FIRST REGULAR SESSION

HOUSE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 5

101ST GENERAL ASSEMBLY

1041H.06C DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 67.1421, 67.1451, 67.1461, 67.1471, 67.1481, 67.1545, 68.075, 99.805, 99.810, 99.820, 99.843, 99.847, 99.848, 143.121, 143.171, 620.1039, and 620.2020, RSMo, and to enact in lieu thereof nineteen new sections relating to taxation, with an emergency clause for certain sections.

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

Section A. Sections 67.1421, 67.1451, 67.1461, 67.1471, 67.1481, 67.1545, 68.075, 99.805, 99.810, 99.820, 99.843, 99.847, 99.848, 143.121, 143.171, 620.1039, and 620.2020, RSMo, are repealed and nineteen new sections enacted in lieu thereof, to be known as sections 67.1421, 67.1451, 67.1461, 67.1471, 67.1481, 67.1545, 68.075, 99.805, 99.810, 99.820, 99.843, 99.847, 99.848, 143.088, 143.121, 143.171, 620.1039, 620.2020, and 620.2250, to read as follows:

67.1421. 1. Upon receipt of a proper petition filed with its municipal clerk, the governing body of the municipality in which the proposed district is located shall hold a public hearing in accordance with section 67.1431 and may adopt an ordinance to establish the proposed district.

2. A petition is proper if, based on the tax records of the county clerk, or the collector of revenue if the district is located in a city not within a county, as of the time of filing the petition with the municipal clerk, it meets the following requirements:

(1) It has been signed by property owners collectively owning more than fifty percent by assessed value of the real property within the boundaries of the proposed district;

(2) It has been signed by more than fifty percent per capita of all owners of real property within the boundaries of the proposed district; and

(3) It contains the following information:

EXPLANATION — Matter enclosed in bold-faced brackets **[**thus**]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

(a) The legal description of the proposed district, including a map illustrating the district boundaries;

(b) The name of the proposed district;

(c) A notice that the signatures of the signers may not be withdrawn later than seven days after the petition is filed with the municipal clerk;

(d) A five-year plan stating a description of the purposes of the proposed district, the services it will provide, **[**~~the improvements~~**] each improvement** it will make **[**~~and~~**] from the list of allowable improvements under section 67.1461,** an estimate of **the** costs of these services and improvements to be incurred**, the anticipated sources of funds to pay the costs, and the anticipated term of the sources of funds to pay the costs**;

(e) A statement as to whether the district will be a political subdivision or a not-for-profit corporation and if it is to be a not-for-profit corporation, the name of the not-for-profit corporation;

(f) If the district is to be a political subdivision, a statement as to whether the district will be governed by a board elected by the district or whether the board will be appointed by the municipality, and, if the board is to be elected by the district, the names and terms of the initial board may be stated;

(g) If the district is to be a political subdivision, the number of directors to serve on the board;

(h) The total assessed value of all real property within the proposed district;

(i) A statement as to whether the petitioners are seeking a determination that the proposed district, or any legally described portion thereof, is a blighted area;

(j) The proposed length of time for the existence of the district**, which in the case of districts established after August 28, 2021, shall not exceed twenty-seven years from the adoption of the ordinance establishing the district unless the municipality extends the length of time under section 67.1481**;

(k) The maximum rates of real property taxes, and, business license taxes in the county seat of a county of the first classification without a charter form of government containing a population of at least two hundred thousand, that may be submitted to the qualified voters for approval;

(l) The maximum rates of special assessments and respective methods of assessment that may be proposed by petition;

(m) The limitations, if any, on the borrowing capacity of the district;

(n) The limitations, if any, on the revenue generation of the district;

(o) Other limitations, if any, on the powers of the district;

(p) A request that the district be established; and

(q) Any other items the petitioners deem appropriate;

(4) The signature block for each real property owner signing the petition shall be in substantially the following form and contain the following information:

Name of owner: _____

Owner's telephone number and mailing address: _____

If signer is different from owner:

Name of signer: _____

State basis of legal authority to sign: _____

Signer's telephone number and mailing address: _____

If the owner is an individual, state if owner is single or married: _____

If owner is not an individual, state what type of entity: _____

Map and parcel number and assessed value of each tract of real property within the proposed district owned: _____

By executing this petition, the undersigned represents and warrants that he or she is authorized to execute this petition on behalf of the property owner named immediately above

_____ _____

Signature of person signing for owner Date

STATE OF MISSOURI)

) ss.

