city from property located within a certified Missouri innovation zone during a fiscal year exceed the applicable baseline real property tax revenues for such property;**

**(12) "Net-new state revenue", the amount of state sales tax increment or state income tax increment, or the combination of the amount of each such increment, as determined by the department;**

**(13) "New job", a job at a business located in a certified Missouri innovation zone, as identified by the participating city, not including jobs of recalled workers, replacement jobs, or jobs that formerly existed in the business or a related company to the business in the state. No job that was created prior to the date of the department's certification of the Missouri innovation zone shall be deemed a new job;**

**(14) "Participating city", a city that has voluntarily elected to establish a Missouri innovation zone and is eligible to participate in programs authorized under sections 620.6000 to 620.6033;**

**(15) "Related company", the same meaning as defined in section 620.2005;**

**(16) "Reviewing authority", the local governing body, commission, board, or state agency authorized by law to approve or administer an incentive for which an application is submitted;**

**(17) "State baseline year", the calendar year prior to the certification of a Missouri innovation zone by the department;**

**(18) "State income tax increment", up to fifty percent of the state income tax withheld on behalf of employees in new jobs by the employer pursuant to section 143.221 at the business located within the certified Missouri innovation zone. The businesses shall be identified by the participating city to the department. The estimate shall be a percentage of the gross payroll, which percentage shall be based upon an analysis by the department of the practical tax rate on gross payroll as a factor in overall taxable income;**

**(19) "State sales tax increment", up to fifty percent of the incremental increase in the state sales tax revenue in the certified Missouri innovation zone. In no event shall the incremental increase include any amounts attributable to retail sales unless the department is satisfied based on information provided by the participating city, and the department 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 which did not exist in the state during the state baseline year;**

**(a) The incremental increase for an existing facility shall be the amount by which the state sales tax revenue generated at the facility exceeds the state sales tax revenue generated at the facility in the state baseline year;**

**(b) The incremental increase for a facility relocating from outside the certified Missouri innovation zone but in the state to inside the certified Missouri innovation zone shall be the amount by which the state sales tax revenue of the facility exceeds the state sales tax revenue for the facility in the calendar year prior to relocation;**

**(c) The incremental increase for an out-of-state business relocating into the certified Missouri innovation zone shall be the amount of state sales tax revenue generated in the certified Missouri innovation zone after the relocation;**

**(20) "State sales tax revenues", the general revenue portion of state sales tax revenues received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, sales and use taxes on motor vehicles, trailers, boats, and outboard motors and future sales taxes earmarked by law.**

**620.6003. 1. There is hereby established a statewide Missouri innovation zone program providing a coordinated framework under which eligible cities may designate**

**a defined geographic area for participation in state-authorized economic development incentives under sections 620.6000 to 620.6033.**

**2. (1) A city shall not be permitted more than one certified Missouri innovation zone and the department shall not consider multiple proposals from a single city.**

**(2) A certified Missouri innovation zone shall consist of a defined geographic area as described in section 620.6000.**

**(3) Participation in the program shall be voluntary. No city shall be required to establish a Missouri innovation zone.**

**(4) No local legislative act, ordinance, or resolution shall be required as a prerequisite for, or to maintain designation or certification as a Missouri innovation zone.**

**3. (1) The executive branch of a city seeking designation and certification of a Missouri innovation zone shall prepare and submit to the department a master plan for the proposed zone and shall be responsible for coordinating implementation of the zone upon certification.**

**(2) The master plan shall:**

**(a) Define the geographic boundaries of the proposed zone;**

**(b) Identify vacant or under-utilized properties demonstrating how incentives authorized under sections 620.6000 to 620.6033 are expected to be deployed and the impact such incentives are intended to have;**

**(c) Identify public safety and infrastructure priorities;**

**(d) Establish a reinvestment strategy for net-new state revenue and net-new property tax revenue under sections 620.6006 and 620.6012; and**

**(e) Provide high-level projections of anticipated housing, jobs, business, and population activity.**

**(3) Upon certification of the zone, the executive branch shall:**

**(a) Coordinate with the department regarding compliance and implementation of sections 620.6000 to 620.6033;**

**(b) Ensure policies required under section 620.6006 remain in effect;**

**(c) Oversee allocation and use of net-new state revenue and net-new property tax revenue reinvested within the zone under sections 620.6006 and 620.6012 and the approved master plan; and**

**(d) Perform such other functions as may be necessary to carry out the purposes of the Missouri innovation zone program.**

**4. (1) Within forty-five calendar days of receipt of a complete master plan application, the department shall issue a written determination approving, conditionally approving, or denying designation or certification.**

**(2) For purposes of this section, an application shall be deemed complete if it includes all materials expressly required under this section and any forms or documentation prescribed by rule consistent with this section. The department's review of completeness shall be limited to determining whether the required materials have been submitted, whether such materials are facially sufficient, and including that the proposed boundaries of the Missouri innovation zone conform to the definition of such term as defined under section 620.6000.**

**(3) If the department determines that the application is materially incomplete or facially deficient, the department shall issue a written notice of deficiency identifying the specific missing or deficient items within forty-five calendar days of initial submission.**

**(4) The applicant shall have fifteen calendar days from issuance of a deficiency notice to cure the identified deficiencies in order to retain its place in the review queue. Upon receipt of supplemental materials curing such deficiencies, the department's review period shall resume; however, the department shall in all events have not fewer than thirty calendar days from receipt of the cured application to complete its review and issue a determination.**

**(5) If the department denies designation or certification of a proposed Missouri innovation zone, it shall issue a written determination stating with specificity the precise statutory provision or rule with which the application fails to comply.**

**(6) The department's review authority under this section shall be limited to determining whether:**

**(a) The proposed geographic boundaries conform to the statutory definition and requirements of a Missouri innovation zone under sections 620.6000 to 620.6006; and**

**(b) The application satisfies the express statutory requirements of this section and any duly promulgated rules consistent therewith.**

**(7) Except as otherwise provided in this section, the department shall not impose additional discretionary criteria or conditions not expressly authorized by this section.**

**(8) (a) If the department determines that an application satisfies all requirements for designation under this section, except for adoption of the local implementation policies required under section 620.6006, the department shall issue a conditional designation of the Missouri innovation zone.**

**(b) A conditional designation shall constitute formal approval of the proposed Missouri innovation zone boundaries and master plan; however, such designation shall not be effective for purposes of eligibility for any state-administered or locally administered incentives under sections 620.6000 to 620.6033 until the department certifies that the participating city has adopted and implemented all required local policies under section 620.6006.**

**(c) There shall be no mandatory deadline for adoption of such required local policies; provided, however, that no incentives authorized under sections 620.6000 to 620.6033 shall be available within the conditionally designated zone until certification of implementation is issued by the department.**

**(d) Upon submission of documentation demonstrating adoption and implementation of the required local policies, the department shall review such submission solely for the purpose of verifying compliance with the express statutory requirements of section 620.6006.**

**(e) The department's review under this subdivision shall be limited to determining whether the required policies have been formally adopted and are consistent with the express requirements of sections 620.6000 to 620.6006. The department shall not impose additional conditions, modify local policies beyond statutory requirements, or reopen review of previously approved zone boundaries or master plan.**

**(f) Within thirty calendar days of receipt of such documentation, the department shall issue written certification that the participating city has satisfied the required implementation conditions, or shall issue a similar notice identifying any specific statutory deficiencies.**

**(9) Failure of the department to issue an approval, conditional approval, denial, or deficiency notice within the time frames under this subsection shall constitute certification of the Missouri innovation zone by operation of law.**

**5. (1) Upon certification of a Missouri innovation zone under this section, the incentives authorized under sections 620.6000 to 620.6033 shall be available within the certified geographic boundaries of the zone, subject to the eligibility criteria, performance standards, and procedures set forth in those sections, provided that no such incentive shall be awarded to any data storage center, as such term is defined in section 144.810.**

**(2) The following state-administered incentives shall be available to qualifying applicants or individuals located within a certified Missouri innovation zone:**

**(a) Employer retention and reinvestment incentive under section 620.6018;**

**(b) Employer relocation incentive under section 620.6021;**

**(c) Office-to-residential incentive under section 620.6024;**

**(d) Missouri opportunity zone tax deferral under section 620.6027; and**

**(e) Missouri angel investment incentive under sections 620.6030 and 620.6033.**

**(3) Upon certification of a Missouri innovation zone, the geographic area within the certified zone shall constitute a redevelopment area for purposes of chapters 99 and**

**353, and for all other statutes authorizing property tax abatement or tax increment financing, to the extent permitted by Article X of the Constitution of Missouri.**

**(4) Property located within a certified Missouri innovation zone shall be eligible for property tax abatement and tax increment financing authorized under chapters 99 and 353, provided that:**

**(a) The project satisfies the applicable master scorecard tier; and**

**(b) The project otherwise complies with statutory requirements governing such incentives.**

**(5) No additional ordinance, resolution, legislative finding, or separate redevelopment area designation shall be required for a project within a certified Missouri innovation zone to qualify for property tax abatement or tax increment financing, provided the project meets the requirements of this section.**

**(6) The duration, percentage, and structure of any property tax abatement or tax increment financing awarded within a certified Missouri innovation zone shall be determined by the project's verified score under the master scorecard, subject only to maximum limits authorized by statute. Notwithstanding any sunset provision applicable to sections 620.6000 to 620.6033, any property tax abatement or tax increment financing awarded to a project within a certified Missouri innovation zone prior to such sunset shall remain in full force and effect for the full duration determined by the project's verified score under the master scorecard, subject only to maximum limits authorized by sections 620.6000 to 620.6033.**

**(7) Nothing in this section shall be construed to waive or supersede any constitutional limitation applicable to property taxation under Article X of the Constitution of Missouri; provided, however, that required findings shall be satisfied through compliance with this section and the master scorecard.**

**6. Each incentive authorized under sections 620.6000 to 620.6033 shall be administered by the agency or authority in this section and subject to the procedures established in its respective section or any rules duly promulgated thereunder.**

**7. The rural Missouri development fund shall be administered by the department in accordance with section 620.6009.**

**8. The public safety fund shall be administered by the executive branch of the participating city in accordance with the approved master plan under sections 620.6003, 620.6006, and 620.6012.**

**9. The Missouri opportunity zone incentive under section 620.6027 shall be administered by the department of revenue through tax filing, certification, and reporting procedures.**

**10. The employer retention and reinvestment incentive under section 620.6018 and employer relocation incentive under section 620.6021 shall be administered by the department through execution and oversight of withholding agreements, in coordination with the department of revenue.**

**11. The office-to-residential conversion incentive under section 620.6024 shall be reviewed, scored using the master scorecard, and administered by the department.**

**12. The Missouri angel investment incentive under sections 630.6030 and 620.6033 shall be administered by the department.**

**13. Local tax abatement and tax increment financing authorized within a certified Missouri innovation zone shall be processed and administered by the appropriate local governing authority in accordance with applicable constitutional and statutory requirements, provided that eligibility and tier determination shall be governed by the master scorecard.**

**14. (1) The department shall adopt and promulgate rules to establish and administer a master scorecard solely for purposes of:**

**(a) The office-to-residential conversion incentive authorized under section 620.6024; and**

**(b) Locally administered tax increment financing and property tax abatement authorized under chapters 99 and 353, within a certified Missouri innovation zone.**

**(2) The master scorecard shall:**

**(a) Establish objective, measurable, performance-based scoring criteria consistent with this subsection;**

**(b) Establish the weighting methodology applicable to scoring categories;**

**(c) Provide a total possible score of not less than one hundred points, which may exceed one hundred points to allow flexibility across varying project types;**

**(d) Establish not fewer than five incentive tiers, with eligibility for each tier determined solely by total points achieved;**

**(e) Establish proportional scaling between tiers;**

**(f) Establish a minimum eligibility threshold of not less than fifty points; and**

**(g) Provide that a project achieving a normalized score of one hundred points shall be eligible for the maximum incentive level authorized by state statute for each incentive governed by the master scorecard, subject only to statutory limitations applicable to such incentive.**

**(3) The master scorecard shall be structured to ensure that:**

**(a) No single scoring category shall be weighed in a manner that causes such category to constitute a mandatory prerequisite to eligibility or to control a disproportionate share of the total available points, except that the department may**

**assign enhanced weight to housing production or residential activation categories consistent with the purposes of this subsection, namely scoring categories listed under paragraphs (a), (g), and (h) of subdivision (4) of this subsection;**

**(b) Participation in, or compliance with, any scoring category shall be voluntary and encouraged only through scoring, and not as a requirement;**

**(c) No scoring category shall operate, in design or effect, as a mandatory prerequisite to incentive eligibility; and**

**(d) Written input from participating cities regarding the scorecard may be considered.**

**(4) The master scorecard shall evaluate projects based on the following categories:**

**(a) Housing activation, rehabilitation, and creation;**

**(b) Affordability;**

**(c) Ground-floor activation and tenant improvements;**

**(d) Community improvements and neighborhood connectivity;**

**(e) Historic preservation;**

**(f) Access and mobility;**

**(g) Family-oriented design;**

**(h) Resident amenities and quality of life features;**

**(i) Timeline, stabilization, and assessed value; and**

**(j) Workforce practices, local participation, and stewardship.**

**(5) The department shall not establish additional scoring categories beyond those enumerated in this subsection; however, it may promulgate subcategories, rules, and documentation requirements within each category consistent with the purposes of this subsection. In promulgating the rules of each category and subcategory, the department may solicit and consider input from certified Missouri innovation zones, applicants for zone certification, and other relevant stakeholders throughout the state.**

**(6) Once a reviewing authority verifies that a project has achieved a tier threshold under the master scorecard, the incentive governed by this subsection shall be awarded consistent with that tier and shall not be reduced, modified, conditioned, or denied beyond the requirements expressly set forth in this subsection.**

