

SENATE SUBSTITUTE  
FOR  
SENATE COMMITTEE SUBSTITUTE  
FOR  
HOUSE COMMITTEE SUBSTITUTE  
FOR  
HOUSE BILLS NOS. 3231 & 2531  
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.

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*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, 2 99.936, 99.942, 99.948, 99.951, 99.954, 99.957, 99.960, 99.963, 3 99.965, 99.968, 99.975, and 99.980, RSMo, are repealed and 4 twenty-eight new sections enacted in lieu thereof, to be known 5 as sections 99.918, 99.919, 99.930, 99.933, 99.936, 99.942, 6 99.948, 99.951, 99.954, 99.957, 99.960, 99.963, 99.965, 99.968, 7 99.975, 99.980, 620.2012, 620.6000, 620.6003, 620.6006, 8 620.6009, 620.6012, 620.6018, 620.6021, 620.6024, 620.6027, 9 620.6030, and 620.6033, to read as follows:

99.918. As used in sections 99.915 to 99.980, unless 2 the context clearly requires otherwise, the following terms 3 shall mean:

4 (1) "Authority", the downtown economic stimulus 5 authority for a municipality, created pursuant to section 6 99.921;

7 (2) "Baseline year", the calendar year prior to the 8 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 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;

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

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

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

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

74 morals, or welfare and may become a blighted area because of  
75 any one or more of the following factors: dilapidation;  
76 obsolescence; deterioration; illegal use of individual  
77 structures; presence of structures below minimum code  
78 standards; abandonment; excessive vacancies; overcrowding of  
79 structures and community facilities; lack of ventilation,  
80 light or sanitary facilities; inadequate utilities;  
81 excessive land coverage; deleterious land use or layout;  
82 depreciation of physical maintenance; and lack of community  
83 planning;

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

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

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

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

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

106 (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

140 than one hundred fifty-one thousand six hundred  
141 inhabitants. Only those buildings certified as being flood  
142 proofed in accordance with the Federal Emergency Management  
143 Agency's standards for flood proofing by the authority shall  
144 be eligible for the state sales tax increment and the state  
145 income tax increment. Subject to the limitation set forth  
146 in this subdivision, the development area can be enlarged or  
147 modified as provided in section 99.951;

148 The term "development area" shall also include an area  
149 designated as a development area as included in its  
150 application to the department for which a certificate of  
151 approval was issued under section 99.960 prior to January 1,  
152 2013, as may be thereafter modified under section 99.948 in  
153 relation to an expanded development area;

154 [(8)] (10) "Development plan", the comprehensive  
155 program of a municipality to reduce or eliminate those  
156 conditions which qualified a development area as a blighted  
157 area or a conservation area, and to thereby enhance the tax  
158 bases of the taxing districts which extend into the  
159 development area through the reimbursement, payment, or  
160 other financing of development project costs in accordance  
161 with sections 99.915 to 99.980 and through the exercise of  
162 the powers set forth in sections 99.915 to 99.980. The  
163 development plan shall conform to the requirements of  
164 section 99.942;

165 The term "development plan" shall also include the  
166 comprehensive program of the municipality as included in its  
167 application to the department for which a certificate of  
168 approval was issued under section 99.960 prior to January 1,  
169 2013, as may be thereafter modified under section 99.948 in  
170 relation to an expanded development plan;

171           [(9)] (11) "Development project", any development  
172 project within a development area which constitutes a major  
173 initiative in furtherance of the objectives of the  
174 development plan, and any such development project shall  
175 include a legal description of the area selected for such  
176 development project;

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

182           [(10)] (12) "Development project area", the area  
183 located within a development area selected for a development  
184 project, or the development project area for which a  
185 certificate of approval was issued under section 99.960  
186 prior to January 1, 2013, as may be thereafter modified  
187 under section 99.948 in relation to an expanded development  
188 project;

189           [(11)] (13) "Development project costs" include such  
190 costs to the development plan or a development project, as  
191 applicable, which are expended on public property,  
192 buildings, or rights-of-ways for public purposes to provide  
193 infrastructure to support a development project. Such costs  
194 shall only be allowed as an initial expense which, to be  
195 recoverable, must be included in the costs of a development  
196 plan or development project, except in circumstances of plan  
197 amendments approved by [the Missouri development finance  
198 board and] the department [of economic development]. Such  
199 infrastructure costs include, but are not limited to, the  
200 following:

201           (a) Costs of studies, appraisals, surveys, plans, and  
202 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;

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

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

326       (16) "Expanded development plan", the comprehensive  
327 program of a municipality to reduce or eliminate those  
328 conditions that qualify an expanded development area as a  
329 blighted area or a conservation area, and to thereby enhance  
330 the tax bases of the taxing districts which extend into the  
331 expanded development area through the reimbursement,  
332 payment, or other financing of expanded development project  
333 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      |

399

|                |           |             |
|----------------|-----------|-------------|
| 50,000 or less | \$500,000 | at least 5; |
|----------------|-----------|-------------|

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

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

416 [(15)] (23) "Municipality", any city, village,  
417 incorporated town, or any county of this state established  
418 on or prior to January 1, 2001, or a census-designated place  
419 in any county designated by the county for purposes of  
420 sections 99.915 to 99.1060 to which a certificate of  
421 approval was issued under section 99.960 prior to January 1,  
422 2013;

423 [(16)] (24) "New job", any job defined as a new job  
424 pursuant to subdivision (11) of section 100.710;

425 [(17)] (25) "Obligations", bonds, loans, debentures,  
426 notes, special certificates, or other evidences of  
427 indebtedness issued by the municipality or authority, or  
428 other public entity authorized to issue such obligations  
429 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

529 area or expanded development project area, as applicable, in  
530 the baseline year. Annually, after the opening of the  
531 residential component of the development project or expanded  
532 development project, as applicable, the developer shall  
533 provide the department and the municipality with certified  
534 incomes of natural persons residing in leased or occupied  
535 residential units. The increment shall be the product of  
536 the total certified incomes for all residential units leased  
537 to or occupied by natural persons times the applicable  
538 marginal personal income tax rate in effect under section  
539 143.011. The department may provide in a certificate of  
540 approval for an expanded development project under section  
541 99.960 that the department shall calculate and disburse  
542 state residential income tax increment based upon the  
543 applicable marginal personal income tax rate in effect under  
544 section 143.011 at the time the certificate is issued in the  
545 event the state personal income tax rate is subsequently  
546 reduced, or the tax is eliminated. The developer shall  
547 allow the department to audit records of certified incomes  
548 of natural persons residing in leased or occupied  
549 residential units;

550 [(24)] (34) "State sales tax increment", up to [one-  
551 half] fifty percent of the incremental increase in the state  
552 sales tax revenue in the development project area or  
553 expanded development project area, as applicable. [In no  
554 event shall the incremental increase include any amounts  
555 attributable to retail sales unless the Missouri development  
556 finance board and the department of economic development are  
557 satisfied based on information provided by the municipality  
558 or authority, and such entities have made a finding that a  
559 substantial portion of all but a de minimus portion of the  
560 sales tax increment attributable to retail sales is from new  
561 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

8 following powers in addition to others granted pursuant to  
9 sections 99.915 to 99.980:

10 (1) To prepare or cause to be prepared and approved  
11 development plans and development projects to be considered  
12 at public hearings in accordance with sections 99.915 to  
13 99.980 and to undertake and carry out development plans and  
14 development projects which have been adopted by ordinance;

15 (2) To prepare or cause to be prepared and approved  
16 expanded development plans and expanded development projects  
17 to be considered in accordance with sections 99.915 to  
18 99.980 and to undertake and carry out expanded development  
19 plans and expanded development projects which have been  
20 adopted by ordinance;

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

38 [(3)] (4) Within a development area or expanded  
39 development area, as applicable, to acquire by purchase,  
40 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

73 accordance with a development plan or expanded development  
74 plan, as applicable;

75 [(7)] (8) Within a development area or expanded  
76 development area, as applicable, to fix, charge, and collect  
77 fees, rents, and other charges for the use of any real or  
78 personal property, or any portion thereof, in which the  
79 municipality or authority has any interest;

80 [(8)] (9) To accept grants, guarantees, and donations  
81 of property, labor, or other things of value from any public  
82 or private source for purposes of implementing a development  
83 plan or expanded development plan, as applicable;

84 [(9)] (10) In accordance with section 99.936, to  
85 select one or more developers to implement a development  
86 plan or expanded development plan, as applicable, or one or  
87 more development projects or expanded development projects,  
88 as applicable, or any portion thereof;

89 [(10)] (11) To charge as a development project cost or  
90 expanded development project cost, as applicable, the  
91 reasonable costs incurred by the municipality or authority,  
92 the department [of economic development, the Missouri  
93 development finance board,] or the department of revenue in  
94 evaluating, administering, or implementing the development  
95 plan or any development project or the expanded development  
96 plan or any expanded development project, as applicable;

97 [(11)] (12) To borrow money and issue obligations in  
98 accordance with sections 99.915 to 99.980 and provide  
99 security for any such loans or obligations;

100 [(12)] (13) To insure or provide for the insurance of  
101 any real or personal property or operations of the  
102 municipality or authority against any risks or hazards,  
103 including the power to pay premiums on any such insurance;  
104 and to enter into any contracts necessary to effectuate the  
105 purposes of sections 99.915 to 99.980;

106        [(13)] (14) Within a development area or an expanded  
107 development area, as applicable, to renovate, rehabilitate,  
108 own, operate, construct, repair, or improve any  
109 improvements, buildings, parking garages, fixtures,  
110 structures, and other facilities;

111        [(14)] (15) To invest any funds held in reserves or  
112 sinking funds, or any funds not required for immediate  
113 disbursement, in property or securities in which savings  
114 banks may legally invest funds subject to their control; to  
115 redeem obligations at the redemption price established  
116 therein or to purchase obligations at less than redemption  
117 price, all obligations so redeemed or purchased to be  
118 cancelled;

119        [(15)] (16) To borrow money and to apply for and  
120 accept advances, loans, grants, contributions, and any other  
121 form of financial assistance from the federal government,  
122 the state, county, municipality, or other public body or  
123 from any sources, public or private, for the purposes of  
124 implementing a development plan or expanded development  
125 plan, as applicable, to give such security as may be  
126 required and to enter into and carry out contracts in  
127 connection therewith. A municipality or authority,  
128 notwithstanding the provisions of any other law, may include  
129 in any contract for financial assistance with the federal  
130 government for a project such conditions imposed pursuant to  
131 federal law as the municipality or authority may deem  
132 reasonable and appropriate and which are not inconsistent  
133 with the purposes of sections 99.915 to 99.980;

134        [(16)] (17) To incur development project costs and  
135 expanded development project costs, as applicable, and make  
136 such expenditures as may be necessary to carry out the  
137 purposes of sections 99.915 to 99.980; and to make  
138 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

70 deeds, leases, and other instruments and take all steps  
71 necessary to effectuate such contract. In its discretion,  
72 the municipality or authority may, in accordance with the  
73 provisions of this subdivision, dispose of any real property  
74 in an area selected for a development project, or any  
75 portion thereof, to private developers for development under  
76 such reasonable competitive bidding procedures as it shall  
77 prescribe, subject to the provisions of subdivision (1) of  
78 this section[;].