COUNTY OF _____)

Before me personally appeared _____, to me personally known to be the individual described in and who executed the foregoing instrument.

WITNESS my hand and official seal this _____ day of _____ (month), _____ (year).

_____

Notary Public

My Commission Expires: _____ ; and

(5) Alternatively, the governing body of any home rule city with more than four hundred thousand inhabitants and located in more than one county may file a petition to initiate the process to establish a district in the portion of the city located in any county of the first classification with more than two hundred thousand but fewer than two hundred sixty thousand inhabitants containing the information required in subdivision (3) of this subsection; provided that the only funding methods for the services and improvements will be a real property tax.

3. Upon receipt of a petition the municipal clerk shall, within a reasonable time not to exceed ninety days after receipt of the petition, review and determine whether the petition substantially complies with the requirements of subsection 2 of this section. In the event the municipal clerk receives a petition which does not meet the requirements of subsection 2 of this section, the municipal clerk shall, within a reasonable time, return the petition to the submitting party by hand delivery, first class mail, postage prepaid or other efficient means of return and shall specify which requirements have not been met.

4. After the close of the public hearing required pursuant to subsection 1 of this section, the governing body of the municipality may adopt an ordinance approving the petition and establishing a district as set forth in the petition and may determine, if requested in the petition, whether the district, or any legally described portion thereof, constitutes a blighted area. If the petition was filed by the governing body of a municipality pursuant to subdivision (5) of subsection 2 of this section, after the close of the public hearing required pursuant to subsection 1 of this section, the petition may be approved by the governing body and an election shall be called pursuant to section 67.1422.

5. Amendments to a petition may be made which do not change the proposed boundaries of the proposed district if an amended petition meeting the requirements of subsection 2 of this section is filed with the municipal clerk at the following times and the following requirements have been met:

(1) At any time prior to the close of the public hearing required pursuant to subsection 1 of this section; provided that, notice of the contents of the amended petition is given at the public hearing;

(2) At any time after the public hearing and prior to the adoption of an ordinance establishing the proposed district; provided that, notice of the amendments to the petition is given by publishing the notice in a newspaper of general circulation within the municipality and by sending the notice via registered certified United States mail with a return receipt attached to the address of record of each owner of record of real property within the boundaries of the proposed district per the tax records of the county clerk, or the collector of revenue if the district is located in a city not within a county. Such notice shall be published and mailed not less than ten days prior to the adoption of the ordinance establishing the district;

(3) At any time after the adoption of any ordinance establishing the district a public hearing on the amended petition is held and notice of the public hearing is given in the manner provided in section 67.1431 and the governing body of the municipality in which the district is located adopts an ordinance approving the amended petition after the public hearing is held.

6. Upon the creation of a district, the municipal clerk shall report in writing the creation of such district to the Missouri department of economic development **and the state auditor**.

67.1451. 1. If a district is a political subdivision, the election and qualifications of members to the district's board of directors shall be in accordance with this section. If a district is a not-for-profit corporation, the election and qualification of members to its board of directors shall be in accordance with chapter 355.

2. **(1)** The district shall be governed by a board consisting of at least five but not more than thirty directors.

(2) Except as otherwise provided in this subsection, each director shall, during his or her entire term**[**~~, be~~**]**:

[~~(1)~~**] (a) Be** at least eighteen years of age; **[**~~and~~

~~(2)~~**] (b)** Be either:

[~~(a)~~**] a.** An owner, as defined in section 67.1401, of real property or of a business operating within the district; or

[~~(b)~~**] b.** A registered voter residing within the district; and

[~~(3)~~**] (c) Satisfy** any other qualifications set forth in the petition establishing the district.