**(7) For the office-to-residential incentive, the department shall administer and apply the master scorecard.**

**(8) For tax abatement and tax increment financing within a certified Missouri innovation zone, the local governing authority shall apply the master scorecard in administering such incentives.**

**15. The applicant shall bear the burden of demonstrating compliance with the master scorecard criteria and shall submit documentation and certifications as required by rule. The reviewing authority shall limit its review to verification of factual accuracy and scoring compliance and shall not alter the scoring methodology or tier thresholds established by the department.**

**16. Nothing in this section shall prohibit a participating city from awarding additional locally administered incentives, including, but not limited to, tax abatement and tax increment financing, consistent with state law regardless of a project's score under the master scorecard.**

**17. Nothing in sections 620.6000 to 620.6033 shall be construed to authorize the reduction, abatement, diversion, or impairment of any existing revenues of the participating city. Any property tax abatement or tax increment financing incentive evaluated under the master scorecard shall apply solely to net-new assessed value or net-new tax increment.**

**18. Nothing in sections 620.6000 to 620.6033 shall be construed to waive, limit, supersede, or otherwise modify any requirement, limitation, restriction, or prohibition imposed by state or federal law applicable to an applicant or to the use of funds including, but not limited to, sections 135.810 and 280.025, any provision of sections 135.800 to 135.830, or any statutory limitation on eligibility for, or use of, public funding. Compliance with all applicable criminal, tax, labor, reporting, and funding laws shall remain a condition of eligibility for, and retention of, any economic development tools authorized under sections 620.6000 to 620.6033, independent of the master scorecard.**

**19. (1) Any state-administered economic development tool authorized under sections 620.6000 to 620.6033 that requires submission of an application to the department shall be reviewed and determined in accordance with this subsection.**

**(2) This subsection shall apply to:**

**(a) The rural Missouri development fund under section 620.6009;**

**(b) The employer retention and reinvestment incentive under section 620.6018;**

**(c) The employer relocation incentive under section 620.6021;**

**(d) The office-to-residential conversion incentive under section 620.6024; and**

**(e) The Missouri angel investment incentive under sections 630.6030 and 620.6033.**

**(3) This subsection shall not apply to:**

**(a) The Missouri innovation zone public safety fund under section 620.6012;**

**(b) The Missouri opportunity zone under section 620.6027.**

**(4) (a) Upon receipt of a complete application for a state-administered economic development tool under this subsection, the department shall issue a written determination approving or denying such application within forty-five calendar days.**

**(b) Failure of the department to issue a written determination within such period shall result in deemed approval of the application, provided that the application otherwise satisfies statutory requirements.**

**(c) If the department fails to issue the required ministerial confirmation of a deemed approval, the department shall, upon request of the applicant, issue a written certification of deemed approval within forty-five calendar days. Failure of the department to issue such certification within the prescribed period shall not impair the effectiveness of the deemed approval.**

**(5) If the department denies an application under this subsection, the denial shall:**

**(a) Be issued in writing; and**

**(b) State the specific grounds for denial.**

**(6) (a) Applications for locally administered economic development tools, including tax abatement and tax increment financing authorized under this section and section 620.6006, shall be reviewed by the local governing authority in accordance with section 620.6006.**

**(b) Nothing in this section shall be construed to authorize the department to review, approve, deny, or administer locally administered economic development tools.**

**(c) For economic development tools subject to master scorecard evaluation, the participating city shall apply the master scorecard under this section in accordance with department rules, and the department shall retain supervisory authority to ensure consistency, accuracy, and compliance with statutory requirements.**

**620.6006. 1. As a condition of certification and continued participation as a Missouri innovation zone under sections 620.6000 to 620.6033, a participating city shall establish and maintain the policies set forth in this section within the geographic boundaries of the Missouri innovation zone.**

**2. For purposes of this section, the following terms mean:**

**(1) "Application", a written submission seeking any permit, zoning approval, variance, rezoning, site plan approval, subdivision approval, incentive, certificate, license, registration, or other prior authorization required by the participating city for construction, alteration, repair, renovation, expansion, change of use, occupancy, or lawful business operation;**

**(2) "Business application", any application for a municipal business license, occupancy authorization, use permit, or similar approval required for lawful operation of a business within the certified Missouri innovation zone;**

**(3) "Complete application", an application that includes all materials, plans, studies, forms, and fees expressly required by statute, ordinance, regulation, or written policy of the participating city adopted prior to the date of submission. Completeness shall be determined solely on the presence of required materials and shall not involve substantive evaluation of the merits of the application;**

**(4) "Locally administered development initiative", any property tax abatement, tax increment financing, or other local economic development incentive administered by a participating city;**

**(5) "One stop review authority", the office or administrative body designated by the participating city to coordinate review under this section;**

**(6) "One stop shop", a coordinated business, development, and incentive review process in compliance with this section;**

**(7) "Submission", receipt of an application by the participating city through its designated electronic filing system. The date and time reflected on the electronic filing system receipt shall constitute the official date of submission for purposes of this section. If electronic submission is temporarily unavailable due to documented technical failure, physical submission may be accepted and a written date-stamped receipt shall constitute the official date of submission. Internal routing, assignment, acknowledgment, or administrative processing shall not delay or alter the official date of submission.**

**3. A participating city shall establish and maintain a one-stop shop.**

**4. The provisions of this section shall apply to:**

**(1) Development applications for property located within the geographic boundaries of a designated Missouri innovation zone;**

**(2) Applications for locally administered development incentives, including property tax abatement and tax increment financing, as governed by the master scorecard; and**

**(3) Business-related applications for permits, licenses, registrations, or approvals required by the participating city for businesses operating within the innovation zone, to the extent such approvals are city-controlled.**

**5. This section does not alter the administration of state-administered incentives, applications, or approvals governed by separate statutory procedures.**

**6. Each participating city shall provide for electronic submission of applications subject to this section through a publicly accessible online filing system capable of generating an automatic dated receipt upon submission.**

**7. Each participating city shall publish and maintain on its website standardized checklists identifying all materials required for a complete application under this section for:**

**(1) Development applications;**

**(2) Business applications; and**

**(3) Applications for locally administered development incentives governed by the master scorecard. No application shall be deemed incomplete for failure to include materials not identified on such checklists.**

**8. For projects meeting the threshold in subdivision (14) of subsection 9 of this section or otherwise designated by ordinance as major projects, the one stop review authority shall offer a pre-application conference process intended to reduce deficiencies and streamline review. Participation in a pre-application conference shall not be mandatory unless required by ordinance adopted prior to submission.**

**9. (1) Each participating city shall designate a one stop review authority responsible for:**

**(a) Receiving and coordinating all development applications;**

**(b) Receiving and coordinating applications for locally administered development incentives;**

**(c) Receiving and coordinating business applications; and**

**(d) Issuing consolidated determinations or coordinating required approvals by relevant departments, boards, commissions, or governing bodies.**

**(2) All departmental, board, commission, or legislative review required for development approvals, local development incentives, or business applications shall occur through this coordinated process.**

**(3) Where approval requires action by a governing body, board, or commission, the one stop review authority shall coordinate scheduling, notice, and presentation to ensure such action occurs within the applicable review period established under this subsection.**

**(4) Failure of any reviewing department, agency, or administrative body to act within the applicable review period shall be treated as no objection for purposes of coordinated review under this subsection.**

**(5) Where an affirmative vote of a governing body, board, or commission is required by statute, ordinance, or charter, such vote shall be scheduled and considered within the applicable review period established under subdivision (15) of this subsection. Failure of such governing body, board, or commission to take action within the applicable review period shall be treated as a denial subject to the written denial requirements of subdivision (17) of this subsection.**

**(6) Within fifteen calendar days after submission, the one stop review authority shall:**

**(a) Issue written acknowledgment that the application is complete; or**

**(b) Issue a written notice of incompleteness.**

**(7) A notice of incompleteness shall:**

**(a) Identify each missing item;**

**(b) Cite the specific statute, ordinance, regulation, or written policy requiring such item;**

**(c) Be based solely on requirements adopted prior to submission; and**

**(d) Identify all deficiencies known at the time of issuance. The participating city shall not subsequently deny an application as incomplete for deficiencies not identified in the initial notice unless arising from material changes submitted by the applicant.**

**(8) If no written acknowledgment or notice of incompleteness is issued within fifteen calendar days of submission, the application shall be deemed complete by operation of law on the sixteenth day.**

**(9) The applicable review period shall commence:**

**(a) On the date of written acknowledgment of completeness; or**

**(b) If deemed complete, on the sixteenth day after submission.**

**(10) The applicant shall have fifteen calendar days from issuance of a notice of incompleteness to cure identified deficiencies in order to retain its place in the review queue.**

**(11) Upon resubmission curing identified deficiencies, the application shall be deemed complete on the date of resubmission unless a written notice identifying deficiencies solely related to the resubmitted materials is issued within ten calendar days.**

**(12) The review period shall not be tolled except:**

**(a) By a written extension under subdivision (18) of this subsection;**

**(b) By written consent of the applicant; or**

**(c) Under subdivision (22) of this subsection relating to declared emergencies.**

**(13) Submission shall not be deemed incomplete solely due to a good-faith dispute concerning fee calculation, provided the applicant remits the undisputed portion of such fees.**

**(14) (a) Development application checklists shall require only materials reasonably necessary to determine compliance with adopted law, and shall include, as applicable:**

**a. Site plan and narrative of proposed use and scope;**

**b. Stamped architectural drawings where required by adopted code;**

**c. Stamped structural drawings where structural modifications are proposed;**

**d. Fire and life-safety documentation where required by adopted code;**

**e. Civil, storm water, or utility plans where required by adopted code; and**

**f. Any additional engineering plans required by adopted code.**

**(b) A traffic impact study shall be required only where:**

**a. Required by ordinance adopted prior to submission; or**

**b. The proposed change of use materially increases expected daily trip generation under objective criteria established by ordinance.**

**(c) A project shall be treated as subject to the sixty-day review period under subdivision (15) of this subsection if it involves:**

**a. New construction exceeding one hundred thousand square feet;**

**b. A change of use affecting more than one hundred thousand square feet; or**

**c. A substantial renovation involving structural alteration affecting more than one hundred thousand square feet.**

**Square footage alone shall not trigger the sixty-day review period absent the conditions stated herein.**

**(15) (a) Applications not requiring a variance, rezoning, public hearing, or governing body action shall be approved or denied within thirty calendar days after commencement of the review period.**

**(b) Applications requiring a variance, rezoning, public hearing, governing body action, or meeting the threshold in paragraph (c) of subdivision (14) of this subsection shall be approved or denied within sixty calendar days after commencement of the review period.**

**(c) Review periods include required public notice and hearing periods but exclude post-approval appeal periods.**

**(16) (a) For any application seeking a locally administered development incentive governed by the master scorecard, the applicant shall submit:**

**a. A sworn scoring worksheet demonstrating the claimed score and tier eligibility; and**

**b. Supporting documentation sufficient to substantiate claimed points under the master scorecard criteria.**

**(b) The applicant shall certify under penalty of perjury that the scoring worksheet and supporting documentation are true, correct, and complete to the best of the applicant's knowledge.**

**(c) The one stop review authority shall verify the accuracy of the applicant's score ministerially and shall not alter scoring methodology or tier thresholds established by the department by rule.**

**(17) (a) An application may be approved with conditions. Such conditions:**

**a. Shall be reasonably related to ensuring compliance with statutes, ordinances, and regulations in effect on the date of submission; and**

**b. Shall not impose requirements not authorized by pre-existing law.**

**(b) Any denial shall be issued in writing. A written denial shall:**

**a. Identify with specificity each applicable ordinance, statute, or regulation not satisfied; and**

**b. Provide a brief explanation of how the application fails to meet such provision.**

**(c) If denial is based on plans prepared and sealed by a licensed design professional, the denial shall describe the specific deficiencies in such plans.**

**(d) A participating city shall not issue a subsequent denial of the same application based on grounds not included in the initial written denial unless such grounds arise from material changes submitted by the applicant.**

**(18) (a) The participating city may extend the applicable review period once for no more than fifteen calendar days by issuing written notice to the applicant before expiration of the original review period.**

**(b) The notice shall state the specific reason for the extension.**

**(c) Any further extension requires written consent of the applicant.**

**(19) (a) If the participating city fails to issue a written approval or denial within the applicable review period, the application shall be deemed approved by operation of law, except as provided in subdivision (5) of this subsection regarding affirmative legislative votes.**

**(b) An approval deemed granted under this subsection shall vest the applicant with the right to proceed under the ordinances and regulations in effect on the date the application was deemed complete.**

**(c) Upon request, the one stop review authority shall issue written confirmation of deemed approval.**

**(d) Deemed approval shall not:**

**a. Waive compliance with building codes, fire codes, life-safety codes, environmental codes, or health codes;**

**b. Authorize violation of zoning limitations;**

**c. Supersede state or federal approval requirements; or**

**d. Override the requirement of an affirmative legislative vote where expressly required by law.**

**(e) For locally administered development incentives evaluated under the master scorecard, failure of the participating city to act within the applicable review period shall constitute approval consistent with the project's verified tier eligibility under sections 620.6000 to 620.6033, provided all required variances and zoning approvals have been granted.**

**(20) (a) An application for a phase of a larger development shall be reviewed based solely on the scope of that phase.**

**(b) Nothing in this section permits intentional segmentation solely to evade applicable review requirements.**

**(c) A phase shall be considered independently functional if capable of lawful occupancy and use without reliance on unpermitted future phases.**

**(21) Nothing in this section shall:**

**(a) Waive compliance with adopted codes, including but not limited to building codes, fire codes, life-safety codes, environmental codes, or health codes;**