79 (b) The municipality or authority may negotiate and  
80 enter into one or more contracts with a developer of a  
81 development area included in an application to the  
82 department for which a certification of approval was issued  
83 under section 99.960 prior to January 1, 2013, or its  
84 affiliate, for the development of an expanded development  
85 area or expanded development project area in accordance with  
86 an expanded development plan or for the sale or lease of any  
87 real property to any such developer in any such area for the  
88 purpose of developing such property in accordance with the  
89 expanded development plan. The municipality or authority  
90 may enter into any such contract as it deems to be in the  
91 public interest and in furtherance of the purposes of  
92 sections 99.915 to 99.980; provided that the municipality or  
93 authority has, not less than ten days prior thereto,  
94 notified the governing body in writing of its intention to  
95 enter into such contract. Thereafter, the municipality or  
96 authority may execute such contract in accordance with the  
97 provisions of subdivision (1) of this section and deliver  
98 deeds, leases, and other instruments and take all steps  
99 necessary to effectuate such contract. In its discretion,  
100 the municipality or authority may, in accordance with the  
101 provisions of this subdivision, dispose of any real property  
102 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

4 the development projects or expanded development projects,  
5 as applicable, and related objectives and shall include, but  
6 need not be limited to:

7 (1) The name, street and mailing address, and phone  
8 number of the mayor or chief executive officer of the  
9 municipality;

10 (2) The street address of the development site or  
11 expanded development area, as applicable;

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

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

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

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

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

27 (8) The anticipated type and terms of the obligations  
28 to be issued;

29 (9) The most recent equalized assessed valuation of  
30 the property within the development project area or expanded  
31 development project area, as applicable;

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

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

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

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

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

50 (15) The total number of individuals employed in this  
51 state by the corporate parent of any business benefitting  
52 from public expenditures in the development area, and all  
53 subsidiaries thereof, as of December thirty-first of the  
54 prior fiscal year, categorized by full-time, part-time, and  
55 temporary positions;

56 (16) The number of new jobs and retained jobs, if  
57 applicable, to be created by any business [benefitting from  
58 public expenditures] in the development area or expanded  
59 development area, as applicable, categorized by full-time,  
60 part-time, and temporary positions;

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

65 (18) For project sites located in a metropolitan  
66 statistical area, as defined by the federal Office of  
67 Management and Budget, the average hourly wage paid to  
68 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;

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

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

108 (27) An expanded development plan shall include a  
109 description of any amendment to or modification of a  
110 development area sought in conjunction with an expanded  
111 development project and a description of any amendment to or  
112 modification of a development project area sought in  
113 conjunction with an expanded development project;

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

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

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

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

129 2. For any home rule city with more than four hundred  
130 thousand inhabitants and located in more than one county,  
131 for any county with a charter form of government and with  
132 more than one million inhabitants, any county of the first  
133 classification with more than one hundred thirty-five  
134 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, 100.010  
to 100.200, and 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;

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

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

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

104           5. Prior to the adoption of an ordinance designating  
105 an expanded development area, approving an expanded  
106 development plan or expanded development project, or  
107 modifying a development area or development project area, as  
108 applicable, the municipality or authority shall notify each  
109 affected taxing district located wholly or partially within  
110 the boundaries of the proposed expanded development area or  
111 expanded development project area, as applicable, of the  
112 meeting at which such ordinance shall be considered. Such  
113 notice shall comply with chapter 610, contain a summary of  
114 the ordinance, and be provided not less than forty-five days  
115 prior to the meeting. At the meeting, any interested person  
116 or affected taxing district may file with the municipality  
117 or authority written objections to, or comments on, and may  
118 be heard orally in respect to, any issues regarding the

119 plan, project, or areas embodied in the ordinance. The  
120 municipality or authority shall hear and consider all  
121 protests, objections, comments, and other evidence presented  
122 at the meeting. The ordinance may be considered at  
123 subsequent meetings subject to any notice requirements  
124 applicable under chapter 610. Prior to adoption of an  
125 ordinance designating an expanded development area,  
126 approving an expanded development plan or expanded  
127 development project, or modifying a development area or  
128 development project area, as applicable, changes may be made  
129 to the proposed expanded development area, expanded  
130 development plan, expanded development project, or  
131 development area or development project area modification,  
132 as applicable, so long as such changes are identified during  
133 the meeting at which the adoption of the ordinance is  
134 considered, recorded in the minutes of such meeting, and are  
135 subject to public comment during the meeting. After  
136 adoption of the ordinance, changes may be made to the  
137 expanded development area, expanded development plan,  
138 expanded development project, or development area or  
139 development project area modification, as applicable, so  
140 long as the area, plan, project, or modification remains  
141 generally consistent with that approved by the ordinance.  
142 Any change which would render the expanded development area,  
143 expanded development plan, expanded development project, or  
144 development area or development project area modification  
145 not generally consistent with the approved ordinance shall  
146 be considered and approved only at a meeting held in  
147 accordance with chapter 610.

148 6. A copy of any and all hearing notices required by  
149 this section shall be submitted by the municipality or  
150 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.

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

46           5. Obligations issued pursuant to sections 99.915 to  
47 99.980 may be issued to refund, in whole or in part,  
48 obligations theretofore issued by such entity pursuant to  
49 the authority of sections 99.915 to 99.980, whether at or  
50 prior to maturity; provided, however, that the last maturity  
51 of the refunding obligations shall not be expressed to  
52 mature later than the last maturity date of the obligations  
53 to be refunded.

54           6. In the event a municipality or authority issues  
55 obligations under home rule powers or other legislative  
56 authority, the proceeds of which are pledged to pay for  
57 development project costs or expanded development project  
58 costs, as applicable, the municipality may retire such  
59 obligations from funds in the special allocation fund in  
60 amounts and in such manner as if such obligations had been  
61 issued pursuant to the provisions of sections 99.915 to  
62 99.980.

63           7. State supplemental downtown development financing  
64 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

25 and shall provide to the clerk of the municipality written  
26 certification of such amount as the total initial equalized  
27 assessed value of the taxable real property within such  
28 development project area or expanded development project  
29 area, as applicable.

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

42 (1) That portion of taxes, penalties, and interest  
43 levied upon each taxable lot, block, tract, or parcel of  
44 real property in such development project area or expanded  
45 development project area, as applicable, which is  
46 attributable to the initial equalized assessed value of each  
47 such taxable lot, block, tract, or parcel of real property  
48 in such development project area as certified by the county  
49 assessor in accordance with subsection 2 of this section  
50 shall be allocated to and, when collected, shall be paid by  
51 the collecting authority to the respective affected taxing  
52 districts in the manner required by law in the absence of  
53 the adoption of development financing;

54 (2) Payments in lieu of taxes attributable to the  
55 increase in the current equalized assessed valuation of each  
56 taxable lot, block, tract, or parcel of real property in the  
57 development project area or expanded development project

58 area, as applicable, and any applicable penalty and interest  
59 over and above the initial equalized assessed value of each  
60 such taxable lot, block, tract, or parcel of real property  
61 in such development project area or expanded development  
62 project area, as applicable, as certified by the county  
63 assessor in accordance with subsection 2 of this section  
64 shall be allocated to and, when collected, shall be paid to  
65 the collecting officer of the municipality who shall deposit  
66 such payment in lieu of taxes into a separate segregated  
67 account for payments in lieu of taxes within the special  
68 fund. Payments in lieu of taxes which are due and owing  
69 shall constitute a lien against the real property from which  
70 such payments in lieu of taxes are derived and shall be  
71 collected in the same manner as real property taxes,  
72 including the assessment of penalties and interest where  
73 applicable. The lien of payments in lieu of taxes may be  
74 foreclosed in the same manner as the lien of real property  
75 taxes. No part of the current equalized assessed valuation  
76 of each taxable lot, block, tract, or parcel of property in  
77 any such development project area or expanded development  
78 project area, as applicable, attributable to any increase  
79 above the initial equalized assessed value of each such  
80 taxable lot, block, tract, or parcel of real property in  
81 such development project area or expanded development  
82 project area, as applicable, as certified by the county  
83 assessor in accordance with subsection 2 of this section  
84 shall be used in calculating the general state school aid  
85 formula provided for in section 163.031 until development  
86 financing for such development project area expires or is  
87 terminated in accordance with sections 99.915 to 99.980;

88 (3) For purposes of this section, "levies upon taxable  
89 real property in such development area or expanded  
90 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.

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

99.960. 1. A municipality shall submit an application  
2 to the department [of economic development] for review and  
3 [submission of an analysis and recommendation to the  
4 Missouri development finance board for] a determination as  
5 to approval of the disbursement of the project costs of one  
6 or more development projects or expanded development  
7 projects, as applicable, from the state supplemental  
8 downtown development fund. [The department of economic  
9 development shall forward the application to the Missouri  
10 development finance board with the analysis and  
11 recommendation.] In no event shall any approval authorize a  
12 disbursement of one or more development projects or expanded  
13 development projects, as applicable, from the state  
14 supplemental downtown development fund which exceeds the  
15 allowable amount of other net new revenues derived from the  
16 development area or expanded development area, as  
17 applicable. An application submitted to the department [of  
18 economic development] shall contain the following, in  
19 addition to the items set forth in section 99.942:

20        (1) [An estimate] A certification that for a minimum  
21 of twenty-five years one hundred percent of the payments in  
22 lieu of taxes and economic activity taxes and, for  
23 development projects approved after August 28, 2026, for  
24 which the municipality is applying to the department for  
25 state residential income tax increment and for expanded  
26 development projects, if applicable under subsection 6 of  
27 section 99.957, one hundred percent of the municipal  
28 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;

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

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

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

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

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

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

90       (7) An affidavit that is signed by the developer or  
91 developers attesting that the provision of subdivision (2)  
92 of subsection 3 of section 99.942 has been met and  
93 specifying that the development area would not be reasonably  
94 anticipated to be developed without the appropriation of the

95 other net new revenues. For expanded development areas, the  
96 affidavit shall apply to the development area and the  
97 associated expanded development area together;

98 [(6)] (8) The amounts and types of other net new  
99 revenues sought by the applicant to be disbursed from the  
100 state supplemental downtown development fund over the term  
101 of the development plan or expanded development plan, as  
102 applicable;

103 [(7)] (9) The methodologies and underlying assumptions  
104 used in determining the estimate of the state sales tax  
105 increment, [and] the state income tax increment, and the  
106 state residential income tax increment if requested; and

107 [(8)] (10) Any other information reasonably requested  
108 by the department [of economic development and the Missouri  
109 development finance board].