(3) In the case of districts established after August 28, 2021, if there are no registered voters in the district on the date the petition is filed, at least one director shall, during his or her entire term, be a person who:

(a) Resides within the municipality that established the district;

(b) Is qualified and registered to vote under chapter 115 according to the records of the election authority as of the thirtieth day prior to the date of the applicable election;

(c) Has no financial interest in any real property or business operating within the district; and

(d) Is not a relative within the second degree of consanguinity or affinity to an owner of real property or a business operating in the district.

(4) If there are fewer than five owners of real property located within a district, the board may be comprised of up to five legally authorized representatives of any of the owners of real property located within the district.

3. If the district is a political subdivision, the board shall be elected or appointed, as provided in the petition. **However, in the case of districts established after August 28, 2021, if the board is to be elected, the petition shall require at least one member of the board be appointed by the**

governing body of the municipality in the same manner as provided in this section for board appointments. The appointed board member shall serve a four-year term.

4. If the board is to be elected, the procedure for election shall be as follows:

(1) The municipal clerk shall specify a date on which the election shall occur which date shall be a Tuesday and shall not be earlier than the tenth Tuesday, and shall not be later than the fifteenth Tuesday, after the effective date of the ordinance adopted to establish the district;

(2) The election shall be conducted in the same manner as provided for in section 67.1551, provided that the published notice of the election shall contain the information required by section 67.1551 for published notices, except that it shall state that the purpose of the election is for the election of directors, in lieu of the information related to taxes;

(3) Candidates shall pay the sum of five dollars as a filing fee and shall file not later than the second Tuesday after the effective date of the ordinance establishing the district with the municipal clerk a statement under oath that he or she possesses all of the qualifications set out in this section for a director. Thereafter, such candidate shall have his or her name placed on the ballot as a candidate for director;

(4) The director or directors to be elected shall be elected at large. The person receiving the most votes shall be elected to the position having the longest term; the person receiving the second highest votes shall be elected to the position having the next longest term and so forth. For any district formed prior to August 28, 2003, of the initial directors, one-half shall serve for a two-year term, one-half shall serve for a four-year term and if an odd number of directors are elected, the director receiving the least number of votes shall serve for a two-year term, until such director's successor is elected. For any district formed on or after August 28, 2003, for the initial directors, one-half shall serve for a two-year term, and one-half shall serve for the term specified by the district pursuant to subdivision (5) of this subsection, and if an odd number of directors are elected, the director receiving the least number of votes shall serve for a two-year term, until such director's successor is elected;

(5) Successor directors shall be elected in the same manner as the initial directors. The date of the election of successor directors shall be specified by the municipal clerk which date shall be a Tuesday and shall not be later than the date of the expiration of the stated term of the expiring director. Each successor director shall serve a term for the length specified prior to the election by the district, which term shall be at least three years and not more than four years, and shall continue until such director's successor is elected.

In the event of a vacancy on the board of directors, the remaining directors shall elect an interim director to fill the vacancy for the unexpired term.

5. If the petition provides that the board is to be appointed by the municipality, such appointments shall be made by the chief elected officer of the municipality with the consent of the governing body of the municipality. For any district formed prior to August 28, 2003, of the initial appointed directors, one-half of the directors shall be appointed to serve for a two-year

term and the remaining one-half shall be appointed to serve for a four-year term until such director's successor is appointed; provided that, if there is an odd number of directors, the last person appointed shall serve a two-year term. For any district formed on or after August 28, 2003, of the initial appointed directors, one-half shall be appointed to serve for a two-year term, and one-half shall be appointed to serve for the term specified by the district for successor directors pursuant to this subsection, and if an odd number of directors are appointed, the last person appointed shall serve for a two-year term; provided that each director shall serve until such director's successor is appointed. Successor directors shall be appointed in the same manner as the initial directors and shall serve for a term of years specified by the district prior to the appointment, which term shall be at least three years and not more than four years.

6. If the petition states the names of the initial directors, those directors shall serve for the terms specified in the petition and successor directors shall be determined either by the above-listed election process or appointment process as provided in the petition.