**(b) Limit inspection authority;**

**(c) Prevent enforcement of violations discovered during construction or occupancy; or**

**(d) Require issuance of permits contingent upon state or federal approval.**

**(22) In the event of a declared local or state emergency that materially impairs the participating city's ability to process applications, review periods under this subsection may be suspended for the duration of such emergency, provided the delay is no longer than thirty calendar days.**

**(23) An applicant aggrieved by a participating city's failure to comply with this subsection may seek declaratory or injunctive relief in the circuit court of the county in which the certified Missouri innovation zone is located. The court shall give such action priority on its docket.**

**10. (1) A participating city shall adopt and implement a policy providing that any permit, plan review, inspection, or development-related fee applicable to projects located within a certified Missouri innovation zone:**

**(a) Shall be limited to the actual, reasonable, and direct costs incurred by the applicable department or reviewing authority in processing, reviewing, inspecting, and administering such project or application; and**

**(b) Shall not be calculated as a percentage of project value, construction cost, financing amount, or other project-based metric unrelated to the actual cost of providing such services.**

**(2) Nothing in this subsection shall require the waiver or reduction of fees necessary to support the baseline health, staffing, and operational capacity of the building department or other reviewing agencies, provided such fees reflect documented cost recovery and not revenue generation.**

**(3) A participating city may distinguish between:**

**(a) Essential operational cost-recovery fees; and**

**(b) Discretionary, percentage-based, duplicative, or extraordinary charges.**

**11. (1) Any property subject to an existing tax increment financing plan or tax abatement agreement at the time of Missouri innovation zone certification shall continue to be governed by the terms of such existing agreement, and nothing in sections 620.6000 to 620.6033 shall be construed to impair, modify, or terminate such agreement.**

**(2) (a) For properties within a Missouri innovation zone that are not subject to a project-specific tax increment financing plan or property tax abatement agreement, fifty percent of the net-new incremental real local property tax revenue generated after certification shall be treated as tax increment and shall be deposited into the applicable innovation zone public safety fund, established under section 620.6012. If, after certification of the Missouri innovation zone, any such property becomes subject to such a plan or agreement, this subdivision shall not apply to such property for the duration of the plan or agreement. The reallocation of such funds shall be determined by the executive branch under sections 620.6000 to 620.6033.**

**(b) For purposes of this subdivision, local property tax revenue means real property taxes levied by political subdivisions within the certified Missouri innovation zone and shall not include any real property taxes levied by the state of Missouri including, but not limited to, taxes levied under section 209.130.**

**(3) For development projects within a Missouri innovation zone that are not subject to an existing agreement, a project may elect, at the time of project approval, whether to:**

**(a) Utilize a project-specific tax increment financing plan, subject to the percentage, duration, and terms corresponding to the project's incentive tier under the master scorecard, and not exceeding the maximum term authorized under chapter 99;**

**(b) Utilize a property-specific property tax abatement, subject to the percentage, duration, and terms corresponding to the project's incentive tier under the master scorecard, and not exceeding the maximum term authorized under chapter 353; or**

**(c) Proceed without either incentive.**

**12. (1) A participating city shall provide building code flexibility for adaptive reuse projects within the zone. Such flexibility shall:**

**(a) Permit alternative or performance-based compliance pathways that achieve equivalent health, safety, and operational outcomes, including flexibility in the application or prescriptive standards where strict compliance is impracticable due to existing building conditions;**

**(b) Recognize the environmental and economic benefits associated with adaptive reuse, including reductions in embodied carbon and material waste; and**

**(c) Maintain compliance with applicable structural requirements, fire safety codes, life-safety standards, and applicable building codes containing feasible alternative compliance pathways.**

**(2) Nothing in this subsection shall be construed to require adoption of any specific building, fire, or energy code standard.**

**13. (1) If the department determines that a participating city has failed to maintain one or more requirements of this section, the department shall provide written notice of such noncompliance.**

**(2) The participating city shall have forty-five calendar days from receipt of such notice to cure the noncompliance.**

**(3) If the noncompliance is not cured within forty-five calendar days, the department shall suspend the participating city's Missouri innovation zone certification until such time as compliance is restored.**

**(4) Any suspension or revocation of Missouri innovation zone certification under this section shall apply prospectively only and shall not:**

**(a) Impair, modify, or terminate any incentive, agreement, approval, or benefit previously awarded;**

**(b) Affect the validity or enforceability of any incentive, agreement, approval, or benefit previously awarded; or**

**(c) Give rise to any claim for damages against an applicant arising solely from the suspension or revocation of Missouri innovation zone certification.**

**(5) Projects that have received approval or entered into binding agreements in reliance on Missouri innovation zone certification prior to notice of noncompliance shall be permitted to proceed in accordance with the terms of such approvals or agreements.**

**14. (1) The department shall prepare and submit a biennial written report to the general assembly summarizing the status, performance, and outcomes of the Missouri innovation zone program. The purpose of the report is to provide transparency, accountability, and aggregate information regarding the implementation and performance of certified Missouri innovation zones and the incentives authorized under sections 620.6000 to 620.6033. The report shall be informational in nature and**

**shall not be used to impose additional approval requirements, conditions, or penalties on any certified Missouri innovation zone or approved projects.**

**(2) Information included in the report shall be presented in aggregate or summary form, by district and statewide where appropriate, and shall not disclose confidential taxpayer information or identify individual projects unless otherwise required by law.**

**(3) The report shall include the following categories of information relating to certified Missouri innovation zones:**

**(a) The number of zones and the participating cities during the reporting period;**

**(b) The number and types of projects approved and the distribution of incentives authorized under sections 620.6000 to 620.6033;**

**(c) Aggregate counts of new housing, commercial, or mixed-use activation, and other redevelopment;**

**(d) Aggregate counts of employment impacts, including new jobs or retained employment where such data is available;**

**(e) A summary of public safety, infrastructure, or other public investment activities; and**

**(f) Any observations or recommendations the department determines may assist the general assembly in evaluating the effectiveness of the program.**

**15. The department may retain, subject to appropriation, a limited portion of net-new state revenue generated under sections 620.6000 to 620.6033 solely for the administration of the Missouri innovation zone program. Such retained amounts shall be derived exclusively from net-new state revenue attributable to certified Missouri innovation zones and shall not reduce or impair any existing state or local revenues. The department may charge an application, participation, or administrative fee to the recipient of any tax credits issued by the department under sections 620.6000 to 620.6033, in an amount up to two and one-half percent of the amount of tax credits issued, as provided in section 620.1900. The fee shall be paid by the recipient upon the issuance of the tax credits.**

**16. The provisions of sections 620.6000 to 620.6033 are severable. If any provisions of such sections or the application thereof to any person or circumstance is held invalid, unconstitutional, or otherwise unenforceable, such invalidity shall not affect other provisions or applications of such sections which can be given effect without the invalid provision or application, and to this end the provisions of sections 620.6000 to 620.6033 are declared to be severable.**

**17. Notwithstanding any provisions of section 32.057, or any other law to the contrary, the department of revenue shall disclose to the department, the state treasurer,**

**and any other state agency or local governments administering economic development tools under sections 620.6000 to 620.6033 such state tax information as is necessary to verify eligibility for, calculate, administer, audit, or enforce any economic development tool authorized under sections 620.6000 to 620.6033. Any information disclosed under this subsection shall otherwise remain confidential and shall be used solely for purposes of administering sections 620.6000 to 620.6033.**

**18. The department shall promulgate such rules and regulations as are necessary to implement and administer sections 620.6000 to 620.6033, provided that such rules are consistent with and reasonably necessary to carry out the purposes, structure, and operative provisions of sections 620.6000 to 620.6033. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in sections 620.6000 to 620.6033 shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.**

**19. Notwithstanding section 23.253 to the contrary:**

**(1) The provisions of the Missouri innovation zone program authorized under sections 620.6000 to 620.6033 shall sunset ten years after the effective date of sections 620.6000 to 620.6033 unless reauthorized by an act of the general assembly;**

**(2) Sections 620.6000 to 620.6033 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 620.6000 to 620.6033 is sunset;**

**(3) Notwithstanding the sunset or termination of sections 620.6000 to 620.6033, any designation, certification, approval, award, allocation, agreement, abatement, tax increment financing, tax credit, or withholding benefit approved, awarded, certified, or incurred before the date of such sunset or termination shall remain in full force and effect for the duration, amount, term, period, or schedule authorized at the time of approval, award, or certification, subject to all applicable compliance, reporting, recapture, audit, enforcement, and administrative provisions of sections 620.6000 to 620.6033 as if such sections had not sunset or terminated; and**

**(4) Unless reauthorized, reinstated, or otherwise renewed by an act of the general assembly, no new Missouri innovation zone shall be certified and no new incentive, award, allocation, approval, or benefit shall be authorized under sections 620.6000 to 620.6033 after the date of such sunset or termination, except as necessary to**

**administer, enforce, or give continuing effect to any designation, certification, approval, award, allocation, agreement, incentive, benefit, or obligation described in subdivision (3) of this subsection.**

**620.6009. 1. There is hereby established the "Rural Missouri Development Fund", to be administered by the department, for the purpose of supporting economic development, infrastructure, housing, workforce development, and related community-building activities in rural and smaller communities throughout the state.**

**2. (1) For purposes of this section, a "contributing city" means a city that has elected, through its executive branch, to create and seek certification of a Missouri innovation zone under sections 620.6000 to 620.6033, and that has agreed, as a condition of certification and participation in the program, to contribute a portion of net-new state sales tax revenue generated within such certified Missouri innovation zone under section 620.6012 to the rural Missouri development fund in accordance with this section, provided that such city:**

**(a) Has a certified Missouri innovation zone under sections 620.6000 to 620.6033; and**

**(b) Has a total certified assessed valuation of taxable real property that ranks within the highest five percent of all cities statewide, as most recently determined by the Missouri state tax commission.**

**(2) A city that does not meet both criteria in subdivision (1) of this subsection shall not be required to contribute to the rural Missouri development fund.**

**3. (1) Each contributing city shall annually contribute to the rural Missouri development fund an amount equal to ten percent of net-new state sales tax revenue retained for the applicable innovation zone public safety fund under section 620.6012.**

**(2) Nothing in this section shall be construed to require the contribution of any local sales tax, local property tax, or any other local revenue source.**

**4. (1) Moneys in the rural Missouri development fund shall be awarded to:**

**(a) Rural cities;**

**(b) Smaller cities not meeting the definition of a contributing city; or**

**(c) Local or regional development organizations, community development corporations, or similar entities applying on behalf of or in coordination with such rural or smaller municipalities.**

**(2) Receipt of funds under this section shall not require a city to establish a Missouri innovation zone.**

**5. Funds awarded under this section shall be used for the following purposes including, but not limited to:**

**(1) Rural education;**

**(2) Public infrastructure improvements or public safety;**

**(3) Housing development, rehabilitation, or stabilization;**

**(4) Workforce development or training;**

**(5) Health care or community service facilities; and**

**(6) Other economic purposes consistent with the intent of sections 620.6000 to 620.6033.**

**6. (1) No more than twenty percent of the total funds available for award from the rural Missouri development fund in any fiscal year shall be awarded to or for the benefit of any single city or other eligible applicant.**

**(2) Applications submitted on behalf of the same city shall be aggregated for purposes of applying the limitation in subdivision (1) of this subsection.**

**(3) Notwithstanding subdivision (1) of this subsection to the contrary, if funds remain unobligated in the rural Missouri development fund after completion of the department's initial application review and award process for a fiscal year, the department may award such remaining funds without regard to the limitation set forth in subdivision (1) of this section.**

**7. (1) The department shall administer the rural Missouri development fund and shall establish an application process for eligible recipients.**

**(2) In administering the fund, the department shall consider:**

**(a) Project readiness;**

**(b) Demonstrated community need;**

**(c) Alignment with the purposes of this section; and**

**(d) Written input from contributing cities.**

**(3) The department shall annually submit to the budget committee of the house of representatives a report indicating the process used to determine disbursements of moneys from the fund, including the amount of each award, the identity of each awardee, and the purpose of each award. Any disbursement from the fund shall be subject to appropriation, but the selection of eligible recipients and award amounts shall be made by the department in accordance with this section.**

**8. The department shall promulgate such rules and regulations as are necessary to implement and administer this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**

**subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.**

**9. The provisions of this section are severable. If any provisions of this section or the application thereof is held invalid, unconstitutional, or otherwise unenforceable, such invalidity shall not affect other provisions or applications of sections 620.6000 to 620.6033 which can be given effect without the invalid provision or application, and to this end the provisions of this section are declared to be severable.**

**620.6012. 1. There is hereby established the "Missouri Innovation Zone Public Safety Fund" for the purpose of reinvesting a portion of net-new state economic activity generated within a certified Missouri innovation zone into public safety, public infrastructure, and related improvements that support sustained vitality.**

**2. The Missouri innovation zone public safety fund shall consist of moneys appropriated by the general assembly, amounts transferred or credited to the fund as provided in this section, and any gifts, grants, contributions, or other moneys received from any public or private source for the purposes of this section.**

**(1) Subject to the exclusions set forth in this section, the Missouri innovation zone public safety fund shall receive fifty percent of the net-new state revenue generated within a certified Missouri innovation zone that would otherwise be deposited into the state general revenue fund.**

**(2) Moneys deposited or transferred to the Missouri innovation zone public safety fund shall be segregated and held separately from general revenue for the purposes of this section.**

**(3) Moneys deposited or transferred to the Missouri innovation zone public safety fund shall be accounted for separately for each certified Missouri innovation zone and by revenue source, including separate accounting for state sales tax and state income tax withholdings revenues. The amount of each such revenue source attributable to each certified Missouri innovation zone shall be certified annually.**

**(4) For purposes of distribution under this subdivision, moneys in the Missouri innovation public safety fund shall be allocated and distributed, subject to appropriation, among certified Missouri innovation zones on a pro rata basis according to each zone's respective share of the aggregate net-new state revenue credited to the fund for such fiscal year.**