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

113 3. The [Missouri development finance board] department  
114 shall make a determination regarding the application for a  
115 certificate allowing disbursements from the state  
116 supplemental downtown development fund [and shall forward  
117 such determination to the director of the department of  
118 economic development]. In no event shall the amount of  
119 disbursements from the state supplemental downtown  
120 development fund approved for a project, in addition to any  
121 other state economic development funding or other state  
122 incentives, exceed the projected state benefit of the  
123 development project or expanded development project, as  
124 applicable, as determined by the department [of economic  
125 development] through a cost-benefit analysis. Any political  
126 subdivision located either wholly or partially within the  
127 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.

160           7. Development project costs or expanded development  
161 project costs, as applicable, may include, at the  
162 prerogative of the state, the portion of salaries and  
163 expenses of the department [of economic development, the  
164 Missouri development finance board,] and the department of  
165 revenue reasonably allocable to each development project or  
166 expanded development project, as applicable, approved for  
167 disbursements from the state supplemental downtown  
168 development fund for the ongoing administrative functions  
169 associated with such development project or expanded  
170 development project, as applicable. Such amounts shall be  
171 recovered from other net new revenues deposited into the  
172 state supplemental downtown development fund created  
173 pursuant to section 99.963.

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

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

188           10. Any rule or portion of a rule, as that term is  
189 defined in section 536.010, that is created under the  
190 authority delegated in this section and section 99.963 shall  
191 become effective only if it complies with and is subject to  
192 all of the provisions of chapter 536 and, if applicable,

193 section 536.028. This section, section 99.963, and chapter  
194 536 are nonseverable and if any of the powers vested with  
195 the general assembly pursuant to chapter 536 to review, to  
196 delay the effective date, or to disapprove and annul a rule  
197 are subsequently held unconstitutional, then the grant of  
198 rulemaking authority and any rule proposed or adopted after  
199 August 28, 2003, shall be invalid and void.

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

99.963. 1. There is hereby established within the  
2 state treasury a special fund to be known as the "State  
3 Supplemental Downtown Development Fund", to be administered  
4 by the department [of economic development]. Any unexpended  
5 balance and any interest in the fund at the end of the  
6 biennium shall be exempt from the provisions of section  
7 33.080 relating to the transfer of unexpended balances to  
8 the general revenue fund. The fund shall consist of:

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

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

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

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

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

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

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

50           5. The department [of economic development shall not]  
51 may decline to disburse any moneys from the state  
52 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

86 pursuant to chapter 536 to review, to delay the effective  
87 date, or to disapprove and annul a rule are subsequently  
88 held unconstitutional, then the grant of rulemaking  
89 authority and any rule proposed or adopted after August 28,  
90 2003, shall be invalid and void.

99.965. 1. When all development project costs or  
2 expanded development project costs, as applicable, and all  
3 obligations issued to finance development project costs or  
4 expanded development project costs, as applicable, have been  
5 paid in full, the municipality shall adopt an ordinance  
6 terminating development financing for all development  
7 project areas or expanded development project areas, as  
8 applicable. Immediately upon the adoption of such  
9 ordinance, all payments in lieu of taxes, all economic  
10 activity taxes, municipal residential earnings tax  
11 increment, and other net new revenues then remaining in the  
12 special allocation fund shall be deemed to be surplus funds;  
13 and thereafter, the rates of the taxing districts shall be  
14 extended and taxes levied, collected, and distributed in the  
15 manner applicable in the absence of the adoption of  
16 development financing. Surplus payments in lieu of taxes  
17 shall be paid to the county collector who shall immediately  
18 thereafter pay such funds to the taxing districts in the  
19 development area or expanded development area, as  
20 applicable, selected in the same manner and proportion as  
21 the most recent distribution by the collector to the  
22 affected taxing districts of real property taxes from real  
23 property in the development area or expanded development  
24 area, as applicable. Surplus economic activity taxes shall  
25 be paid to the taxing districts in the development area or  
26 expanded development area, as applicable, in proportion to  
27 the then current levy rates of such taxing districts that  
28 are attributable to economic activity taxes. Surplus

29 municipal residential earnings tax increment shall be paid  
30 to the municipality. Surplus other net new revenues shall  
31 be paid to the state. Any other funds remaining in the  
32 special allocation fund following the adoption of an  
33 ordinance terminating development financing in accordance  
34 with this section shall be deposited to the general fund of  
35 the municipality.

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

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

99.968. In each of the twenty-five calendar years  
2 following the adoption of an ordinance adopting development  
3 financing for a development project area or expanded  
4 development project area, as applicable, unless and until  
5 development financing for such development project area or  
6 expanded development project area, as applicable, is  
7 terminated by ordinance of the municipality, then, in  
8 respect to every taxing district containing such development  
9 project area or expanded development project area, as  
10 applicable, the county clerk, or any other official required  
11 by law to ascertain the amount of the equalized assessed  
12 value of all taxable property within such development  
13 project area or expanded development project area, as  
14 applicable, for the purpose of computing any debt service

15 levies to be extended upon taxable property within such  
16 development project area or expanded development project  
17 area, as applicable, shall in every year that development  
18 financing is in effect with respect to real property taxes  
19 ascertain the amount of value of taxable property in such  
20 development project area or expanded development project  
21 area, as applicable, by including in such amount the  
22 certified total initial equalized assessed value of all  
23 taxable real property in such development project area or  
24 expanded development project area, as applicable, in lieu of  
25 the equalized assessed value of all taxable real property in  
26 such development project area. For the purpose of measuring  
27 the size of payments in lieu of taxes under sections 99.915  
28 to 99.980, all tax levies shall then be extended to the  
29 current equalized assessed value of all property in the  
30 development project area or expanded development project  
31 area, as applicable, in the same manner as the tax rate  
32 percentage is extended to all other taxable property in the  
33 taxing district.

99.975. 1. No new applications for a development  
2 area, development plan, or development project made pursuant  
3 to sections 99.915 to 99.980 shall be approved after January  
4 1, 2013, and before August 28, 2026.

2. [No applications made pursuant to sections 99.915  
6 to 99.980 shall be approved prior to August 28, 2003, except  
7 for applications for projects that are located within a  
8 county for which public and individual assistance has been  
9 requested by the governor pursuant to section 401 of the  
10 Robert T. Stafford Disaster Relief and Emergency Assistance  
11 Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by  
12 the governor pursuant to section 44.100 due to a natural  
13 disaster of major proportions that occurred after May 1,  
14 2003, but prior to May 10, 2003, and the development project

15 area is a central business district that sustained severe  
16 damage as a result of such natural disaster, as determined  
17 by the state emergency management agency] On or after August  
18 28, 2026, the department may approve up to four new  
19 applications for a development area, development plan, or  
20 development project from a municipality. The department  
21 shall consider parity based on geography of the state in  
22 making determinations on applications pursuant to this  
23 subsection. No new application for a development area,  
24 development plan, or development project shall be approved  
25 after December 31, 2032.

26 3. Prior to December 31, 2006, the Missouri  
27 development finance board may approve up to two applications  
28 made pursuant to sections 99.915 to 99.980 for a development  
29 project [in a home rule city with more than four hundred  
30 thousand inhabitants and located in more than one county] in  
31 which the state sales tax increment for such projects  
32 approved pursuant to the provisions of this subsection shall  
33 be up to one-half of the incremental increase in all sales  
34 taxes levied pursuant to section 144.020. [In no event  
35 shall the incremental increase include any amounts  
36 attributable to retail sales unless the Missouri development  
37 finance board and the department of economic development are  
38 satisfied based on information provided by the municipality  
39 or authority, and such entities have made a finding that a  
40 substantial portion of all but a de minimus portion of the  
41 sales tax increment attributable to retail sales is from new  
42 sources which did not exist in the state during the baseline  
43 year.]

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

47       5. No later than December 31, 2030, a municipality  
48 eligible to apply to the department for other net new  
49 revenues for an expanded development area under section  
50 99.960 must submit to the department a map or other  
51 documentation identifying the bounds of the expanded  
52 development area to which it will limit itself in its  
53 application or applications to the department. The  
54 submission shall include the projected locations of the  
55 possible expanded development project areas and a list of  
56 possible expanded development projects, along with any  
57 potential amendments to a development area that may be  
58 sought in conjunction with an expanded development project.  
59 The municipality shall be limited to inclusion in any  
60 application to the department under section 99.960 to the  
61 expanded development area identified to the department no  
62 later than December 31, 2030.

63       6. The incremental increase for an existing facility  
64 shall be the amount of all state sales taxes generated  
65 pursuant to section 144.020 at the facility in excess of the  
66 amount of all state sales taxes generated pursuant to  
67 section 144.020 at the facility in the baseline year. The  
68 incremental increase in development project areas or  
69 expanded development project areas, as applicable, where the  
70 baseline year is the year following the year in which the  
71 development project or expanded development project, as  
72 applicable, is approved by the municipality pursuant to  
73 subdivision (2) of section 99.918 shall be the state sales  
74 tax revenue generated by out-of-state businesses relocating  
75 into a development project area or expanded development  
76 project area, as applicable. The incremental increase for a  
77 Missouri facility which relocates to a development project  
78 area or expanded development project area, as applicable,  
79 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;

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

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

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

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

42           (11) Reports on contracts made incident to the  
43 implementation and furtherance of a development area, the  
44 development plan, and the included development projects or  
45 an expanded development area, the expanded development plan,  
46 and the included expanded development projects, as  
47 applicable;

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

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

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

54           (15) For municipalities with more than four hundred  
55 thousand inhabitants and located in more than one county,  
56 any county with a charter form of government and with more  
57 than one million inhabitants, any city not within a county,  
58 and any county of the first classification with more than  
59 one hundred thirty-five thousand four hundred but less than  
60 one hundred thirty-five thousand five hundred inhabitants  
61 and any municipality located therein, the number of  
62 development projects developed in connection with community  
63 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.