7. Any director may be removed for cause by a two-thirds affirmative vote of the directors of the board. Written notice of the proposed removal shall be given to all directors prior to action thereon.

8. The board is authorized to act on behalf of the district, subject to approval of qualified voters as required in this section; except that, all official acts of the board shall be by written resolution approved by the board.

67.1461. 1. Each district shall have all the powers, except to the extent any such power has been limited by the petition approved by the governing body of the municipality to establish the district, necessary to carry out and effectuate the purposes and provisions of sections 67.1401 to 67.1571 including, but not limited to, the following:

(1) To adopt, amend, and repeal bylaws, not inconsistent with sections 67.1401 to 67.1571, necessary or convenient to carry out the provisions of sections 67.1401 to 67.1571;

(2) To sue and be sued;

(3) To make and enter into contracts and other instruments, with public and private entities, necessary or convenient to exercise its powers and carry out its duties pursuant to sections 67.1401 to 67.1571;

(4) To accept grants, guarantees and donations of property, labor, services, or other things of value from any public or private source;

(5) To employ or contract for such managerial, engineering, legal, technical, clerical, accounting, or other assistance as it deems advisable;

(6) To acquire by purchase, lease, gift, grant, bequest, devise, or otherwise, any real property within its boundaries, personal property, or any interest in such property;

(7) To sell, lease, exchange, transfer, assign, mortgage, pledge, hypothecate, or otherwise encumber or dispose of any real or personal property or any interest in such property;

(8) To levy and collect special assessments and taxes as provided in sections 67.1401 to 67.1571. However, no such assessments or taxes shall be levied on any property exempt from taxation pursuant to subdivision (5) of section 137.100. Those exempt pursuant to subdivision (5) of section 137.100 may voluntarily participate in the provisions of sections 67.1401 to 67.1571;

(9) If the district is a political subdivision, to levy real property taxes and business license taxes in the county seat of a county of the first classification containing a population of at least two hundred thousand, as provided in sections 67.1401 to 67.1571. However, no such assessments or taxes shall be levied on any property exempt from taxation pursuant to subdivisions (2) and (5) of section 137.100. Those exempt pursuant to subdivisions (2) and (5) of section 137.100 may voluntarily participate in the provisions of sections 67.1401 to 67.1571;

(10) If the district is a political subdivision, to levy sales taxes pursuant to sections 67.1401 to 67.1571;

(11) To fix, charge, and collect fees, rents, and other charges for use of any of the following:

(a) The district's real property, except for public rights-of-way for utilities;

(b) The district's personal property, except in a city not within a county; or

(c) Any of the district's interests in such real or personal property, except for public rights-of-way for utilities;

(12) To borrow money from any public or private source and issue obligations and provide security for the repayment of the same as provided in sections 67.1401 to 67.1571;

(13) To loan money as provided in sections 67.1401 to 67.1571;

(14) To make expenditures, create reserve funds, and use its revenues as necessary to carry out its powers or duties and the provisions and purposes of sections 67.1401 to 67.1571;

(15) To enter into one or more agreements with the municipality for the purpose of abating any public nuisance within the boundaries of the district including, but not limited to, the stabilization, repair or maintenance or demolition and removal of buildings or structures, provided that the municipality has declared the existence of a public nuisance;

(16) Within its boundaries, to provide assistance to or to construct, reconstruct, install, repair, maintain, and equip any of the following public improvements:

(a) Pedestrian or shopping malls and plazas;

(b) Parks, lawns, trees, and any other landscape;

(c) Convention centers, arenas, aquariums, aviaries, and meeting facilities;

(d) Sidewalks, streets, alleys, bridges, ramps, tunnels, overpasses and underpasses, traffic signs and signals, utilities, drainage, water, storm and sewer systems, and other site improvements;

(e) Parking lots, garages, or other facilities;

(f) Lakes, dams, and waterways;

(g) Streetscape, lighting, benches or other seating furniture, trash receptacles, marquees, awnings, canopies, walls, and barriers;