**3. (1) This section shall not be construed to authorize the deposit or transfer of any portion of net-new state revenue to the Missouri innovation zone public safety fund to the extent such portion of net-new state revenue is otherwise captured under any other provision of law, including:**

**(a) A district designated as a super tax increment financing district, as defined by the department, whether such a district exists at the time of Missouri innovation zone certification or is created thereafter;**

**(b) A district, redevelopment area, or redevelopment project area designated under the Missouri Downtown Economic Stimulus Authority Act (MODESA), or the downtown revitalization preservation program established under sections 99.1080 to 99.1092, whether such a district exists at the time of Missouri innovation zone certification or is created thereafter;**

**(c) A tourism infrastructure project established under section 99.585;**

**(d) An advanced industrial manufacturing zone established under section 68.075;**

**(e) An entertainment district established under section 67.1505; or**

**(f) Any other district, zone, project, or program that captures any portion of the same net-new state revenue that would otherwise be deposited to the Missouri innovation zone public safety fund under this section.**

**(2) The limitations under subdivision (1) of this subsection shall apply only to the specific portion and source of net-new state revenue that is otherwise captured, retained, credited, deposited, transferred, allocated, appropriated, or distributed under another provision of law. Overlap with an area listed in subdivision (1) of this subsection shall not, by itself, exclude that area of a certified Missouri innovation zone from participation in the Missouri innovation zone public safety fund.**

**(3) Any remaining portion of net-new state revenue not otherwise captured under another provision of law shall be deposited into the Missouri innovation zone public safety fund in accordance with this section.**

**4. (1) Moneys remitted under this section shall be deposited into a dedicated local fund or account established by the participating city for the applicable certified Missouri innovation zone.**

**(2) The executive branch shall have authority to allocate and direct the use of such moneys, subject to the eligible uses set forth in sections 620.6000 to 620.6033 and consistent with the master plan.**

**(3) Moneys remitted under this section shall be used solely for the benefit of the certified Missouri innovation zone from which such revenues were generated.**

**(4) All moneys remitted and expended under this section shall remain subject to generally applicable state and local accounting, auditing, and public finance laws.**

**5. (1) Moneys remitted from the innovation zone public safety fund shall be used for capital or operating expenditures related to public safety and public realm**

**improvements within the certified Missouri innovation zone including, but not limited to:**

**(a) Police services and law enforcement staffing;**

**(b) Lighting, cameras, and surveillance systems;**

**(c) Wayfinding and signage;**

**(d) Sidewalks, streets, crosswalks, and traffic-calming improvements;**

**(e) Landscaping, trees, and plazas;**

**(f) Stabilization, remediation, demolition, or redevelopment preparation of real property;**

**(g) Maintenance or operations directly related to public safety or infrastructure;**

**(h) Other public safety or public infrastructure improvements consistent with the purposes of this section.**

**(2) Of the moneys remitted to the Missouri innovation zone public safety fund under this section, not less than forty percent shall be used for public safety purposes and not less than forty percent shall be used for public infrastructure purposes authorized under this section.**

**(3) Moneys used for police services under this section shall be limited to sworn law enforcement officers or duly authorized law enforcement agencies and shall not include private security or non-law-enforcement personnel acting in a public safety capacity. Moneys remitted under this section shall supplement and not supplant existing public safety funding obligations of the certified Missouri innovation zone.**

**(4) Moneys used for public infrastructure purposes under this section shall be distributed in a reasonably balanced manner throughout the certified Missouri innovation zone and, where consistent with the purposes of this section, in a manner that improves connectivity among blocks, corridors, public spaces, and adjoining areas; promotes walkability and public safety; and supports the creation of a cohesive and vibrant community.**

**6. (1) The department of revenue shall, within one hundred twenty calendar days following the close of each fiscal year, calculate the amount of net-new state revenue attributable to each certified Missouri innovation zone established.**

**(2) Upon such calculation, the state treasurer shall transfer the applicable funds to the innovation zone public safety fund subaccount designated for the participating city. Disbursements from the Missouri innovation zone public safety fund shall be made subject to appropriations.**

**(3) Participating cities shall not be required to submit an application for, subject to appropriations, receipt of funds under this section. Receipt of funds shall occur**

**automatically upon certification and verification of net-new revenues as provided herein.**

**(4) Any funds not expended during a fiscal year shall remain in the segregated account and may be carried forward for use in subsequent fiscal years for authorized purposes.**

**(5) The department may audit expenditures of Missouri innovation zone public safety fund moneys in compliance with this section. Such audit authority shall be limited to verifying that expenditures are for authorized purposes.**

**(6) Funds allocated to a participating city shall not be commingled with the city's general revenue and shall be maintained in a separately accounted fund or subaccount.**

**7. The department shall promulgate all rules necessary to implement this section, provided that such rules are consistent with and reasonably necessary to carry out the purposes, structure, and operative provisions of sections 620.6000 to 620.6033. In promulgating such rules, the department shall consult with the department of revenue to the extent necessary for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.**

**620.6018. 1. This section establishes an employer retention and reinvestment incentive within the Missouri works program under sections 620.2000 to 620.2020, providing withholding benefits to qualified companies that maintain a continued presence in a Missouri innovation zone and reinvest in their operations.**

**2. As used in this section, the following terms mean:**

**(1) "Baseline payroll", the annualized payroll for the project facility base employment or the total amount of taxable wages paid by the qualified company to full-time employees of the qualified company located at the project facility in the twelve months prior to the certification of a Missouri innovation zone. For purposes of calculating the benefits under this program, the amount of base payroll shall increase each year based on an appropriate measure, as determined by the department;**

**(2) "Benefit agreement", an agreement entered into between a qualified company and the department under this section, consistent with the proposal and acceptance process under section 620.2010, that specifies:**

**(a) The amount and duration of the withholding benefit;**

**(b) The method by which the withholding benefit is delivered, whether as a credit or authorized retention of withholdings;**

**(c) The qualifying reinvestment expenditures to be undertaken by the qualified company, demonstrating that the qualifying reinvestment expenditures are new investments that supplement and do not supplant the qualified company's ordinary operating or capital expenditures within the certified Missouri innovation zone;**

**(d) Baseline payroll and maintenance requirements;**

**(e) Reporting, verification, audit, notice, and cure requirements; and**

**(f) Any other terms necessary to carry out the purposes of this section;**

**(3) "Covered employee", a full-time employee as defined in section 620.2005:**

**(a) Whose primary work location is physically located within a certified Missouri innovation zone; and**

**(b) Who performs services in person at such location for not less than thirty-five hours per week on average consistent with the full-time employee definition in section 620.2005, and for whom the qualified company offers health insurance and contributes at least fifty percent of the premium cost as required by section 620.2005;**

**(4) "Good standing", tax compliance and reporting in good standing consistent with section 620.2020, including that the qualified company:**

**(a) Is current in filing all required state tax returns;**

**(b) Has no delinquent tax liability, penalty, or interest outstanding unless such liability is subject to an approved payment agreement and the qualified company is in compliance with such agreement; and**

**(c) Is not subject to any final administrative or judicial order for tax delinquency that remains unsatisfied;**

**(5) "Material reduction of payroll", a reduction of more than five percent in the qualified company's aggregate gross payroll attributable to the originating Missouri location, measured against baseline payroll for such location;**

**(6) "Qualified company", a qualified company as defined in section 620.2005, including the health insurance coverage and tax compliance requirements thereof, and that:**

**(a) Operates or establishes a business location within a certified Missouri innovation zone; and**

**(b) Does not relocate, consolidate, or transfer business operations from another Missouri location into the certified Missouri innovation zone in a manner that results in a material reduction of payroll at the originating Missouri location.**

**A qualified company shall not receive withholding benefits under this section for wages or payroll amounts used to calculate benefits under section 620.6021. The department shall ensure that no payroll is used to generate benefits under both sections;**

**(7) "Qualifying reinvestment expenditures", documented expenditures incurred by a qualified company for capital improvements or other investments at or for the benefit of the certified Missouri innovation zone location including, but not limited to, security and safety improvements such as law enforcement, as defined in section 620.6012; lighting, cameras, and access control; building systems improvements; tenant improvements; public infrastructure improvements; life-safety systems; code compliance; accessibility improvements; or other expenditures approved by the department that are consistent with the purposes of this section, provided that such expenditures supplement and do not supplant ordinary operating expenses, as defined by the previous twelve months of operating expenses;**

**(8) "Retained job", an existing job in the state if the department determines that the existing job could be relocated to another state in the absence of a certified Missouri innovation zone;**

**(9) "Withholding benefit", the state income tax withholdings attributable to covered employees that a qualified company is authorized to retain or receive as a tax credit under a benefit agreement under this section, consistent with the withholding tax retention mechanism under the Missouri works program in section 620.2010.**

**3. A qualified company may, but shall not be required to, apply to enter into a benefit agreement with the department under this section. For all tax years beginning on or after January 1, 2027, a qualified company that enters into a benefit agreement shall receive a withholding benefit attributable to covered employees. The withholding benefit may be delivered either as a withholding tax credit or as authorized retention of state income tax withholdings, as specified in the benefit agreement. The method of delivery shall not affect the amount of the withholding benefit authorized under this section.**

**4. (1) Applications for a benefit agreement may be submitted at any time. The department shall approve or deny any application for a withholding agreement within forty-five calendar days of receipt of a complete application. The department may approve a withholding agreement unless it determines that:**

**(a) The applicant does not meet the eligibility requirements of this section; or**

**(b) The applicant is not in good standing with the department or the department of revenue with respect to tax compliance or reporting obligations.**

**(2) Any denial shall be issued in writing and shall state the specific grounds for denial. Failure of the department to approve or deny an application within forty-five calendar days shall result in deemed approval of the application as submitted.**

**(3) Notwithstanding the provisions of section 32.057 to the contrary, the department of revenue shall disclose to the department such information as is necessary to verify whether an applicant is in good standing with respect to tax compliance and reporting obligations under this section. Any information disclosed pursuant to this subdivision shall remain confidential and shall not be subject to disclosure under chapter 610 and shall not be disclosed in a manner that identifies confidential taxpayer information beyond what is necessary to administer this section.**

**(4) In determining the amount of benefit to a qualified company under this subsection, the department may consider the following factors:**

**(a) The amount of projected net fiscal benefit to the state of the project and the period in which the state would realize such net fiscal benefit;**

**(b) The financial stability and creditworthiness of the qualified company; and**

**(c) The level of economic distress in the area.**

**5. The withholding benefit authorized under this section shall be determined based on the amount of state income tax withholdings attributable to covered employees in new jobs and retained jobs at the certified Missouri innovation zone location, consistent with the withholding tax retention mechanism under section 620.2010; provided, however, that in no event shall the withholding benefit exceed three percent of the aggregate gross wages paid to new and retained jobs at the certified Missouri innovation zone location during a tax year. The withholding benefit may be authorized for a period of not fewer than three years and not to exceed ten years for a qualified company as specified in the benefit agreement. A withholding benefit issued under this section shall be nonrefundable and may be carried forward in accordance with the terms of the benefit agreement.**

**6. A benefit agreement shall provide that the withholding benefit is requested and authorized on a quarterly basis, based on state income tax withholdings attributable to covered employees during the applicable calendar quarter. The department may authorize a benefit agreement to permit requests on a semi-annual basis if determined appropriate based on the size or nature of the qualified company and provided that such authorization does not impact verification or compliance. For purposes of this subsection, the "applicable request period" means the calendar quarter or, if authorized by the department, the semi-annual period specified in the benefit agreement. In no event shall a benefit agreement authorize automatic retention or crediting of**

**withholdings beyond the applicable request period without review and verification as required by this section.**

**7. Any withholding benefit received under this section shall be used solely for qualifying reinvestment expenditures. In no event shall the total amount of withholding benefit received by a qualified company exceed the total amount of qualifying reinvestment expenditures actually incurred and paid under the benefit agreement.**

**8. To receive and retain a withholding benefit under this section, a qualified company shall:**

**(1) Operate within a certified Missouri innovation zone;**

**(2) Demonstrate a commitment to remain at the certified Missouri innovation zone location for not less than five years;**

**(3) Complete qualifying reinvestment expenditures under the benefit agreement;**

**(4) Maintain not less than ninety-five percent of baseline payroll, subject to notice and cure; and**

**(5) Submit any other information reasonably requested by the department.**

**9. (1) A qualified company receiving a withholding benefit shall submit to the department, on a quarterly basis, a certification of:**

**(a) State income tax withholdings attributable to covered employees;**

**(b) Compliance with payroll maintenance requirements; and**

**(c) Qualifying reinvestment expenditures incurred to date.**

**(2) If the department determines that a qualified company is not in compliance, the department shall provide written notice of noncompliance. The qualified company shall have thirty calendar days from receipt of such notice to cure the noncompliance or submit a cure plan acceptable to the department. If the qualified company fails to cure within the applicable period, the benefit agreement shall be suspended or terminated, and any excess withholding benefit shall be subject to recapture as provided in the agreement.**

**10. The department may authorize a benefit agreement for an employer that is newly locating or expanding within a certified Missouri innovation zone, provided that baseline payroll is established under the benefit agreement following a reasonable ramp-up period, not to exceed four consecutive calendar quarters from the commencement of operations or expansion.**

**11. The department may audit qualifying reinvestment expenditures and withholding benefit usage. Any amount determined to have been improperly claimed or retained shall be repaid to the state or offset against future withholding benefits, as provided in the benefit agreement.**