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

138           11. Five years after the establishment of the  
139 development area and the development plan or the expanded  
140 development area and expanded development plan, as  
141 applicable, and unless otherwise determined by the  
142 municipality or authority, every five years thereafter the  
143 governing body of the municipality or authority shall hold a  
144 public hearing regarding the development area and the  
145 development plan or the expanded development area and the  
146 expanded development plan, as applicable, and the  
147 development projects or expanded development projects, as  
148 applicable, adopted pursuant to sections 99.915 to 99.980.  
149 The purpose of the hearing shall be to determine if the  
150 development area or expanded development area, as  
151 applicable, development plan or expanded development plan,  
152 as applicable, and the included development projects or  
153 expanded development projects, as applicable, are making  
154 satisfactory progress under the proposed time schedule  
155 contained within the approved development plan or expanded  
156 development plan, as applicable, for completion of such  
157 development projects or expanded development projects, as  
158 applicable. Notice of such public hearing shall be given in  
159 a newspaper of general circulation in the area served by the

160 municipality or authority once each week for four weeks  
161 immediately prior to the hearing.

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

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

10 (2) The qualified company will:

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

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

19 For the purposes of this section, "Missouri innovation zone"  
20 shall mean an area certified by the department under section  
21 620.6000.

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

28 3. A qualified company that intends to seek the  
29 benefits authorized under this section shall submit to the  
30 department a notice of intent. Notwithstanding the

31 provisions of subsection 1 of section 620.2020 to the  
32 contrary, a notice of intent from a qualified company that  
33 did not receive and accept a proposal of benefits for tax  
34 credits under this section shall be ineligible for the tax  
35 credits under this section. The department shall respond  
36 within thirty days to a notice of intent with an approval or  
37 a rejection, provided that the department may withhold  
38 approval or provide a contingent approval until it is  
39 satisfied that proper documentation of eligibility has been  
40 provided. A failure of the department to respond within  
41 thirty days shall not result in the notice of intent being  
42 deemed approved.

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

50 5. Tax credits authorized by this section shall be  
51 included in and subject to the limitations on the maximum  
52 amount of tax credits that may be authorized in a fiscal  
53 year as provided in subdivision (1) of subsection 7 of  
54 section 620.2020. The provisions of subsection 9 of section  
55 620.2020 shall also apply to tax credits authorized pursuant  
56 to this section, except that any authorization of tax  
57 credits under this section shall expire if, within two years  
58 from the date of the notice of intent for the project, the  
59 qualified company has failed to meet the minimum required  
60 new capital investment as required in subdivision (2) of  
61 subsection 1 of this section.

62 6. The amount of tax credits proposed and awarded to a  
63 qualified company under this section shall not exceed the

64 least amount necessary to obtain the qualified company's  
65 commitment to initiate the project. In determining the  
66 amount of tax credits to include in a proposal for benefits  
67 to a qualified company under this section, the department  
68 shall consider the following factors:

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

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

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

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

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

81 (6) The percent of local incentives committed.

82 7. Notwithstanding the provisions of subsection 3 of  
83 section 620.2020 to the contrary, a qualified company  
84 receiving benefits under this section shall provide an  
85 annual report of the number of jobs created or retained, and  
86 wage information for such jobs, new capital investment, and  
87 such other information as may be required by the department  
88 to document the basis for program benefits no later than  
89 ninety days prior to the end of the qualified company's tax  
90 year immediately following the tax year for which the  
91 benefits provided under this section are attributed.

92 Failure to timely file the annual report required under this  
93 section may result in the forfeiture of tax credits  
94 attributable to the year for which the reporting was  
95 required.

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

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

104       (2) The terms and conditions upon the issuance of tax  
105 credits, which, notwithstanding subsection 4 of section  
106 620.2020 to the contrary, shall be issued no sooner than  
107 when the qualified company files its first annual report  
108 required under subsection 3 of section 620.2020 after making  
109 the minimum required new capital investment as set forth in  
110 subdivision (2) of subsection 1 of this section;

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

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

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

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

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

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

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

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

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

20       (5) "Executive branch", the chief executive officer of  
21 a participating city and any department, agency, or officer  
22 acting under the authority of such chief executive officer,  
23 consistent with the city's form of government to administer,  
24 oversee, and carry out the responsibilities of a Missouri  
25 innovation zone authorized under sections 620.6000 to  
26 620.6033;

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

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

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

40       (9) "Missouri innovation zone", a locally designated  
41 contiguous geographic area within a participating city that  
42 encompasses the boundaries of the city's downtown or primary

43 commercial core, or, in the absence of a clearly defined  
44 downtown, the central business district or a qualified  
45 Missouri main street district, as applicable, except that no  
46 such zone shall exceed ten percent of the total area of the  
47 participating city;

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

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

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

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

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

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

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

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

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

95       (19) "State sales tax increment", up to fifty percent  
96 of the incremental increase in the state sales tax revenue  
97 in the certified Missouri innovation zone. In no event  
98 shall the incremental increase include any amounts  
99 attributable to retail sales unless the department is  
100 satisfied based on information provided by the participating  
101 city, and the department has made a finding that a  
102 substantial portion of all but a de minimis portion of the  
103 sales tax increment attributable to retail sales is from new  
104 sources which did not exist in the state during the state  
105 baseline year;

106       (a) The incremental increase for an existing facility  
107 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.

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

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

19       3. (1) The executive branch of a city seeking  
20 designation and certification of a Missouri innovation zone  
21 shall prepare and submit to the department a master plan for  
22 the proposed zone and shall be responsible for coordinating  
23 implementation of the zone upon certification.

24       (2) The master plan shall:

25       (a) Define the geographic boundaries of the proposed  
26 zone;

27       (b) Identify vacant or under-utilized properties  
28 demonstrating how incentives authorized under sections  
29 620.6000 to 620.6033 are expected to be deployed and the  
30 impact such incentives are intended to have;

31       (c) Identify public safety and infrastructure  
32 priorities;

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

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

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

40       (a) Coordinate with the department regarding  
41 compliance and implementation of sections 620.6000 to  
42 620.6033;

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

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

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

52 4. (1) Within forty-five calendar days of receipt of  
53 a complete master plan application, the department shall  
54 issue a written determination approving, conditionally  
55 approving, or denying designation or certification.

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

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

71 (4) The applicant shall have fifteen calendar days  
72 from issuance of a deficiency notice to cure the identified  
73 deficiencies in order to retain its place in the review  
74 queue. Upon receipt of supplemental materials curing such  
75 deficiencies, the department's review period shall resume;  
76 however, the department shall in all events have not fewer

77 than thirty calendar days from receipt of the cured  
78 application to complete its review and issue a determination.

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

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

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

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

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

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

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

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

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

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

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

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

139       5. (1) Upon certification of a Missouri innovation  
140 zone under this section, the incentives authorized under  
141 sections 620.6000 to 620.6033 shall be available within the  
142 certified geographic boundaries of the zone, subject to the

eligibility criteria, performance standards, and procedures  
set forth in those sections, provided that no such  
incentives 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

176 required for a project within a certified Missouri  
177 innovation zone to qualify for property tax abatement or tax  
178 increment financing, provided the project meets the  
179 requirements of this section.

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

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

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

204 7. The rural Missouri development fund shall be  
205 administered by the department in accordance with section  
206 620.6009.

207 8. The public safety fund shall be administered by the  
208 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:

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

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

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

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

252       (e) Establish proportional scaling between tiers;

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

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

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

262       (a) No single scoring category shall be weighed in a  
263 manner that causes such category to constitute a mandatory  
264 prerequisite to eligibility or to control a disproportionate  
265 share of the total available points, except that the  
266 department may assign enhanced weight to housing production  
267 or residential activation categories consistent with the  
268 purposes of this subsection, namely scoring categories  
269 listed under paragraphs (a), (g), and (h) of subdivision (4)  
270 of this subsection;

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

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

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

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

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

282 (b) Affordability;

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

284 (d) Community improvements and neighborhood

285 connectivity;

286 (e) Historic preservation;

287 (f) Access and mobility;

288 (g) Family-oriented design;

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

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

291 (j) Workforce practices, local participation, and

292 stewardship.

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

303 (6) Once a reviewing authority verifies that a project  
304 has achieved a tier threshold under the master scorecard,  
305 the incentive governed by this subsection shall be awarded  
306 consistent with that tier and shall not be reduced,

307 modified, conditioned, or denied beyond the requirements  
308 expressly set forth in this subsection.

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

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

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

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

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

334 18. Nothing in sections 620.6000 to 620.6033 shall be  
335 construed to waive, limit, supersede, or otherwise modify  
336 any requirement, limitation, restriction, or prohibition  
337 imposed by state or federal law applicable to an applicant  
338 or to the use of funds including, but not limited to,  
339 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.

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

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

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

386 (a) Be issued in writing; and

387 (b) State the specific grounds for denial.

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

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

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

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

5 section within the geographic boundaries of the Missouri  
6 innovation zone.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

75        (1) Development applications;  
76        (2) Business applications; and  
77        (3) Applications for locally administered development  
78 incentives governed by the master scorecard. No application  
79 shall be deemed incomplete for failure to include materials  
80 not identified on such checklists.

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

89        9. (1) Each participating city shall designate a one  
90 stop review authority responsible for:

91        (a) Receiving and coordinating all development  
92 applications;

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

95        (c) Receiving and coordinating business applications;

96 and

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

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

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

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

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

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

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

126       (b) Issue a written notice of incompleteness.

127       (7) A notice of incompleteness shall:

128       (a) Identify each missing item;

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

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

133       (d) Identify all deficiencies known at the time of  
134 issuance. The participating city shall not subsequently  
135 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

265 (d) Deemed approval shall not:

266       a. Waive compliance with building codes, fire codes,  
267 life-safety codes, environmental codes, or health codes;  
268       b. Authorize violation of zoning limitations;  
269       c. Supersede state or federal approval requirements; or  
270       d. Override the requirement of an affirmative  
271 legislative vote where expressly required by law.

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

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

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

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

287       (21) Nothing in this section shall:

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

291       (b) Limit inspection authority;

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

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

296       (22) In the event of a declared local or state  
297 emergency that materially impairs the participating city's  
298 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 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;

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

370 (c) Proceed without either incentive.