**12. A qualified company may participate in the incentive authorized under this section concurrently with participation in the Missouri one-start program under sections 620.800 to 620.809, or the state economic development programs, provided that each program's statutory requirements are independently satisfied. Participation under this subsection shall not disqualify a qualified company from other incentives, nor shall benefits under this section be aggregated for purposes of determining eligibility or leverage under other programs expressly required by law. The withholding tax credit under the Missouri one start program under sections 620.800 to 620.809 shall be collected and disbursed prior to the collection and disbursement of the withholding benefits under the provisions of this section. In no event shall the same state income tax withholdings, or projected withholdings, be used to calculate, authorize, or support benefits under more than one program referenced in this subsection.**

**13. Tax credits issued under the provisions of this section shall be nonrefundable but may be carried forward for up to five subsequent tax years. No tax credit claimed under this section shall be assigned, transferred, sold, or otherwise conveyed.**

**14. The department, in coordination with the department of revenue, shall promulgate all necessary rules and regulations to administer this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.**

**15. Notwithstanding the sunset and termination provisions under sections 620.2000 to 620.2020, this section shall sunset ten years after the effective date of sections 620.6000 to 620.6033, unless reauthorized by an act of the general assembly. Any benefit agreement entered into under this section prior to the sunset shall continue in full force and effect in accordance with its terms, and the department shall retain authority to administer, enforce, audit, and take action under any such agreement after the expiration of sections 620.6000 to 620.6033.**

**16. Notwithstanding subsections 7 and 8 of section 620.2020 to the contrary, incentives authorized under this section shall be administered and accounted for separately from the annual limitations established under subsections 7 and 8 of section 620.2020, and amounts authorized under this section shall not reduce the availability of amounts otherwise allocable under such subsections.**

**17. Notwithstanding the minimum new job creation requirements otherwise applicable under section 620.2020, a qualified company located within a certified Missouri innovation zone shall be eligible to apply for a benefit agreement under this section if such company employs not fewer than three covered employees at its certified Missouri innovation zone location. The minimum job creation thresholds set forth in section 620.2010 shall not be construed to impose a withholding benefit authorized under this section with respect to retained employees at a certified Missouri innovation zone location.**

**620.6021. 1. This section establishes an employer relocation incentive within the Missouri one-start program under sections 620.800 to 620.809 for eligible qualified companies that create new jobs in a certified Missouri innovation zone.**

**2. As used in this section, the following terms mean:**

**(1) "Eligible qualified company", a business entity that meets the definition of an eligible qualified company under subdivision (16) of section 620.800, except that the exclusions for store-front consumer-based retail trade establishments and food services and drinking places shall not apply to a company located within a certified Missouri innovation zone and otherwise satisfies the requirements of this section, and that:**

**(a) Was not conducting business operations within the state of Missouri and establishes a business location within a certified Missouri innovation zone or is an existing Missouri-based business entity that establishes a new or additional business location within a certified Missouri innovation zone, provided that such eligible qualified company retains at least ninety-five percent of its aggregate gross payroll at its pre-existing Missouri location, as compared to the applicable baseline payroll; and**

**(b) Satisfies all other requirements of this section;**

**(2) "Eligible relocated employee", an individual who:**

**(a) Relocates from a location outside the state of Missouri to accept employment in a new job with an eligible qualified company;**

**(b) Establishes a primary residence within the state of Missouri; and**

**(c) Earns annual wages of at least seventy thousand dollars;**

**(3) "Eligible relocation expenses", includes reasonable and necessary one-time costs incurred in connection with a covered employee's relocation to or within the state of Missouri that are paid directly by the eligible qualified company or reimbursed by the eligible qualified company to the eligible relocated employee, which may include:**

**(a) Moving and transportation expenses for household goods and personal effects;**

**(b) Travel expenses associated with the relocation;**

**(c) Temporary housing expenses incurred during the relocation period; and**

**(d) Relocation-related professional services, as further defined by rule of the department;**

**(4) "Primary residence", a dwelling unit located within the geographic area described in paragraph (b) of subdivision (1) of this subsection that the eligible relocated employee occupies as their principal place of residence for Missouri income tax purposes, whether owned or leased, and that they intend to use as such residence during the period required under this section;**

**(5) "State tax credit", a credit against the tax otherwise due under chapter 143 or 148, and shall not be applied against any tax required to be withheld or remitted by the eligible qualified company under chapter 143.**

**3. An eligible qualified company shall not receive withholding retention benefits under section 620.6018 for wages or payroll amounts used to calculate relocation tax credits under this section. The department shall ensure that no payroll is used to generate benefits under both sections. In addition, no eligible qualified company shall claim a relocation tax credit under this section for the same employee relocation expenses for which it has claimed reimbursement under the Missouri one-start program under sections 620.800 to 620.809. Tax credits claimed under this section shall be applied after withholding tax credits available to the eligible qualified company under section 620.809 have been applied for the same tax year.**

**4. For all tax years beginning on or after January 1, 2027, an eligible qualified company shall be allowed to claim a tax credit against the company's state tax liability in an amount equal to the eligible relocation expenses actually incurred and paid by the company on behalf of an eligible relocated employee during the tax year in which the employee relocated to a certified Missouri innovation zone, not to exceed five thousand dollars per tax year per eligible relocated employee.**

**5. (1) An eligible qualified company applying for a state tax credit under the provisions of this section shall submit an application to the department in such form and manner as prescribed by rule and shall be subject to the application completeness, review, and approval timelines set forth by rule. If the eligible qualified company meets all criteria required under the provisions of this section and section 620.6000, and approval is granted by the department, the department shall issue a tax credit certificate in the appropriate amount.**

**(2) In determining the amount of benefit to an eligible qualified company under this subsection, the department may consider the following factors:**

**(a) The amount of projected net fiscal benefit to the state of the project and the period in which the state would realize such net fiscal benefit;**

**(b) The financial stability and creditworthiness of the qualified company; and**

**(c) The level of economic distress in the area.**

**6. Tax credits issued under the provisions of this section shall be nonrefundable but may be carried forward to subsequent tax years up to five years. No tax credit claimed under this section shall be assigned, transferred, sold, or otherwise conveyed.**

**7. If an eligible relocated employee fails to maintain the primary residence requirement for twelve consecutive months following relocation, any state tax credit attributable to such relocated employee shall be subject to recapture from the eligible qualified company. The amount subject to recapture shall be added to the eligible qualified company's tax liability for the tax year in which the failure occurs and shall be due and payable on the eligible qualified company's next tax return. If no Missouri income tax return is otherwise required to be filed for such tax year, the department of revenue may assess and collect such amount in the same manner as any other tax due under chapter 143 or 148. The recapture mechanism in this subsection governs the recovery of tax credits issued under this section and operates independently of the department's repayment authority under section 620.803; nothing in this subsection shall be construed to limit or supersede any separate repayment obligation arising under section 620.803 with respect to other benefits received under the Missouri one-start program.**

**8. The department of economic development, in coordination with the department of revenue, shall promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.**

**9. Notwithstanding the sunset and termination provisions applicable under sections 620.800 to 620.809 to the contrary, this section shall sunset ten years after the effective date of sections 620.6000 to 620.6033, unless reauthorized by an act of the general assembly. Any agreement entered into under this section prior to the sunset shall continue in full force and effect in accordance with its terms, and the department shall retain authority to administer, enforce, audit, and take action under any such agreement after the expiration of this section.**

**10. The incentives authorized under this section shall be administered and accounted for separately from any credit or withholding limitation applicable to the**

**Missouri one-start program under sections 620.800 to 620.809, and amounts authorized under this section shall not reduce the availability of funds otherwise allocable under sections 620.800 to 620.809.**

**11. Notwithstanding any minimum new job creation requirements otherwise applicable under the Missouri one-start program under sections 620.800 to 620.809, or any department guidelines or rules promulgated thereunder, an eligible qualified company located within a certified Missouri innovation zone shall be eligible for a relocation tax credit under this section if such company employs, or commits to employing within twelve months of the date on which the first relocation tax credit is claimed under this section, not fewer than three eligible relocated employees or new jobs at its certified Missouri innovation zone location.**

**620.6024. 1. This section establishes an office-to-residential conversion incentive.**

**2. As used in this section, the following terms mean:**

**(1) "Qualified conversion expenditures", any amount properly chargeable to a capital account for federal income tax purposes that is incurred in connection with the conversion of a qualified converted building, consistent with the definition of "qualified rehabilitation expenditures" under 26 U.S.C. Section 47 and applicable United States Treasury regulations, as in effect on January 1, 2027, and shall include only costs incurred for rehabilitation, reconstruction, or adaptive reuse of an existing structure. The term "qualified conversion expenditures" shall not include:**

**(a) The cost of acquisition;**

**(b) Any expenditure attributable to the enlargement of an existing building; or**

**(c) Tax-exempt properties;**

**(2) "Qualified converted building", any building and its structural components if:**

**(a) Prior to conversion, such building was nonresidential real property, as defined in 26 U.S.C. Section 168(e)(2)(B), as amended, that was leased, or available for lease, to office tenants, or utilized for office purposes by the owner-occupant;**

**(b) Such building has been substantially converted from an office use to a predominantly residential use, defined as more than fifty percent of the gross square footage of the building, and may also include retail, or other commercial use, and may also include accessory on-site or required off-site parking; and**

**(c) Such building was initially placed in service at least twenty-five years before the beginning of the conversion;**

**(3) "State tax liability", any liability incurred by a taxpayer pursuant to chapter 143, chapter 144, or chapter 148, exclusive of the provisions relating to the withholding of taxes provided for in sections 143.191 to 143.265 and related provisions;**

**(4) "Substantially converted", qualified conversion expenditures incurred during the twenty-four-month period preceding final approval of tax credits that in total are greater than the higher of either:**

**(a) The adjusted basis of such building and its structural components, as determined as of the beginning of the first day of such twenty-four-month period, or of the holding period of the building, whichever is later; or**

**(b) Fifteen thousand dollars if the property is located in a qualified Missouri main street district, or five hundred thousand dollars if the property is not located in a qualified Missouri main street district. In the case of any conversion that may reasonably be expected to be completed in phases set forth in architectural plans and specifications completed before the conversion begins, qualified conversion expenditures shall be totaled for the sixty-month period preceding final approval of tax credits rather than the twenty-four-month period preceding such final approval;**

**(5) "Tax credit", the office-to-residential conversion tax credit authorized by this section, which may be applied, at the election of the taxpayer, against:**

**(a) The taxpayer's liability under chapter 143, excluding any tax required to be withheld or remitted on behalf of another person under chapter 143 or 148; or**

**(b) The taxpayer's liability for state sales and use taxes under chapter 144; provided, however, that notwithstanding any provision of this section to the contrary, the tax credits authorized under this section may be applied against state sales and use tax liability under chapter 144 only for any tax year in which the top rate of tax imposed pursuant to section 143.011 is equal to or less than two and one half percent;**

**(6) "Taxpayer", any individual or entity subject to tax under chapter 143, chapter 144, or chapter 148 and eligible to claim a tax credit under this section. The term shall not include any organization exempt from taxation under section 501(c) of the Internal Revenue Code unless such organization has unrelated business taxable income subject to tax under chapter 143 or 148;**

**(7) "Upper-floor housing", any housing that is attached to or contained in the same building as commercial property, whether located on the ground floor behind the traditional storefront or on other floors of the building.**

**3. (1) For all tax years beginning on or after January 1, 2027, the department shall issue a taxpayer a tax credit of up to twenty-five percent of qualified conversion expenditures incurred on or after January 1, 2027, with respect to a qualified converted building or upper-floor housing located either:**

**(a) Within a certified Missouri innovation zone; or**

**(b) Within a qualified Missouri main street district that is not located within a certified Missouri innovation zone, provided that the city in which such main street district is located has established a certified Missouri innovation zone under sections 620.6000 to 620.6033.**

**(2) A project qualifying under paragraph (b) of subdivision (1) of this subsection shall not be deemed to be located within a Missouri innovation zone and shall not be eligible for, or subject to, any other incentive, governance structure, reinvestment mechanism, overlay designation, or program authorized exclusively for certified Missouri innovation zones under sections 620.6000 to 620.6033.**

**(3) If the amount of such tax credit exceeds the taxpayer's state tax liability for the year in which tax credits are issued, the amount that exceeds the state tax liability may be carried forward for credit against state tax liability for the succeeding ten tax years, or until the full credit is used, whichever occurs first.**

**(4) Tax credits authorized under this section may be transferred, sold, or assigned, and shall retain the same attributes as in the hands of the assignor. Tax credits may be transferred multiple times. In order to transfer a tax credit authorized under this section, the assignor and assignee shall complete and submit a tax credit transfer form provided by the department of revenue. Such transfers may be facilitated through an intermediary entity as permitted by law without affecting the nature or attributes of the tax credit.**

**(5) Tax credits authorized for a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners respectively pro rata, or under an executed agreement among the partners, members, or owners documenting an alternate distribution method.**

**(6) The assignee of a tax credit may use the acquired tax credits to offset up to one hundred percent of the taxpayer's state tax liability. The assignor shall perfect such transfer by notifying the department in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may reasonably be required by the department.**

**(7) A taxpayer shall not receive a tax credit pursuant to this subsection and subsection 4 of this section for the same qualified conversion expenditures.**

**(8) Nothing in this section shall be construed to permit a taxpayer to reduce, offset, or eliminate any tax liability by an amount greater than the amount of tax credit properly issued, transferred, or otherwise allowed to such taxpayer under this section.**

**4. (1) For all tax years beginning on or after January 1, 2027, the department shall issue a taxpayer a tax credit of up to thirty percent of qualified conversion**

**expenditures incurred on or after January 1, 2027, with respect to upper-floor housing located in a qualified Missouri main street district. If the amount of such tax credit exceeds the taxpayer's state tax liability for the year in which tax credits are issued, the amount that exceeds the state tax liability may be carried forward for credit against state tax liability for the succeeding ten tax years, or until the full credit is used, whichever occurs first.**