371 12. (1) A participating city shall provide building  
372 code flexibility for adaptive reuse projects within the  
373 zone. Such flexibility shall:

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

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

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

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

390 13. (1) If the department determines that a  
391 participating city has failed to maintain one or more  
392 requirements of this section, the department shall provide  
393 written notice of such noncompliance.

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

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

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

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

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

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

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

417       14. (1) The department shall prepare and submit a  
418 biennial written report to the general assembly summarizing  
419 the status, performance, and outcomes of the Missouri  
420 innovation zone program. The purpose of the report is to  
421 provide transparency, accountability, and aggregate  
422 information regarding the implementation and performance of  
423 certified Missouri innovation zones and the incentives  
424 authorized under sections 620.6000 to 620.6033. The report  
425 shall be informational in nature and shall not be used to  
426 impose additional approval requirements, conditions, or  
427 penalties on any certified Missouri innovation zone or  
428 approved projects.

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

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

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

439       (b) The number and types of projects approved and the  
440 distribution of incentives authorized under sections  
441 620.6000 to 620.6033;

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

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

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

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

451       15. The department may retain, subject to  
452 appropriation, a limited portion of net-new state revenue  
453 generated under sections 620.6000 to 620.6033 solely for the  
454 administration of the Missouri innovation zone program.  
455 Such retained amounts shall be derived exclusively from net-  
456 new state revenue attributable to certified Missouri  
457 innovation zones and shall not reduce or impair any existing  
458 state or local revenues. The department may charge an  
459 application, participation, or administrative fee to the  
460 recipient of any tax credits issued by the department under  
461 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.

26       3. (1) Each contributing city shall annually  
27 contribute to the rural Missouri development fund an amount  
28 equal to ten percent of net-new state sales tax revenue  
29 retained for the applicable innovation zone public safety  
30 fund under section 620.6012.

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

34       4. (1) Moneys in the rural Missouri development fund  
35 shall be awarded to:

36       (a) Rural cities;

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

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

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

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

47       (1) Rural education;

48       (2) Public infrastructure improvements or public  
49 safety;

50       (3) Housing development, rehabilitation, or  
51 stabilization;

52       (4) Workforce development or training;

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

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

56       6. (1) No more than twenty percent of the total funds  
57 available for award from the rural Missouri development fund

58 in any fiscal year shall be awarded to or for the benefit of  
59 any single city or other eligible applicant.

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

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

70 7. (1) The department shall administer the rural  
71 Missouri development fund and shall establish an application  
72 process for eligible recipients.

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

75 (a) Project readiness;

76 (b) Demonstrated community need;

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

78 (d) Written input from contributing cities.

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

88 8. The department shall promulgate such rules and  
89 regulations as are necessary to implement and administer  
90 this section. Any rule or portion of a rule, as that term

91 is defined in section 536.010, that is created under the  
92 authority delegated in this section shall become effective  
93 only if it complies with and is subject to all of the  
94 provisions of chapter 536 and, if applicable, section  
95 536.028. This section and chapter 536 are nonseverable and  
96 if any of the powers vested with the general assembly  
97 pursuant to chapter 536 to review, to delay the effective  
98 date, or to disapprove and annul a rule are subsequently  
99 held unconstitutional, then the grant of rulemaking  
100 authority and any rule proposed or adopted after August 28,  
101 2026, shall be invalid and void.

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

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

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

13 (1) Subject to the exclusions set forth in this  
14 section, the Missouri innovation zone public safety fund

15 shall receive fifty percent of the net-new state revenue  
16 generated within a certified Missouri innovation zone that  
17 would otherwise be deposited into the state general revenue  
18 fund.

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

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

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

38 3. (1) This section shall not be construed to  
39 authorize the deposit or transfer of any portion of net-new  
40 state revenue to the Missouri innovation zone public safety  
41 fund to the extent such portion of net-new state revenue is  
42 otherwise captured under any other provision of law,  
43 including:

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

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

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

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

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

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

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

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

78       4. (1) Moneys remitted under this section shall be  
79 deposited into a dedicated local fund or account established

80 by the participating city for the applicable certified  
81 Missouri innovation zone.

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

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

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

92 5. (1) Moneys remitted from the innovation zone  
93 public safety fund shall be used for capital or operating  
94 expenditures related to public safety and public realm  
95 improvements within the certified Missouri innovation zone  
96 including, but not limited to:

97 (a) Police services and law enforcement staffing;

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

99 (c) Wayfinding and signage;

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

102 (e) Landscaping, trees, and plazas;

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

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

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

109 (2) Of the moneys remitted to the Missouri innovation  
110 zone public safety fund under this section, not less than  
111 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.

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

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

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

155       7. The department shall promulgate all rules necessary  
156 to implement this section, provided that such rules are  
157 consistent with and reasonably necessary to carry out the  
158 purposes, structure, and operative provisions of sections  
159 620.6000 to 620.6033. In promulgating such rules, the  
160 department shall consult with the department of revenue to  
161 the extent necessary for the administration of this  
162 section. Any rule or portion of a rule, as that term is  
163 defined in section 536.010, that is created under the  
164 authority delegated in this section shall become effective  
165 only if it complies with and is subject to all of the  
166 provisions of chapter 536 and, if applicable, section  
167 536.028. This section and chapter 536 are nonseverable and  
168 if any of the powers vested with the general assembly  
169 pursuant to chapter 536 to review, to delay the effective  
170 date, or to disapprove and annul a rule are subsequently  
171 held unconstitutional, then the grant of rulemaking  
172 authority and any rule proposed or adopted after August 28,  
173 2026, shall be invalid and void.

620.6018. 1. This section establishes an employer  
2 retention and reinvestment incentive within the Missouri  
3 works program under sections 620.2000 to 620.2020, providing  
4 withholding benefits to qualified companies that maintain a

5 continued presence in a Missouri innovation zone and  
6 reinvest in their operations.

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

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

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

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

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

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

31 (d) Baseline payroll and maintenance requirements;

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

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

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

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

40 (b) Who performs services in person at such location  
41 for not less than thirty-five hours per week on average  
42 consistent with the full-time employee definition in section  
43 620.2005, and for whom the qualified company offers health  
44 insurance and contributes at least fifty percent of the  
45 premium cost as required by section 620.2005;

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

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

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

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

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

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

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

67 (b) Does not relocate, consolidate, or transfer  
68 business operations from another Missouri location into the  
69 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.

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

112       4. (1) Applications for a benefit agreement may be  
113 submitted at any time. The department shall approve or deny  
114 any application for a withholding agreement within forty-  
115 five calendar days of receipt of a complete application.  
116 The department may approve a withholding agreement unless it  
117 determines that:

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

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

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

128       (3) Notwithstanding the provisions of section 32.057  
129 to the contrary, the department of revenue shall disclose to  
130 the department such information as is necessary to verify  
131 whether an applicant is in good standing with respect to tax  
132 compliance and reporting obligations under this section.  
133 Any information disclosed pursuant to this subdivision shall

134 remain confidential and shall not be subject to disclosure  
135 under chapter 610 and shall not be disclosed in a manner  
136 that identifies confidential taxpayer information beyond  
137 what is necessary to administer this section.

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

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

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

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

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

163 6. A benefit agreement shall provide that the  
164 withholding benefit is requested and authorized on a  
165 quarterly basis, based on state income tax withholdings  
166 attributable to covered employees during the applicable

167 calendar quarter. The department may authorize a benefit  
168 agreement to permit requests on a semi-annual basis if  
169 determined appropriate based on the size or nature of the  
170 qualified company and provided that such authorization does  
171 not impact verification or compliance. For purposes of this  
172 subsection, the "applicable request period" means the  
173 calendar quarter or, if authorized by the department, the  
174 semi-annual period specified in the benefit agreement. In  
175 no event shall a benefit agreement authorize automatic  
176 retention or crediting of withholdings beyond the applicable  
177 request period without review and verification as required  
178 by this section.

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

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

187 (1) Operate within a certified Missouri innovation  
188 zone;

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

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

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

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

198       9. (1) A qualified company receiving a withholding  
199 benefit shall submit to the department, on a quarterly  
200 basis, a certification of:

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

203       (b) Compliance with payroll maintenance requirements;  
204 and

205       (c) Qualifying reinvestment expenditures incurred to  
206 date.

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

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

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

228       12. A qualified company may participate in the  
229 incentive authorized under this section concurrently with  
230 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

4 companies that create new jobs in a certified Missouri  
5 innovation zone.

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

7 (1) "Eligible relocated employee", an individual who:

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

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

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

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

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

24 (b) Travel expenses associated with the relocation;

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

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

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

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

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

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

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

58       3. An eligible qualified company shall not receive  
59 withholding retention benefits under section 620.6018 for  
60 wages or payroll amounts used to calculate relocation tax  
61 credits under this section. The department shall ensure  
62 that no payroll is used to generate benefits under both  
63 sections. In addition, no eligible qualified company shall  
64 claim a relocation tax credit under this section for the  
65 same employee relocation expenses for which it has claimed  
66 reimbursement under the Missouri one-start program under  
67 sections 620.800 to 620.809. Tax credits claimed under this  
68 section shall be applied after withholding tax credits

69 available to the eligible qualified company under section  
70 620.809 have been applied for the same tax year.

71 4. For all tax years beginning on or after January 1,  
72 2027, an eligible qualified company shall be allowed to  
73 claim a tax credit against the company's state tax liability  
74 in an amount equal to the eligible relocation expenses  
75 actually incurred and paid by the company on behalf of an  
76 eligible relocated employee during the tax year in which the  
77 employee relocated to a certified Missouri innovation zone,  
78 not to exceed five thousand dollars per tax year per  
79 eligible relocated employee.

80 5. (1) An eligible qualified company applying for a  
81 state tax credit under the provisions of this section shall  
82 submit an application to the department in such form and  
83 manner as prescribed by rule and shall be subject to the  
84 application completeness, review, and approval timelines set  
85 forth by rule. If the eligible qualified company meets all  
86 criteria required under the provisions of this section and  
87 section 620.6000, and approval is granted by the department,  
88 the department shall issue a tax credit certificate in the  
89 appropriate amount.

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

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

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

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

99 6. Tax credits issued under the provisions of this  
100 section shall be nonrefundable but may be carried forward to  
101 subsequent tax years up to five years. No tax credit

102 claimed under this section shall be assigned, transferred,  
103 sold, or otherwise conveyed.