**(2) Tax credits authorized under this section may be transferred, sold, or assigned, and shall retain the same attributes as in the hands of the assignor. Tax credits may be transferred multiple times. In order to transfer a tax credit authorized under this section, the assignor and assignee shall complete and submit a tax credit transfer form provided by the department of revenue. Such transfers may be facilitated through an intermediary entity as permitted by law without affecting the nature or attributes of the tax credit.**

**(3) Tax credits authorized for a partnership, a limited liability company taxed as a partnership, or multiple owners of property shall be passed through to the partners, members, or owners respectively pro rata, or under an executed agreement among the partners, members, or owners documenting an alternate distribution method.**

**(4) The assignee of a tax credit may use the acquired tax credits to offset up to one hundred percent of the taxpayer's state tax liability. The assignor shall perfect such transfer by notifying the department in writing within thirty calendar days following the effective date of the transfer and shall provide any information as may be required by the department.**

**(5) A taxpayer shall not receive a tax credit pursuant to this subsection and subsection 3 of this section for the same qualified conversion expenditures.**

**(6) Nothing in this section shall be construed to permit a taxpayer to reduce, offset, or eliminate any tax liability by an amount greater than the amount of tax credit properly issued, transferred, or otherwise allowed to such taxpayer under this section.**

**5. (1) The tax credits authorized under this section shall constitute a single tax credit program. Qualified conversion expenditures with respect to any building, project, or portion thereof may be used to claim a tax credit under only one subdivision or subsection of this section, and in no event shall the same qualified conversion expenditures be counted, allocated, transferred, sold, assigned, or otherwise used more than once for purposes of claiming or supporting a tax credit under this section. A taxpayer shall not receive both the credit authorized for a qualified converted building or upper-floor housing under subsection 3 of this section and the credit authorized for upper-floor housing under subsection 4 of this section with respect to the same qualified conversion expenditures, building, project, or portion thereof. If a project could qualify**

**under more than one provision of this section, the taxpayer may elect only one such provision with respect to the same qualified conversion expenditures.**

**(2) The total amount of tax credits authorized under this section shall not exceed fifty million dollars in any fiscal year.**

**(3) Fifty percent of the maximum amount of tax credits available to be authorized to taxpayers in a fiscal year under this subsection shall be authorized solely for structures of more than seven hundred fifty thousand gross square feet. If the total amount of such reserved tax credits has been authorized, structures of more than seven hundred fifty thousand gross square feet may receive tax credits from the remaining unreserved amount of tax credits. If the total amount of reserved tax credits has not been authorized by the department, structures of less than seven hundred fifty thousand gross square feet may be authorized to receive tax credits from such reserved amount. The total amount of tax credits for a structure of more than seven hundred fifty thousand gross square feet may be allocated to the annual limits provided in this section over a period of up to ten years if:**

**(a) The project otherwise meets all the requirements of this section and section 620.6000; and**

**(b) The project meets the ten percent incurred costs test under this section within thirty-six months after an award is authorized.**

**(4) Nothing in this subsection shall be construed to require allocation over multiple tax years where sufficient annual capacity exists.**

**(5) Twenty-five percent of the maximum amount of tax credits available to be authorized to taxpayers in a fiscal year under this subsection shall be authorized solely for upper-floor housing projects located in a qualified Missouri main street district. If the total amount of such reserved tax credits has been authorized, upper-floor housing projects located in a qualified Missouri main street district may receive tax credits from the remaining unreserved amount of tax credits. If the total amount of reserved tax credits has not been authorized by the department, projects not located in a qualified Missouri main street district may be authorized tax credits from such reserved amount.**

**6. In the event the department authorizes tax credits equal to the total amount available under this section, or sufficient that when totaled with all other approvals, the amount available under this section is exhausted, all taxpayers with applications then awaiting approval or thereafter submitted for approval shall be notified by the department that no additional approvals shall be granted during the fiscal year and shall be notified of the priority given to such taxpayer's application then awaiting approval. Such applications shall be kept on file by the department and shall be considered for approval for tax credits in the order established in this section in the**

**event that additional tax credits become available due to the rescission of approvals, or when a new fiscal year's allocation of tax credits becomes available for approval.**

**7. (1) To obtain approval for tax credits under this section, a taxpayer shall submit to the department for preliminary approval an application for tax credits authorization to the department. The department shall have forty-five calendar days to review the application and shall notify the applicant in writing within forty-five calendar days of the decision of whether the application has been authorized for tax credits. Each application for approval, including any applications received for supplemental allocations of tax credits, as provided under this section, shall be authorized for tax credits in the order of submission.**

**(2) Each application shall be reviewed by the department for approval. In order to receive approval, an application shall include:**

**(a) Proof of ownership or site control, which shall include evidence that the taxpayer is the fee simple owner of the eligible property, such as a warranty deed or a closing statement. Proof of site control may be evidenced by a leasehold interest or an option to acquire such an interest. If the taxpayer is in the process of acquiring fee simple ownership, proof of site control shall include an executed sales contract or an executed option to purchase the eligible property;**

**(b) Floor plans of the existing structure, architectural plans and, where applicable, plans of the proposed conversion of the structure, as well as proposed additions;**

**(c) The estimated cost of conversion, the anticipated total costs of the project, the estimated qualified conversion expenditures, the actual basis of the property, as shown by proof of actual acquisition costs, the anticipated total labor costs, the estimated project start date, and the estimated project completion date;**

**(d) Proof that the property is an eligible property;**

**(e) A copy of all land use and building approvals reasonably necessary for the commencement of the project; and**

**(f) Any other information that the department may reasonably require to review the project for approval to determine compliance with the requirements of this section.**

**8. Only the property for which a property address is provided in the application shall be reviewed for approval. Once selected for review, a taxpayer shall not be permitted to request the review of another property for approval in the place of the property contained in such application. The department shall notify the applicant of incomplete applications and the applicant shall have a thirty-day period from the date of such notice to submit missing information or documentation to remedy the failure. Any application that is not complete after this opportunity to cure shall be disapproved**

**by the department. Any disapproved application shall be removed from the review process. If an application is removed from the review process, the department shall notify the taxpayer in writing of the decision to remove such application. The taxpayer may subsequently submit a revised application. For the purposes of determining the order of submission and authorization of credits, the revised application shall be considered a new application.**

**9. The department shall use the innovation zone master scorecard under sections 620.6000 to 620.6033 to determine the credit amount.**

**10. If the department determines that the application meets the requirements of this section and section 620.6003 to receive an authorization of tax credits, the taxpayer shall be notified in writing within forty-five days of the approval for an amount of tax credits equal to the amounts provided in this section, subject to the provisions of section 620.6003, unless approval of such credits would cause the total aggregate amount of tax credits approved under this section for all projects in the applicable tax year to exceed the annual limitation established herein. Tax credits approved under this section shall be approved and administered independently of any other state tax credit program and shall not be aggregated or evaluated in combination with other state tax credits for purposes of determining eligibility, scoring, leverage ratios, or maximum award limitations under such other programs. Such approvals shall be granted to applications in the order of priority established under this section and shall require full compliance thereafter with all other requirements of law as a condition to any claim for such tax credits.**

**11. Following approval of an application, the identity of the taxpayer contained in such application shall not be modified except:**

**(1) The taxpayer may add partners, members, or shareholders as part of the ownership structure, so long as the principal remains the same; provided, however, that subsequent to the commencement of renovation and the expenditure of at least ten percent of the proposed rehabilitation budget, removal of the principal for failure to perform duties and the appointment of a new principal thereafter shall not constitute a change of the principal; or**

**(2) Where the ownership of the project is changed due to a foreclosure, deed in lieu of a foreclosure or voluntary conveyance, to avoid foreclosure, or a transfer in bankruptcy.**

**12. Upon approval of a tax credit application, a taxpayer shall:**

**(1) Submit within one hundred twenty days from the date of the award of such credits, evidence of the capacity of the applicant to finance the costs and expenses for the conversion of the eligible property in the form of a line of credit or letter of commitment**

**subject to the lender's termination for a material adverse change impacting the extension of credit. If the department determines that a taxpayer has failed to comply with the requirements of this subdivision, the department shall notify the applicant of such failure and the applicant shall have a thirty-day period from the date of such notice to submit additional evidence to remedy the failure; and**

**(2) Commence conversion within twelve months of the date of issuance of the letter from the department granting the approval for tax credits. For the purposes of this subsection, "commence conversion" shall mean that, as of the date in which actual physical work, contemplated by the architectural plans submitted with the application, has begun, the taxpayer has incurred no less than ten percent of the estimated qualified conversion expenditures provided in the application. Taxpayers with approval of a project shall submit evidence of compliance with the provisions of this subsection. If the department determines that a taxpayer has failed to comply with the requirements of this subdivision, the department shall provide the taxpayer written notice of noncompliance. The taxpayer shall have thirty calendar days from receipt of such notice to respond in writing to the department and demonstrate that conversion has commenced, substantial steps toward commencement have been taken, or good cause exists for the delay. Upon a showing of good cause, including delays beyond the taxpayer's reasonable control, the department shall grant a cure period of not less than ninety calendar days to allow commencement of conversion. Tax credits approved under this section shall be rescinded only if the taxpayer fails to commence conversion within the applicable cure period following written notice and opportunity to cure. Rescinded tax credits shall be included in the total amount of tax credits from which approvals may be granted. In such a case, the applicant may submit a new application for the project.**

**13. To claim a tax credit authorized under this section, a taxpayer with approval shall apply for final approval and issuance of tax credits from the department, which shall determine the final amount of qualified conversion expenditures and whether the project meets the requirements of this section. A taxpayer shall submit to the department a final application demonstrating:**

**(1) That the taxpayer has substantially converted a qualified converted building or upper-floor housing;**

**(2) Satisfactory evidence of any qualified conversion expenditures for the structure, as determined by the department; and**

**(3) Any other information reasonably requested by the department to verify qualified conversion expenditures or compliance with the requirements of this section or section 620.6000.**

**14. Tax credits authorized under this section shall be deemed to be redevelopment tax credits for the purposes of sections 135.800 to 135.830. The approval of all applications and the issuing of certificates of tax credits to taxpayers shall be performed by the department. The department shall inform a taxpayer of final approval by letter and shall issue to the taxpayer tax credit certificates. The taxpayer shall attach the certificate to all Missouri tax returns on which the credit is claimed.**

**15. (1) The department shall issue seventy-five percent of the approved tax credits under this section within forty-five calendar days of receiving all required final application materials. Within ninety calendar days of receiving all required final application materials, the department shall make a final determination of qualified conversion expenditures and issue the remaining twenty-five percent of approved tax credits, or request repayment from the applicant if the final determination results in an over-issuance of tax credits. In the event the amount of qualified conversion expenditures incurred by a taxpayer would result in the issuance of an amount of tax credits in excess of the amount authorized under this section, such taxpayer may apply to the department for issuance of tax credits in an amount equal to such excess. Applications for issuance of tax credits in excess of the amount provided under a taxpayer's authorization shall be made on a form prescribed by the department. Such applications shall be subject to all provisions regarding priority provided under this section.**

**(2) For tax credits authorized under this section, the applicant may submit to the department an application for the issuance of tax credits annually prior to final completion of the project. Upon approval of the annual application for issuance, the department shall issue eighty percent of the amount of tax credits that would result from the qualified conversion expenditures, provided the total amount of credits issued to date does not exceed the total amount of credits authorized for the project to date. Any remaining authorized tax credits shall be issued upon the final approval of the project. The department shall issue eighty percent of the approved credits within forty-five calendar days of receiving all required application materials. Within ninety calendar days of receiving all required application materials, the department shall make a final determination of qualified conversion expenditures and issue any remaining authorized tax credits upon the final completion of the phased project, or request repayment if an over-issuance of credits is determined.**

**16. No taxpayer shall be issued tax credits for qualified conversion expenditures on a qualified converted building within twenty-seven years of a previous issuance of tax credits under this section on such qualified converted buildings.**

**17. A taxpayer may be authorized and issued tax credits under this section in addition to tax credits authorized and issued under sections 253.544 to 253.559 for the same building.**

**18. The department of economic development, in coordination with the department of revenue, shall promulgate all necessary rules and regulations to administer the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.**

**19. The provisions of this section shall not be construed to limit or in any way impair:**

**(1) A taxpayer's ability to complete a project and be issued tax credits under this section for any project for which the taxpayer has received an authorization of tax credits under this section from the department on or before the date this section expires;**

**(2) The department's ability to issue and the department of revenue's ability to redeem tax credits authorized by the department on or before the date the program authorized under this section expires, or a taxpayer's ability to redeem such credits.**

**620.6027. 1. This section establishes the "Missouri Opportunity Zone" program as an overlay within the certified Missouri innovation zone, designed to encourage long-term private investment by allowing the payment deferral of Missouri income tax liabilities when such amounts are reinvested in qualifying property or businesses located within such zones.**

**2. For purposes of this section, the following terms mean:**

**(1) "Equity investment", an ownership interest in an operating business or investment property, whether held directly or indirectly, including as a general partner, limited partner, member, or shareholder, that is subject to the risks of the enterprise and does not constitute indebtedness;**

**(2) "Inclusion event", any event that terminates or partially terminates deferral under this section, as set forth in subsection 5 of this section;**

**(3) "Investment property", real property located within a Missouri opportunity zone that is acquired, held, or improved for purposes of commercial, residential, or mixed-use investment, whether or not such property is income-producing or cash-flowing at the time of acquisition, and that is not treated as an operating business for**

**purposes of this section. Investment property shall qualify only if such property is placed into active commercial, residential, or mixed-use operation within thirty months of acquisition or the initial qualified Missouri opportunity zone investment, whichever is later, and is not held through a shell entity or other arrangement lacking bona fide active operation, redevelopment, or productive use;**

**(4) "Missouri income tax liability", the taxpayer's net Missouri individual income tax liability for the taxable year imposed directly by section 143.011 or 143.041 after application of all credits except for reduction by withholding, estimated payments, or other remittances;**

**(5) "Missouri opportunity zone", any certified Missouri innovation zone under sections 620.6000 to 620.6033;**

**(6) "Operating business", a trade or business that:**

**(a) Is located within a Missouri opportunity zone; and**

**(b) Either:**

**a. Conducts active trade or business operations within such Missouri opportunity zone and derives not less than fifty percent of its gross revenue from activities conducted within such zone; or**

**b. Has adopted a written business plan to commence such active trade or business operations within twenty-four months of receiving a qualified Missouri opportunity zone investment and is actively deploying capital toward that purpose in a manner consistent with such plan.**

**For purposes of this section an operating business includes the production of income through the provision of goods or services, employment or personnel, or leasing of space as part of an active commercial enterprise, but shall not include a passive investment vehicle, holding company, or shell entity formed for the purpose of tax deferral without meaningful economic activity;**

**(7) "Qualified Missouri opportunity zone fund", an entity organized for the purpose of investing in one or more qualified Missouri opportunity zone investments, ninety percent of the assets of which consist of such investments, as measured on the last day of the first six-month period of the fund's tax year and the last day of the fund's tax year, and that is certified or otherwise approved by the department in accordance with rules promulgated under this section;**

**(8) "Qualified Missouri opportunity zone investment", an equity investment made by a taxpayer in:**

**(a) Investment property located within a Missouri opportunity zone; or**

**(b) An operating business located within a Missouri opportunity zone;**

**(9) "Taxpayer", a person subject to Missouri income tax under chapter 143, including income reported on a pass-through basis by an owner, partner, or member of a partnership, limited liability company, or S corporation. The term "taxpayer" shall not include any entity subject to Missouri corporate income tax, including any C corporation.**

**3. (1) A taxpayer may elect to defer payment of Missouri income tax liability for a tax year if the amount of such Missouri income tax liability is invested, in the manner prescribed by this section, in:**

**(a) A qualified Missouri opportunity zone investment; or**

**(b) A qualified Missouri opportunity zone fund that invests in one or more qualified Missouri opportunity zone investments.**

**(2) The deferral authorized by this subsection shall apply solely to Missouri income tax liabilities as defined in this section.**

**(3) Eligibility under this section shall not be conditioned on the residency of the taxpayer, provided that the deferral authorized by this section shall apply only for tax years in which the taxpayer remains subject to Missouri income tax under chapter 143.**

**(4) The election to defer payment of Missouri income tax liability under this section may be made with respect to all or any portion of a taxpayer's Missouri income tax liability for a tax year, in the manner prescribed by the department of revenue.**

**4. To defer Missouri income tax liability of a tax year under this section, a taxpayer shall, by the due date of the taxpayer's individual income tax return for that tax year, without regard to extensions, both file the election to defer Missouri income tax liability in the manner prescribed by the department of revenue and make the qualified Missouri opportunity zone investment.**

**5. The deferral of payment of Missouri income tax liability under this section shall continue until the earliest occurrence of an inclusion event, including:**

**(1) The sale, exchange, or other disposition of the qualified Missouri opportunity zone investment;**

**(2) When the investment ceases to qualify as a qualified Missouri opportunity zone investment;**

**(3) Ten years from the date of the qualified Missouri opportunity zone investment;**

**(4) In the case of an operating business, the failure to commence active trade or business operations, including employment of personnel or generation of revenue from goods or services within the zone, within twenty-four months of the initial qualified Missouri opportunity zone investment, as determined by the department; or**

**(5) (a) In the case of investment property, failure to satisfy the requirements of paragraph (b) of this subdivision.**

**(b) A qualified Missouri opportunity zone investment in investment property shall continue to qualify for deferral under this section so long as one or more of the following conditions is satisfied:**

**a. The investment property is placed into active commercial or residential use, including leasing, occupancy, or other income-producing operation, within thirty months following the initial qualified Missouri opportunity zone investment; or**

**b. Within thirty months of the date of the initial qualified Missouri opportunity zone investment in the investment property, the taxpayer, either directly or through one or more affiliated entities, invests an amount equal to or greater than the adjusted basis of the property, excluding land, in improvements that materially enhance the value, utility, or productive use of the property. For purposes of this subparagraph, the required investment amount may be satisfied through any combination of capital contributions, including amounts attributable to Missouri income tax liability for which payment is deferred under this section and other cash or equity contributions invested in the property. Debt financing shall not be treated as an equity investment for purposes of satisfying this test.**

**(6) In the case of a qualified Missouri opportunity zone investment, if such operating business or investment property generates net income attributable to the investment during any tax year prior to the expiration of the deferral period, the amount of Missouri income tax liability for which payment was previously deferred under this section shall be included in Missouri income tax for such tax year in an amount equal to four and seven-tenths percent of the taxpayer's share of the net income so generated, and shall be due and payable with the return for such tax year or, if no return is required for the tax year, shall be due and payable on the fifteenth day of the fourth month following the close of the taxpayer's tax year. Any remaining deferred amount shall continue to be deferred in accordance with this section.**

**6. If a qualified Missouri opportunity zone fund holds a qualified Missouri opportunity zone investment and an inclusion event occurs with respect to such investment, the inclusion event shall flow through to, and be recognized by, each taxpayer holding a direct or indirect investment. Each such taxpayer shall recognize such inclusion event pro rata in proportion to such taxpayer's allocable share of the investment, as applicable and in accordance with this section. Any Missouri income tax liability arising from such inclusion event shall be determined, reported, and paid by each such taxpayer in accordance with this section.**

**7. Eligibility for, or participation in, any federal opportunity zone program shall not be required to qualify for benefits under this section, nor shall federal designation be construed to limit or expand eligibility under Missouri law.**

**8. No Missouri income tax liability payment shall be deferred, excluded, or otherwise reduced under this section more than once, nor shall any taxpayer structure transactions with affiliated entities for the primary purpose of duplicating or extending deferral benefits.**

**9. Notwithstanding the repeal, expiration, or nonrenewal of this section, any taxpayer that has made a qualified Missouri opportunity zone investment prior to such repeal, expiration, or nonrenewal shall remain eligible for the deferral benefits provided under this section with respect to such investment, subject to the terms and conditions in effect at the time the investment was made. Notwithstanding any provision of law to the contrary, within three years of the date that all or part of the Missouri income tax liability deferred under this section is required to be paid as a result of an inclusion event or other cause under this section, the department of revenue may issue a notice of deficiency for, and assess or reassess, such tax, along with any applicable interest, additions to tax, and penalties. Nothing in the preceding sentence shall be construed to shorten any limitations period applicable under other provisions of law.**

**10. The department of revenue, in consultation with the department of economic development, shall administer this section and may require reasonable documentation to verify:**

**(1) The amount of Missouri income tax liability payment deferred;**

**(2) The nature and location of the qualified Missouri opportunity zone investment; and**

**(3) Compliance with the investment timing, active use, capital deployment, holding period, and inclusion-event requirements of this section.**

**11. (1) Any taxpayer claiming a deferral of payment of Missouri income tax liability under this section shall report such deferral on the taxpayer's Missouri income tax return for the taxable year in which the tax would otherwise be due and for each taxable year thereafter during which such tax payment remains deferred.**

**(2) The department shall prescribe the form and manner of reporting required under this section, including a form on which the taxpayer shall identify:**

**(a) The amount of Missouri income tax liability for which deferral is claimed;**

**(b) The taxable year to which such tax liability relates;**

**(c) The date of such contribution; and**

**(d) Such other information as is reasonably necessary to verify the taxpayer's eligibility for the deferral.**

**(3) As a condition of claiming or maintaining a deferral under this section, the taxpayer shall attach to the taxpayer's Missouri income tax return the form prescribed by the department, together with a certification executed by an independent certified public accountant stating that the amount of Missouri income tax liability for which deferral is claimed has been invested in a qualified investment in accordance with this section.**

**(4) The department may require the taxpayer to provide documentation reasonably necessary to verify compliance with this section, including documentation evidencing the qualified investment and continued eligibility for deferral.**

**(5) If the taxpayer fails to timely file the form or certification required under this section, or if the department determines that the taxpayer is not eligible for the claimed deferral, the deferred Missouri income tax liability shall be paid by the original individual income tax payment deadline for the taxable year as to which such failure or determination applies, together with any interest, penalties, or additions otherwise provided by law.**

**12. The department shall promulgate rules with respect to the certification, approval, and other requirements of a qualified Missouri opportunity zone fund. The department of revenue shall promulgate rules to otherwise implement this section. Such rules shall be consistent with and reasonably necessary to carry out the purposes, structure, and operative provisions of this section, including the encouragement of long-term, productive investment within Missouri opportunity zones and the prevention of tax deferral without meaningful economic activity. Rules promulgated under this subsection shall not expand or restrict eligibility, alter the nature of qualifying investments, or modify the deferral or inclusion mechanics established by this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be invalid and void.**

**620.6030. 1. This section and section 620.6033 establishe an angel investment incentive.**

**2. As used in this section and section 620.6033, the following terms mean:**

**(1) "Cash investment", any moneys or money-equivalent contribution in consideration of qualified securities;**

**(2) "Designated geographic regions", the following five regions:**

**(a) Region 1: Counties of Andrew, Bates, Benton, Buchanan, Cass, Clay, Clinton, DeKalb, Gentry, Henry, Holt, Jackson, Johnson, Lafayette, Platte, Ray, and Worth, excluding areas within innovation zones located in such counties;**

**(b) Region 2: Counties of Franklin, Jefferson, Lincoln, St. Charles, Warren, and St. Louis, and the City of St. Louis, excluding areas within innovation zones located in such counties and cities;**

**(c) Region 3: Counties geographically north of the Missouri River, excluding any counties in region 1 or region 2, and excluding areas within innovation zones located in such counties;**

**(d) Region 4: Counties geographically south of the Missouri River, excluding any counties in region 1 or region 2, and excluding areas within innovation zones located in such counties;**

**(e) Innovation zones: areas that have been approved as a certified Missouri innovation zone;**

**(3) "Investor", one of the following persons or entities:**

**(a) A natural person who is an accredited investor as defined under 17 CFR 230.501(a)(5) or 230.501(a)(6), as in effect on July 24, 2013;**

**(b) A permitted entity investor who is an accredited investor as defined under 17 CFR 230.501(a)(8) as in effect on July 24, 2013; or**

**(c) A natural person or permitted entity investor making an investment who qualifies under the federal Jumpstart Our Business Startups (JOBS) Act, Pub. L. 112-106, as in effect on April 5, 2012.**

**The term "investor" shall not include any person who serves as an executive, officer, or employee of the business in which an otherwise qualified cash investment is made, and such person shall not qualify for the issuance of tax credits for such investment. However, an investor who serves solely as a director may qualify for the issuance of tax credits;**

**(4) "MTC", the Missouri technology corporation established under section 348.251;**

**(5) "Owner", any natural person who is, directly or indirectly, a partner, stockholder, or member in a permitted entity investor;**

**(6) "Permitted entity investor", any general partnership; limited partnership; corporation that has in effect a valid election to be taxed as an S corporation under the Internal Revenue Code of 1986, as amended; revocable living trust; nonprofit corporation; or limited liability company that has elected to be taxed as a**

**partnership under the Internal Revenue Code of 1986, as amended, and that was established and is operated for the purpose of making investments in other entities;**

**(7) "Qualified knowledge-based company", a company engaged in the research, development, implementation, and commercialization of innovative technologies, products, and services for use in the commercial marketplace;**

**(8) "Qualified Missouri business", a Missouri business that is approved as a qualified knowledge-based company by the MTC and meets at least one of the following criteria:**

**(a) Any partnership, association, limited liability company, or corporation domiciled in Missouri; or**

**(b) Any limited liability company or corporation that is domiciled outside the state of Missouri but has its business operations located primarily in Missouri or does substantially all of such business's production in Missouri;**

**(9) "Qualified securities", a cash investment through any form or combination of forms of financial assistance as provided under this subdivision. Such forms of financial assistance include, but are not limited to:**

**(a) Any form of equity, such as:**

**a. A general or limited partnership interest;**

**b. Common stock;**

**c. Simple agreement for future equity (SAFE); or**

**d. Preferred stock, without regard to voting rights or seniority position and regardless of whether convertible into common stock; and**

**(b) Any debt instrument subordinate to the general creditors of the qualified Missouri business debtor that requires no payment from the qualified Missouri business debtor and that shall convert to some form of equity prior to, or in conjunction with, the qualified Missouri business raising any additional funds;**

**(10) "Rural county", any county in the state of Missouri with fewer than one hundred thousand inhabitants, and such term shall be deemed to include both the farm and nonfarm population thereof. The number of inhabitants specified in this subdivision shall be increased by six percent every ten years after each decennial census beginning in 2030;**

**(11) "Tax credit", a credit against the tax otherwise due under chapter 143, excluding withholding tax imposed by sections 143.191 to 143.265.**

**3. (1) For all tax years beginning on or after January 1, 2027, a tax credit shall be allowed for an investor's cash investment in the qualified securities of a qualified Missouri business. The credit shall be in a total amount equal to forty percent of such investor's cash investment in any qualified Missouri business, subject to the limitations**

**set forth in this subsection. The credit shall be in a total amount equal to fifty percent where the investor's cash investment in the qualified securities of a qualified Missouri business are in a rural county. The credit shall be in a total amount equal to sixty percent where the investor's cash investment in the qualified securities of a qualified Missouri business are in a certified Missouri innovation zone. If the amount of the credit allowed by this section exceeds the investor's tax liability in any one tax year, the remaining portion of the credit may be carried forward two years or until the total amount of the credit is used, whichever occurs first. If the investor is a permitted entity investor, the credit provided by this section shall be claimed by the permitted entity investor in proportion to such owner's equity investment in the permitted entity investor.**