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

124 8. The department of economic development, in  
125 coordination with the department of revenue, shall  
126 promulgate all necessary rules and regulations for the  
127 administration of this section. Any rule or portion of a  
128 rule, as that term is defined in section 536.010, that is  
129 created under the authority delegated in this section shall  
130 become effective only if it complies with and is subject to  
131 all of the provisions of chapter 536 and, if applicable,  
132 section 536.028. This section and chapter 536 are  
133 nonseverable and if any of the powers vested with the  
134 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

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

35       (3) "State tax liability", any liability incurred by a  
36 taxpayer pursuant to chapter 143, chapter 144, or chapter  
37 148, exclusive of the provisions relating to the withholding  
38 of taxes provided for in sections 143.191 to 143.265 and  
39 related provisions;

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

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

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

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

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

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

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

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

84       3. (1) For all tax years beginning on or after  
85 January 1, 2027, the department shall issue a taxpayer a tax  
86 credit of up to twenty-five percent of qualified conversion  
87 expenditures incurred on or after January 1, 2027, with  
88 respect to a qualified converted building or upper-floor  
89 housing located either:

90       (a) Within a certified Missouri innovation zone; or  
91       (b) Within a qualified Missouri main street district  
92 that is not located within a certified Missouri innovation  
93 zone, provided that the city in which such main street  
94 district is located has established a certified Missouri  
95 innovation zone under sections 620.6000 to 620.6033.

96       (2) A project qualifying under paragraph (b) of  
97 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.

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

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

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

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

183       5. (1) The tax credits authorized under this section  
184 shall constitute a single tax credit program. Qualified  
185 conversion expenditures with respect to any building,  
186 project, or portion thereof may be used to claim a tax  
187 credit under only one subdivision or subsection of this  
188 section, and in no event shall the same qualified conversion  
189 expenditures be counted, allocated, transferred, sold,  
190 assigned, or otherwise used more than once for purposes of  
191 claiming or supporting a tax credit under this section. A  
192 taxpayer shall not receive both the credit authorized for a  
193 qualified converted building or upper-floor housing under  
194 subsection 3 of this section and the credit authorized for

195 upper-floor housing under subsection 4 of this section with  
196 respect to the same qualified conversion expenditures,  
197 building, project, or portion thereof. If a project could  
198 qualify under more than one provision of this section, the  
199 taxpayer may elect only one such provision with respect to  
200 the same qualified conversion expenditures.

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

204 (3) Fifty percent of the maximum amount of tax credits  
205 available to be authorized to taxpayers in a fiscal year  
206 under this subsection shall be authorized solely for  
207 structures of more than seven hundred fifty thousand gross  
208 square feet. If the total amount of such reserved tax  
209 credits has been authorized, structures of more than seven  
210 hundred fifty thousand gross square feet may receive tax  
211 credits from the remaining unreserved amount of tax  
212 credits. If the total amount of reserved tax credits has  
213 not been authorized by the department, structures of less  
214 than seven hundred fifty thousand gross square feet may be  
215 authorized to receive tax credits from such reserved  
216 amount. The total amount of tax credits for a structure of  
217 more than seven hundred fifty thousand gross square feet may  
218 be allocated to the annual limits provided in this section  
219 over a period of up to ten years if:

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

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

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

228       (5) Twenty-five percent of the maximum amount of tax  
229 credits available to be authorized to taxpayers in a fiscal  
230 year under this subsection shall be authorized solely for  
231 upper-floor housing projects located in a qualified Missouri  
232 main street district. If the total amount of such reserved  
233 tax credits has been authorized, upper-floor housing  
234 projects located in a qualified Missouri main street  
235 district may receive tax credits from the remaining  
236 unreserved amount of tax credits. If the total amount of  
237 reserved tax credits has not been authorized by the  
238 department, projects not located in a qualified Missouri  
239 main street district may be authorized tax credits from such  
240 reserved amount.

241       6. In the event the department authorizes tax credits  
242 equal to the total amount available under this section, or  
243 sufficient that when totaled with all other approvals, the  
244 amount available under this section is exhausted, all  
245 taxpayers with applications then awaiting approval or  
246 thereafter submitted for approval shall be notified by the  
247 department that no additional approvals shall be granted  
248 during the fiscal year and shall be notified of the priority  
249 given to such taxpayer's application then awaiting  
250 approval. Such applications shall be kept on file by the  
251 department and shall be considered for approval for tax  
252 credits in the order established in this section in the  
253 event that additional tax credits become available due to  
254 the rescission of approvals, or when a new fiscal year's  
255 allocation of tax credits becomes available for approval.

256       7. (1) To obtain approval for tax credits under this  
257 section, a taxpayer shall submit to the department for  
258 preliminary approval an application for tax credits  
259 authorization to the department. The department shall have  
260 forty-five calendar days to review the application and shall

261 notify the applicant in writing within forty-five calendar  
262 days of the decision of whether the application has been  
263 authorized for tax credits. Each application for approval,  
264 including any applications received for supplemental  
265 allocations of tax credits, as provided under this section,  
266 shall be authorized for tax credits in the order of  
267 submission.

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

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

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

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

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

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

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

296 8. Only the property for which a property address is  
297 provided in the application shall be reviewed for approval.  
298 Once selected for review, a taxpayer shall not be permitted  
299 to request the review of another property for approval in  
300 the place of the property contained in such application.  
301 The department shall notify the applicant of incomplete  
302 applications and the applicant shall have a thirty-day  
303 period from the date of such notice to submit missing  
304 information or documentation to remedy the failure. Any  
305 application that is not complete after this opportunity to  
306 cure shall be disapproved by the department. Any  
307 disapproved application shall be removed from the review  
308 process. If an application is removed from the review  
309 process, the department shall notify the taxpayer in writing  
310 of the decision to remove such application. The taxpayer  
311 may subsequently submit a revised application. For the  
312 purposes of determining the order of submission and  
313 authorization of credits, the revised application shall be  
314 considered a new application.

315 9. The department shall use the innovation zone master  
316 scorecard under sections 620.6000 to 620.6033 to determine  
317 the credit amount.

318 10. If the department determines that the application  
319 meets the requirements of this section and section 620.6003  
320 to receive an authorization of tax credits, the taxpayer  
321 shall be notified in writing within forty-five days of the  
322 approval for an amount of tax credits equal to the amounts  
323 provided in this section, subject to the provisions of  
324 section 620.6003, unless approval of such credits would  
325 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

359 credit or letter of commitment subject to the lender's  
360 termination for a material adverse change impacting the  
361 extension of credit. If the department determines that a  
362 taxpayer has failed to comply with the requirements of this  
363 subdivision, the department shall notify the applicant of  
364 such failure and the applicant shall have a thirty-day  
365 period from the date of such notice to submit additional  
366 evidence to remedy the failure; and

367 (2) Commence conversion within twelve months of the  
368 date of issuance of the letter from the department granting  
369 the approval for tax credits. For the purposes of this  
370 subsection, "commence conversion" shall mean that, as of the  
371 date in which actual physical work, contemplated by the  
372 architectural plans submitted with the application, has  
373 begun, the taxpayer has incurred no less than ten percent of  
374 the estimated qualified conversion expenditures provided in  
375 the application. Taxpayers with approval of a project shall  
376 submit evidence of compliance with the provisions of this  
377 subsection. If the department determines that a taxpayer  
378 has failed to comply with the requirements of this  
379 subdivision, the department shall provide the taxpayer  
380 written notice of noncompliance. The taxpayer shall have  
381 thirty calendar days from receipt of such notice to respond  
382 in writing to the department and demonstrate that conversion  
383 has commenced, substantial steps toward commencement have  
384 been taken, or good cause exists for the delay. Upon a  
385 showing of good cause, including delays beyond the  
386 taxpayer's reasonable control, the department shall grant a  
387 cure period of not less than ninety calendar days to allow  
388 commencement of conversion. Tax credits approved under this  
389 section shall be rescinded only if the taxpayer fails to  
390 commence conversion within the applicable cure period  
391 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

458 completion of the phased project, or request repayment if an  
459 over-issuance of credits is determined.

460 16. No taxpayer shall be issued tax credits for  
461 qualified conversion expenditures on a qualified converted  
462 building within twenty-seven years of a previous issuance of  
463 tax credits under this section on such qualified converted  
464 buildings.

465 17. A taxpayer may be authorized and issued tax  
466 credits under this section in addition to tax credits  
467 authorized and issued under sections 253.544 to 253.559 for  
468 the same building.

469 18. The department of economic development, in  
470 coordination with the department of revenue, shall  
471 promulgate all necessary rules and regulations to administer  
472 the provisions of this section. Any rule or portion of a  
473 rule, as that term is defined in section 536.010, that is  
474 created under the authority delegated in this section shall  
475 become effective only if it complies with and is subject to  
476 all of the provisions of chapter 536 and, if applicable,  
477 section 536.028. This section and chapter 536 are  
478 nonseverable and if any of the powers vested with the  
479 general assembly pursuant to chapter 536 to review, to delay  
480 the effective date, or to disapprove and annul a rule are  
481 subsequently held unconstitutional, then the grant of  
482 rulemaking authority and any rule proposed or adopted after  
483 August 28, 2026, shall be invalid and void.

484 19. The provisions of this section shall not be  
485 construed to limit or in any way impair:

486 (1) A taxpayer's ability to complete a project and be  
487 issued tax credits under this section for any project for  
488 which the taxpayer has received an authorization of tax  
489 credits under this section from the department on or before  
490 the date this section expires;

491       (2) The department's ability to issue and the  
492 department of revenue's ability to redeem tax credits  
493 authorized by the department on or before the date the  
494 program authorized under this section expires, or a  
495 taxpayer's ability to redeem such credits.

      620.6027. 1. This section establishes the "Missouri  
2 Opportunity Zone" program as an overlay within the certified  
3 Missouri innovation zone, designed to encourage long-term  
4 private investment by allowing the payment deferral of  
5 Missouri income tax liabilities when such amounts are  
6 reinvested in qualifying property or businesses located  
7 within such zones.

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

10       (1) "Equity investment", an ownership interest in an  
11 operating business or investment property, whether held  
12 directly or indirectly, including as a general partner,  
13 limited partner, member, or shareholder, that is subject to  
14 the risks of the enterprise and does not constitute  
15 indebtedness;

16       (2) "Inclusion event", any event that terminates or  
17 partially terminates deferral under this section, as set  
18 forth in subsection 5 of this section;

19       (3) "Investment property", real property located  
20 within a Missouri opportunity zone that is acquired, held,  
21 or improved for purposes of commercial, residential, or  
22 mixed-use investment, whether or not such property is income-  
23 producing or cash-flowing at the time of acquisition, and  
24 that is not treated as an operating business for purposes of  
25 this section. Investment property shall qualify only if  
26 such property is placed into active commercial, residential,  
27 or mixed-use operation within thirty months of acquisition  
28 or the initial qualified Missouri opportunity zone

29 investment, whichever is later, and is not held through a  
30 shell entity or other arrangement lacking bona fide active  
31 operation, redevelopment, or productive use;

32 (4) "Missouri income tax liability", the taxpayer's  
33 net Missouri individual income tax liability for the taxable  
34 year imposed directly by section 143.011 or 143.041 after  
35 application of all credits except for reduction by  
36 withholding, estimated payments, or other remittances;

37 (5) "Missouri opportunity zone", any certified  
38 Missouri innovation zone under sections 620.6000 to 620.6033;

39 (6) "Operating business", a trade or business that:

40 (a) Is located within a Missouri opportunity zone; and

41 (b) Either:

42 a. Conducts active trade or business operations within  
43 such Missouri opportunity zone and derives not less than  
44 fifty percent of its gross revenue from activities conducted  
45 within such zone; or

46 b. Has adopted a written business plan to commence  
47 such active trade or business operations within twenty-four  
48 months of receiving a qualified Missouri opportunity zone  
49 investment and is actively deploying capital toward that  
50 purpose in a manner consistent with such plan.

51 For purposes of this section an operating business includes  
52 the production of income through the provision of goods or  
53 services, employment or personnel, or leasing of space as  
54 part of an active commercial enterprise, but shall not  
55 include a passive investment vehicle, holding company, or  
56 shell entity formed for the purpose of tax deferral without  
57 meaningful economic activity;

58 (7) "Qualified Missouri opportunity zone fund", an  
59 entity organized for the purpose of investing in one or more  
60 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.

126       (b) A qualified Missouri opportunity zone investment  
127 in investment property shall continue to qualify for  
128 deferral under this section so long as one or more of the  
129 following conditions is satisfied:

130       a. The investment property is placed into active  
131 commercial or residential use, including leasing, occupancy,  
132 or other income-producing operation, within thirty months  
133 following the initial qualified Missouri opportunity zone  
134 investment; or

135       b. Within thirty months of the date of the initial  
136 qualified Missouri opportunity zone investment in the  
137 investment property, the taxpayer, either directly or  
138 through one or more affiliated entities, invests an amount  
139 equal to or greater than the adjusted basis of the property,  
140 excluding land, in improvements that materially enhance the  
141 value, utility, or productive use of the property. For  
142 purposes of this subparagraph, the required investment  
143 amount may be satisfied through any combination of capital  
144 contributions, including amounts attributable to Missouri  
145 income tax liability for which payment is deferred under  
146 this section and other cash or equity contributions invested  
147 in the property. Debt financing shall not be treated as an  
148 equity investment for purposes of satisfying this test.

149       (6) In the case of a qualified Missouri opportunity  
150 zone investment, if such operating business or investment  
151 property generates net income attributable to the investment  
152 during any tax year prior to the expiration of the deferral  
153 period, the amount of Missouri income tax liability for  
154 which payment was previously deferred under this section  
155 shall be included in Missouri income tax for such tax year  
156 in an amount equal to four and seven-tenths percent of the  
157 taxpayer's share of the net income so generated, and shall  
158 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.

192 Notwithstanding any provision of law to the contrary, within  
193 three years of the date that all or part of the Missouri  
194 income tax liability deferred under this section is required  
195 to be paid as a result of an inclusion event or other cause  
196 under this section, the department of revenue may issue a  
197 notice of deficiency for, and assess or reassess, such tax,  
198 along with any applicable interest, additions to tax, and  
199 penalties. Nothing in the preceding sentence shall be  
200 construed to shorten any limitations period applicable under  
201 other provisions of law.

202 10. The department of revenue, in consultation with  
203 the department of economic development, shall administer  
204 this section and may require reasonable documentation to  
205 verify:

206 (1) The amount of Missouri income tax liability  
207 payment deferred;

208 (2) The nature and location of the qualified Missouri  
209 opportunity zone investment; and

210 (3) Compliance with the investment timing, active use,  
211 capital deployment, holding period, and inclusion-event  
212 requirements of this section.

213 11. (1) Any taxpayer claiming a deferral of payment  
214 of Missouri income tax liability under this section shall  
215 report such deferral on the taxpayer's Missouri income tax  
216 return for the taxable year in which the tax would otherwise  
217 be due and for each taxable year thereafter during which  
218 such tax payment remains deferred.

219 (2) The department shall prescribe the form and manner  
220 of reporting required under this section, including a form  
221 on which the taxpayer shall identify:

222 (a) The amount of Missouri income tax liability for  
223 which deferral is claimed;

224       (b) The taxable year to which such tax liability  
225 relates;

226       (c) The date of such contribution; and

227       (d) Such other information as is reasonably necessary  
228 to verify the taxpayer's eligibility for the deferral.

229       (3) As a condition of claiming or maintaining a  
230 deferral under this section, the taxpayer shall attach to  
231 the taxpayer's Missouri income tax return the form  
232 prescribed by the department, together with a certification  
233 executed by an independent certified public accountant  
234 stating that the amount of Missouri income tax liability for  
235 which deferral is claimed has been invested in a qualified  
236 investment in accordance with this section.

237       (4) The department may require the taxpayer to provide  
238 documentation reasonably necessary to verify compliance with  
239 this section, including documentation evidencing the  
240 qualified investment and continued eligibility for deferral.

241       (5) If the taxpayer fails to timely file the form or  
242 certification required under this section, or if the  
243 department determines that the taxpayer is not eligible for  
244 the claimed deferral, the deferred Missouri income tax  
245 liability shall be paid by the original individual income  
246 tax payment deadline for the taxable year as to which such  
247 failure or determination applies, together with any  
248 interest, penalties, or additions otherwise provided by law.

249       12. The department shall promulgate rules with respect  
250 to the certification, approval, and other requirements of a  
251 qualified Missouri opportunity zone fund. The department of  
252 revenue shall promulgate rules to otherwise implement this  
253 section. Such rules shall be consistent with and reasonably  
254 necessary to carry out the purposes, structure, and  
255 operative provisions of this section, including the  
256 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 establish 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;

47       (4) "MTC", the Missouri technology corporation  
48 established under section 348.251;

49       (5) "Owner", any natural person who is, directly or  
50 indirectly, a partner, stockholder, or member in a permitted  
51 entity investor;

52       (6) "Permitted entity investor", any general  
53 partnership; limited partnership; corporation that has in  
54 effect a valid election to be taxed as an S corporation  
55 under the Internal Revenue Code of 1986, as amended;  
56 revocable living trust; nonprofit corporation; or limited  
57 liability company that has elected to be taxed as a  
58 partnership under the Internal Revenue Code of 1986, as  
59 amended, and that was established and is operated for the  
60 purpose of making investments in other entities;

61       (7) "Qualified knowledge-based company", a company  
62 engaged in the research, development, implementation, and  
63 commercialization of innovative technologies, products, and  
64 services for use in the commercial marketplace;

65       (8) "Qualified Missouri business", a Missouri business  
66 that is approved as a qualified knowledge-based company by  
67 the MTC and meets at least one of the following criteria:

68       (a) Any partnership, association, limited liability  
69 company, or corporation domiciled in Missouri; or

70       (b) Any limited liability company or corporation that  
71 is domiciled outside the state of Missouri but has its  
72 business operations located primarily in Missouri or does  
73 substantially all of such business's production in Missouri;

74       (9) "Qualified securities", a cash investment through  
75 any form or combination of forms of financial assistance as  
76 provided under this subdivision. Such forms of financial  
77 assistance include, but are not limited to:

78       (a) Any form of equity, such as:

79       a. A general or limited partnership interest;

80        b. Common stock;  
81        c. Simple agreement for future equity (SAFE); or  
82        d. Preferred stock, without regard to voting rights or  
83 seniority position and regardless of whether convertible  
84 into common stock; and

85        (b) Any debt instrument subordinate to the general  
86 creditors of the qualified Missouri business debtor that  
87 requires no payment from the qualified Missouri business  
88 debtor and that shall convert to some form of equity prior  
89 to, or in conjunction with, the qualified Missouri business  
90 raising any additional funds;

91        (10) "Rural county", any county in the state of  
92 Missouri with fewer than one hundred thousand inhabitants,  
93 and such term shall be deemed to include both the farm and  
94 nonfarm population thereof. The number of inhabitants  
95 specified in this subdivision shall be increased by six  
96 percent every ten years after each decennial census  
97 beginning in 2030;

98        (11) "Tax credit", a credit against the tax otherwise  
99 due under chapter 143, excluding withholding tax imposed by  
100 sections 143.191 to 143.265.

101        3. (1) For all tax years beginning on or after  
102 January 1, 2027, a tax credit shall be allowed for an  
103 investor's cash investment in the qualified securities of a  
104 qualified Missouri business. The credit shall be in a total  
105 amount equal to forty percent of such investor's cash  
106 investment in any qualified Missouri business, subject to  
107 the limitations set forth in this subsection. The credit  
108 shall be in a total amount equal to fifty percent where the  
109 investor's cash investment in the qualified securities of a  
110 qualified Missouri business are in a rural county. The  
111 credit shall be in a total amount equal to sixty percent  
112 where the investor's cash investment in the qualified

113 securities of a qualified Missouri business are in a  
114 certified Missouri innovation zone. If the amount of the  
115 credit allowed by this section exceeds the investor's tax  
116 liability in any one tax year, the remaining portion of the  
117 credit may be carried forward two years or until the total  
118 amount of the credit is used, whichever occurs first. If  
119 the investor is a permitted entity investor, the credit  
120 provided by this section shall be claimed by the permitted  
121 entity investor in proportion to such owner's equity  
122 investment in the permitted entity investor.

123 (2) A cash investment in a qualified security shall be  
124 deemed to have been made on the date of acquisition of the  
125 qualified security, as such date is determined in accordance  
126 with the provisions of the Internal Revenue Code of 1986, as  
127 amended.