**(2) A cash investment in a qualified security shall be deemed to have been made on the date of acquisition of the qualified security, as such date is determined in accordance with the provisions of the Internal Revenue Code of 1986, as amended.**

**(3) The department and the MTC shall not allow tax credits of more than seventy-five thousand dollars for a single qualified Missouri business per investor who is a natural person or a permitted entity investor and shall not allow a total of three hundred thousand dollars in tax credits for a single tax year per investor who is a natural person or a permitted entity investor. The total amount of tax credits that may be allowed under this section shall not exceed six million dollars during either calendar year 2027 or 2028. Beginning in calendar year 2029, the total amount of tax credits allowed under this section shall not exceed seven million dollars, so long as the total amount of tax credits allowed in the immediately preceding calendar year was issued during such calendar year. Beginning in the calendar year following the calendar year in which the total seven million dollars in tax credits was issued, the total amount of tax credits shall be increased to eight million dollars so long as the total amount of tax credits allowed in the immediately preceding calendar year was completely issued.**

**(4) At the beginning of each calendar year, the MTC shall equally designate the total amount of tax credits available during the first six months of that calendar year to each designated geographic region. As soon as practicable at the end of the first six months of that calendar year, the MTC shall prepare and issue a report to the director of the department designating all tax credit awards for that year to date, so that the department may issue such tax credits in accordance with the provisions of this section and section 620.3033.**

**(5) During the last six months of the calendar year, any unissued tax credits previously allocated to any designated geographic region may be awarded at the**

**discretion of the MTC to a qualified Missouri business in any designated geographic region throughout the state.**

**(6) Notwithstanding any provisions of sections 620.6000 to 620.6033 or any other law to the contrary, the tax credits under this subsection for qualified investments made in qualified Missouri businesses located outside of the innovation districts shall expire on December 31, 2032.**

**4. (1) Before an investor is entitled to receive tax credits under this section and section 620.6033, such investor shall have made a cash investment in a qualified security of a qualified Missouri business. The business shall have been approved as a qualified Missouri business before the date on which the cash investment was made. To be designated as a qualified Missouri business, a business shall apply to the MTC.**

**(2) The application by a business shall be in the form and substance required by the MTC in coordination with the department by and through its service on the MTC board of directors but shall include at least the following:**

**(a) The name of the business and certified copies of the organizational documents of the business;**

**(b) A business plan, including a description of the business and the management, product, market, and financial plan of the business;**

**(c) A statement of the potential economic impact of the business, including the number, location, and types of jobs expected to be created;**

**(d) A description of the qualified securities to be issued, the consideration to be paid for the qualified securities, and the amount of any tax credits requested;**

**(e) A statement of the amount, timing, and projected use of the proceeds to be raised from the proposed sale of qualified securities; and**

**(f) Such other information as may be reasonably requested.**

**(3) The designation of a business as a qualified Missouri business shall be made by the MTC, and each qualified Missouri business shall annually apply to renew such designation, to be approved by the MTC. A business shall be so designated if the MTC determines, based upon the application submitted by the business and any additional information provided in connection with such application or as reasonably requested by the MTC, that such business meets established criteria, including at least the following:**

**(a) The business shall not have had annual gross revenues of more than five million dollars in the most recent tax year of the business;**

**(b) Businesses that are not bioscience businesses shall have been in operation for less than five years, and bioscience businesses shall have been in operation for less than ten years;**

**(c) The ability of investors in the business to receive tax credits for cash investments in qualified securities of the business is beneficial to advancing the goals of this section and section 620.6033;**

**(d) The business shall not have ownership interests including, but not limited to, common or preferred shares of stock that can be traded via a public stock exchange before the date that a qualifying investment is made;**

**(e) The business shall not be engaged primarily in any one or more of the following enterprises:**

**a. The business of banking, savings and loan or lending institutions, credit or finance, or financial brokerage or investments;**

**b. The provision of professional services, such as legal, accounting, or engineering services; however, contract research or manufacturing organizations, sometimes referred to as CROs or CMOs, shall not be subject to this exclusion;**

**c. Governmental, charitable, religious, or trade organizations;**

**d. The ownership, development, brokerage, sales, or leasing of real estate;**

**e. Insurance;**

**f. Construction, construction management, or contracting;**

**g. Business consulting or brokerage;**

**h. Any business engaged primarily as a passive business, having irregular or noncontiguous operations, or deriving substantially all of the income of the business from passive investments that generate interest, dividends, royalties, or capital gains or any business arrangements the effect of which is to immunize an investor from risk of loss;**

**i. Any activity that is in violation of the law;**

**j. Any business raising moneys primarily to purchase real estate, land, or fixtures; and**

**k. Any gambling-related business;**

**(f) The business has a reasonable chance of success;**

**(g) The business has the reasonable potential to create measurable employment within the certified Missouri innovation zone, this state, or both;**

**(h) The business is based on an innovative technology, product, or service designed to be used in the commercial marketplace;**

**(i) The existing owners of the business and other founders have made or are committed to making a substantial financial or time commitment to the business;**

**(j) The securities to be issued and purchased are qualified securities;**

**(k) The business has the reasonable potential to address needs and opportunities specific to the Missouri innovation zone, this state, or both;**

**(l) The business has made binding commitments to the MTC for adequate reporting of financial data, including a requirement for an annual report or, if required, an annual audit of the financial and operational records of the business; the right of access to the financial records of the business; the right of the department and the MTC to record and publish normal and customary data and information related to the issuance of tax credits that are not otherwise determined to be trade or business secrets; and other such protections as may be in the best interest of Missouri taxpayers to achieve the goals of this section and section 620.6033; and**

**(m) The business shall satisfy all other requirements of this section and section 620.6033.**

**(4) A qualified Missouri business shall have the burden of proof to demonstrate the qualifications of the business under this section.**

**(5) The MTC shall establish an application fee for qualified Missouri businesses and investors or transferees. This fee shall be utilized by MTC to administer this section, issue the tax credits, and review the applications.**

**620.6033. 1. (1) The MTC is authorized to allocate tax credits to qualified Missouri businesses, and the department is authorized to issue tax credits to investors in such qualified Missouri businesses. Such tax credits shall be allocated to those qualified Missouri businesses that, as determined by the MTC, are most likely to provide the greatest economic benefit to the Missouri innovation zone or the state, or both. The MTC may allocate, and the department may issue, whole or partial tax credits in accordance with the report issued to the director of the department based on the MTC's assessment of the qualified Missouri businesses. The MTC may consider numerous factors in such assessment including, but not limited to, the quality and experience of the management team, the size of the estimated market opportunity, the risk from current or future competition, the ability to defend intellectual property, the quality and utility of the business model, and the quality and reasonableness of financial projections for the business.**

**(2) Each qualified Missouri business for which the MTC has allocated tax credits such that the department can issue tax credits to the investors of such qualified Missouri business shall submit to the MTC a report before such tax credits are issued. Such report shall include the following:**

**(a) The name, address, and taxpayer identification number of each investor who has made cash investment in the qualified securities of the qualified Missouri business;**

**(b) Proof of such investment, including copies of the securities' purchase agreements and canceled checks or wire-transfer receipts; and**

**(c) Such other information as may be reasonably required under this section and section 620.6030 or reasonably requested by the department or the MTC.**

**2. (1) The state of Missouri, the department, or the MTC shall not be held liable for any damages to any investor that makes an investment in any qualified security of a qualified Missouri business, any business that applies to be designated as a qualified Missouri business and is denied, or any investor that makes an investment in a business that applies to be designated as a qualified Missouri business and is denied.**

**(2) Each qualified Missouri business shall have the obligation to notify the MTC, which shall notify the director of the department, of any changes in the qualifications of the business or in the eligibility of investors to claim a tax credit for cash investment in a qualified security.**

**(3) The director of the department, in cooperation with the MTC, shall provide the information specified under subdivision (3) of subsection 4 of this section to the director of the department of revenue on an annual basis.**

**(4) If the MTC determines that a business is not in substantial compliance with the requirements under this section and section 620.6030 to maintain its designation, the department or MTC, by written notice, may inform the business that such business will lose its designation as a qualified Missouri business one hundred twenty days from the date of mailing of the notice unless such business corrects the deficiencies and is once again in compliance with the requirements for designation and provides the MTC with evidence of correcting the deficiencies as the MTC reasonably requests.**

**(5) At the end of the one-hundred-twenty-day period, if the qualified Missouri business is still not in substantial compliance, the department or MTC may send a notice of loss of designation to the business, the director of the department of revenue, and to all known investors in the business.**

**(6) A business may lose its designation as a qualified Missouri business under this section and section 620.6030 by moving either its headquarters outside of Missouri or a substantial number of the jobs created in Missouri to a location outside Missouri within ten years after receiving financial assistance under this section and section 620.6030.**

**(7) In the event that a business loses its designation as a qualified Missouri business, such business shall be precluded from being issued any additional tax credits available under this section and section 620.6030 with respect to the business, shall be precluded from being approved as a qualified Missouri business, and shall be subject to an appropriate clawback provision that the MTC, in cooperation with the department by and through its service on the MTC board of directors, may institute.**

**(8) Investors who lawfully make an investment in a qualified Missouri business shall not have issued tax credits disallowed solely due to the business subsequently losing its designation as a qualified Missouri business. In the event such qualified business loses its designation as a qualified Missouri business, the amount of tax credits issued under this section and section 620.6030 shall be subject to clawback provisions from the qualified Missouri business, to be determined by the department and the MTC board of directors.**

**(9) The portions of documents and other materials submitted to the department or MTC that contain confidential information shall be kept confidential and shall be maintained in a secured environment. For the purposes of this section and section 620.6030, confidential information shall include, but not be limited to, such portions of trade secrets, documents, any customer lists, and other materials; any formula, compound, production data, or compilation of information that will allow certain individuals within a commercial concern using such portions of documents and other material the means to fabricate, produce, or compound an article of trade; or any service having commercial value that gives the user an opportunity to obtain a business advantage over competitors who do not know or use such service.**

**(10) The department and the MTC may prepare and adopt procedures, rules, and published guidance concerning the performance of the duties placed upon each respective entity by this section and section 620.6030.**

**3. Any investor who makes a cash investment in a qualified security of a qualified Missouri business may transfer the tax credits such investor may receive under subsection 3 of section 620.6030 to any natural person. So long as the investor has not claimed the tax credit against the investor's Missouri income tax liability, such transferee may claim the tax credit against the transferee's Missouri income tax liability as provided in subdivision (1) of subsection 3 of section 620.6030, subject to all restrictions and limitations set forth in this section and section 620.6030. Documentation of any tax credit transfer under this section shall be provided by the investor in the manner established by the MTC and the department by and through its service on the MTC board of directors.**

**4. (1) Each qualified Missouri business for which tax credits were issued under this section and section 620.6030 shall report to the MTC annually on or before February first. The MTC shall provide copies of the reports to the department under appropriate confidentiality agreements as may be necessary under the circumstances. Such reports shall include the following:**

**(a) The name, address, and taxpayer identification number of each investor who has made a cash investment in the qualified securities of the qualified Missouri business and has received tax credits for this investment during the preceding year;**

**(b) The amounts of cash investments by each investor and a description of the qualified securities issued in consideration of such cash investments; and**

**(c) Such other information as may be reasonably required under this section and section 620.6030.**

**(2) The MTC shall report quarterly to the director of the department on the allocation of the tax credits in the preceding calendar quarter. Such reports shall include:**

**(a) The number of applications received;**

**(b) The number and ratio of successful applications to unsuccessful applications;**

**(c) The amount of tax credits allocated but not issued in the previous quarter, including what percentage was allocated to individuals and what percentage was allocated to investment firms; and**

**(d) Such other information as reasonably agreed upon from time to time.**

**(3) The MTC and the department, as applicable, shall also report annually to the governor, the director of the department of economic development, the president pro tempore of the senate, and the speaker of the house of representatives, on or before April first, on the allocation and issuance of the tax credits. Such reports shall include:**

**(a) The amount of tax credits issued in the previous fiscal year, including what percentage was issued to individuals and what percentage was issued to investment firms;**

**(b) The types of businesses that benefited from the tax credits;**

**(c) The amount of allocated but unissued tax credits and the information about the unissued tax credits set forth in subdivision (2) of this subsection;**

**(d) Any aggregate job creation or capital investment that resulted from the use of the tax credits for a period of five years beginning from the date on which the tax credits were awarded;**

**(e) The total cash investments made for the purchase of qualified securities of qualified Missouri businesses within the state during the preceding year and cumulatively since the effective date of this section and section 620.6030;**

**(f) An estimate of jobs created and jobs preserved by cash investments made in qualified Missouri businesses within the state;**

**(g) An estimate of the multiplier effect on the economy of the cash investments made under this section and section 620.6030; and**

**(h) Information regarding what businesses deriving benefits from the tax credits remained in the certified Missouri innovation zone, what businesses ceased business, what businesses were purchased, and what businesses may have moved out of a certified Missouri innovation zone or the state.**

**(4) Any violation of the reporting requirements of this subsection by a qualified Missouri business may be grounds for the loss of designation as a qualified Missouri business, and any such business that loses its designation as a qualified Missouri business shall be subject to the restrictions upon loss of designation set forth in subsection 2 of this section.**

**5. Notwithstanding any provision of section 105.1500 to the contrary, any requirement to provide information, documents, or records under any of sections 620.6000 to 620.6033, and any requirement established by the MTC or any state agency to provide information, documents, or records for the purpose of administering any of sections 620.6000 to 620.6033, shall be exempt from section 105.1500 of the personal privacy protection act.**

**6. Tax credits issued under section 620.6030 or this section shall be classified as "entrepreneurial tax credits" under section 135.800 of the tax credit accountability act.**

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