128 (3) The department and the MTC shall not allow tax  
129 credits of more than seventy-five thousand dollars for a  
130 single qualified Missouri business per investor who is a  
131 natural person or a permitted entity investor and shall not  
132 allow a total of three hundred thousand dollars in tax  
133 credits for a single tax year per investor who is a natural  
134 person or a permitted entity investor. The total amount of  
135 tax credits that may be allowed under this section shall not  
136 exceed six million dollars during either calendar year 2027  
137 or 2028. Beginning in calendar year 2029, the total amount  
138 of tax credits allowed under this section shall not exceed  
139 seven million dollars, so long as the total amount of tax  
140 credits allowed in the immediately preceding calendar year  
141 was issued during such calendar year. Beginning in the  
142 calendar year following the calendar year in which the total  
143 seven million dollars in tax credits was issued, the total  
144 amount of tax credits shall be increased to eight million  
145 dollars so long as the total amount of tax credits allowed

146 in the immediately preceding calendar year was completely  
147 issued.

148 (4) At the beginning of each calendar year, the MTC  
149 shall equally designate the total amount of tax credits  
150 available during the first six months of that calendar year  
151 to each designated geographic region. As soon as  
152 practicable at the end of the first six months of that  
153 calendar year, the MTC shall prepare and issue a report to  
154 the director of the department designating all tax credit  
155 awards for that year to date, so that the department may  
156 issue such tax credits in accordance with the provisions of  
157 this section and section 620.3033.

158 (5) During the last six months of the calendar year,  
159 any unissued tax credits previously allocated to any  
160 designated geographic region may be awarded at the  
161 discretion of the MTC to a qualified Missouri business in  
162 any designated geographic region throughout the state.

163 (6) Notwithstanding any provisions of sections  
164 620.6000 to 620.6033 or any other law to the contrary, the  
165 tax credits under this subsection for qualified investments  
166 made in qualified Missouri businesses located outside of the  
167 innovation districts shall expire on December 31, 2032.

168 4. (1) Before an investor is entitled to receive tax  
169 credits under this section and section 620.6033, such  
170 investor shall have made a cash investment in a qualified  
171 security of a qualified Missouri business. The business  
172 shall have been approved as a qualified Missouri business  
173 before the date on which the cash investment was made. To  
174 be designated as a qualified Missouri business, a business  
175 shall apply to the MTC.

176 (2) The application by a business shall be in the form  
177 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

210 bioscience businesses shall have been in operation for less  
211 than ten years;

212 (c) The ability of investors in the business to  
213 receive tax credits for cash investments in qualified  
214 securities of the business is beneficial to advancing the  
215 goals of this section and section 620.6033;

216 (d) The business shall not have ownership interests  
217 including, but not limited to, common or preferred shares of  
218 stock that can be traded via a public stock exchange before  
219 the date that a qualifying investment is made;

220 (e) The business shall not be engaged primarily in any  
221 one or more of the following enterprises:

222 a. The business of banking, savings and loan or  
223 lending institutions, credit or finance, or financial  
224 brokerage or investments;

225 b. The provision of professional services, such as  
226 legal, accounting, or engineering services; however,  
227 contract research or manufacturing organizations, sometimes  
228 referred to as CROs or CMOs, shall not be subject to this  
229 exclusion;

230 c. Governmental, charitable, religious, or trade  
231 organizations;

232 d. The ownership, development, brokerage, sales, or  
233 leasing of real estate;

234 e. Insurance;

235 f. Construction, construction management, or  
236 contracting;

237 g. Business consulting or brokerage;

238 h. Any business engaged primarily as a passive  
239 business, having irregular or noncontiguous operations, or  
240 deriving substantially all of the income of the business  
241 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

275 (m) The business shall satisfy all other requirements  
276 of this section and section 620.6033.

277 (4) A qualified Missouri business shall have the  
278 burden of proof to demonstrate the qualifications of the  
279 business under this section.

280 (5) The MTC shall establish an application fee for  
281 qualified Missouri businesses and investors or transferees.  
282 This fee shall be utilized by MTC to administer this  
283 section, issue the tax credits, and review the applications.

620.6033. 1. (1) The MTC is authorized to allocate  
2 tax credits to qualified Missouri businesses, and the  
3 department is authorized to issue tax credits to investors  
4 in such qualified Missouri businesses. Such tax credits  
5 shall be allocated to those qualified Missouri businesses  
6 that, as determined by the MTC, are most likely to provide  
7 the greatest economic benefit to the Missouri innovation  
8 zone or the state, or both. The MTC may allocate, and the  
9 department may issue, whole or partial tax credits in  
10 accordance with the report issued to the director of the  
11 department based on the MTC's assessment of the qualified  
12 Missouri businesses. The MTC may consider numerous factors  
13 in such assessment including, but not limited to, the  
14 quality and experience of the management team, the size of  
15 the estimated market opportunity, the risk from current or  
16 future competition, the ability to defend intellectual  
17 property, the quality and utility of the business model, and  
18 the quality and reasonableness of financial projections for  
19 the business.

20 (2) Each qualified Missouri business for which the MTC  
21 has allocated tax credits such that the department can issue  
22 tax credits to the investors of such qualified Missouri  
23 business shall submit to the MTC a report before such tax  
24 credits are issued. Such report shall include the following:

25       (a) The name, address, and taxpayer identification  
26 number of each investor who has made cash investment in the  
27 qualified securities of the qualified Missouri business;

28       (b) Proof of such investment, including copies of the  
29 securities' purchase agreements and canceled checks or wire-  
30 transfer receipts; and

31       (c) Such other information as may be reasonably  
32 required under this section and section 620.6030 or  
33 reasonably requested by the department or the MTC.

34       2. (1) The state of Missouri, the department, or the  
35 MTC shall not be held liable for any damages to any investor  
36 that makes an investment in any qualified security of a  
37 qualified Missouri business, any business that applies to be  
38 designated as a qualified Missouri business and is denied,  
39 or any investor that makes an investment in a business that  
40 applies to be designated as a qualified Missouri business  
41 and is denied.

42       (2) Each qualified Missouri business shall have the  
43 obligation to notify the MTC, which shall notify the  
44 director of the department, of any changes in the  
45 qualifications of the business or in the eligibility of  
46 investors to claim a tax credit for cash investment in a  
47 qualified security.

48       (3) The director of the department, in cooperation  
49 with the MTC, shall provide the information specified under  
50 subdivision (3) of subsection 4 of this section to the  
51 director of the department of revenue on an annual basis.

52       (4) If the MTC determines that a business is not in  
53 substantial compliance with the requirements under this  
54 section and section 620.6030 to maintain its designation,  
55 the department or MTC, by written notice, may inform the  
56 business that such business will lose its designation as a  
57 qualified Missouri business one hundred twenty days from the

58 date of mailing of the notice unless such business corrects  
59 the deficiencies and is once again in compliance with the  
60 requirements for designation and provides the MTC with  
61 evidence of correcting the deficiencies as the MTC  
62 reasonably requests.

63 (5) At the end of the one-hundred-twenty-day period,  
64 if the qualified Missouri business is still not in  
65 substantial compliance, the department or MTC may send a  
66 notice of loss of designation to the business, the director  
67 of the department of revenue, and to all known investors in  
68 the business.

69 (6) A business may lose its designation as a qualified  
70 Missouri business under this section and section 620.6030 by  
71 moving either its headquarters outside of Missouri or a  
72 substantial number of the jobs created in Missouri to a  
73 location outside Missouri within ten years after receiving  
74 financial assistance under this section and section 620.6030.

75 (7) In the event that a business loses its designation  
76 as a qualified Missouri business, such business shall be  
77 precluded from being issued any additional tax credits  
78 available under this section and section 620.6030 with  
79 respect to the business, shall be precluded from being  
80 approved as a qualified Missouri business, and shall be  
81 subject to an appropriate clawback provision that the MTC,  
82 in cooperation with the department by and through its  
83 service on the MTC board of directors, may institute.

84 (8) Investors who lawfully make an investment in a  
85 qualified Missouri business shall not have issued tax  
86 credits disallowed solely due to the business subsequently  
87 losing its designation as a qualified Missouri business. In  
88 the event such qualified business loses its designation as a  
89 qualified Missouri business, the amount of tax credits  
90 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.

156       (3) The MTC and the department, as applicable, shall  
157 also report annually to the governor, the director of the  
158 department of economic development, the president pro  
159 tempore of the senate, and the speaker of the house of  
160 representatives, on or before April first, on the allocation  
161 and issuance of the tax credits. Such reports shall include:

162       (a) The amount of tax credits issued in the previous  
163 fiscal year, including what percentage was issued to  
164 individuals and what percentage was issued to investment  
165 firms;

166       (b) The types of businesses that benefited from the  
167 tax credits;

168       (c) The amount of allocated but unissued tax credits  
169 and the information about the unissued tax credits set forth  
170 in subdivision (2) of this subsection;

171       (d) Any aggregate job creation or capital investment  
172 that resulted from the use of the tax credits for a period  
173 of five years beginning from the date on which the tax  
174 credits were awarded;

175       (e) The total cash investments made for the purchase  
176 of qualified securities of qualified Missouri businesses  
177 within the state during the preceding year and cumulatively  
178 since the effective date of this section and section  
179 620.6030;

180       (f) An estimate of jobs created and jobs preserved by  
181 cash investments made in qualified Missouri businesses  
182 within the state;

183       (g) An estimate of the multiplier effect on the  
184 economy of the cash investments made under this section and  
185 section 620.6030; and

186       (h) Information regarding what businesses deriving  
187 benefits from the tax credits remained in the certified  
188 Missouri innovation zone, what businesses ceased business,

189 what businesses were purchased, and what businesses may have  
190 moved out of a certified Missouri innovation zone or the  
191 state.

192 (4) Any violation of the reporting requirements of  
193 this subsection by a qualified Missouri business may be  
194 grounds for the loss of designation as a qualified Missouri  
195 business, and any such business that loses its designation  
196 as a qualified Missouri business shall be subject to the  
197 restrictions upon loss of designation set forth in  
198 subsection 2 of this section.

199 5. Notwithstanding any provision of section 105.1500  
200 to the contrary, any requirement to provide information,  
201 documents, or records under any of sections 620.6000 to  
202 620.6033, and any requirement established by the MTC or any  
203 state agency to provide information, documents, or records  
204 for the purpose of administering any of sections 620.6000 to  
205 620.6033, shall be exempt from section 105.1500 of the  
206 personal privacy protection act.

207 6. Tax credits issued under section 620.6030 or this  
208 section shall be classified as "entrepreneurial tax credits"  
209 under section 135.800 of the tax credit accountability act.