(h) Telephone and information booths, bus stop and other shelters, rest rooms, and kiosks;

(i) Paintings, murals, display cases, sculptures, and fountains;

(j) Music, news, and child-care facilities; and

(k) Any other useful, necessary, or desired **public** improvement **specified in the petition or any amendment**;

(17) To dedicate to the municipality, with the municipality's consent, streets, sidewalks, parks, and other real property and improvements located within its boundaries for public use;

(18) Within its boundaries and with the municipality's consent, to prohibit or restrict vehicular and pedestrian traffic and vendors on streets, alleys, malls, bridges, ramps, sidewalks, and tunnels and to provide the means for access by emergency vehicles to or in such areas;

(19) Within its boundaries, to operate or to contract for the provision of music, news, child-care, or parking facilities, and buses, minibuses, or other modes of transportation;

(20) Within its boundaries, to lease space for sidewalk café tables and chairs;

(21) Within its boundaries, to provide or contract for the provision of security personnel, equipment, or facilities for the protection of property and persons;

(22) Within its boundaries, to provide or contract for cleaning, maintenance, and other services to public and private property;

(23) To produce and promote any tourism, recreational or cultural activity or special event in the district by, but not limited to, advertising, decoration of any public place in the district, promotion of such activity and special events, and furnishing music in any public place;

(24) To support business activity and economic development in the district including, but not limited to, the promotion of business activity, development and retention, and the recruitment of developers and businesses;

(25) To provide or support training programs for employees of businesses within the district;

(26) To provide refuse collection and disposal services within the district;

(27) To contract for or conduct economic, planning, marketing or other studies;

(28) To repair, restore, or maintain any abandoned cemetery on public or private land within the district; and

(29) To partner with a telecommunications company or broadband service provider in order to construct or improve telecommunications facilities which shall be wholly owned and operated by the telecommunications company or broadband service provider, as the terms "telecommunications company" and "telecommunications facilities" are defined in section 386.020 and subject to the provisions of section 392.410, that are in an unserved or underserved area, as defined in section 620.2450. Before any facilities are improved or constructed as a result of this section, the area shall be certified as unserved or underserved by the director of broadband development within the department of economic development;

(30) To carry out any other powers set forth in sections 67.1401 to 67.1571.

2. Each district which is located in a blighted area or which includes a blighted area shall have the following additional powers:

(1) Within its blighted area, to contract with any private property owner to demolish and remove, renovate, reconstruct, or rehabilitate any building or structure owned by such private property owner; and

(2) To expend its revenues or loan its revenues pursuant to a contract entered into pursuant to this subsection, provided that the governing body of the municipality has determined that the action to be taken pursuant to such contract is reasonably anticipated to remediate the blighting conditions and will serve a public purpose.

3. Each district shall annually reimburse the municipality for the reasonable and actual expenses incurred by the municipality to establish such district and review annual budgets and reports of such district required to be submitted to the municipality; provided that, such annual reimbursement shall not exceed one and one-half percent of the revenues collected by the district in such year.

4. Nothing in sections 67.1401 to 67.1571 shall be construed to delegate to any district any sovereign right of municipalities to promote order, safety, health, morals, and general welfare of the public, except those such police powers, if any, expressly delegated pursuant to sections 67.1401 to 67.1571.

5. The governing body of the municipality establishing the district shall not decrease the level of publicly funded services in the district existing prior to the creation of the district or transfer the financial burden of providing the services to the district unless the services at the same time are decreased throughout the municipality, nor shall the governing body discriminate in the provision of the publicly funded services between areas included in such district and areas not so included.

6. All construction contracts after August 28, 2021, in excess of five thousand dollars between the district and any private person, firm, or corporation shall be competitively bid and shall be awarded to the lowest and best bidder. Notice of the letting of the contracts shall be given in the manner provided by section 8.250.

67.1471. 1. The fiscal year for the district shall be the same as the fiscal year of the municipality.

2. No earlier than one hundred eighty days and no later than ninety days prior to the first day of each fiscal year, the board shall submit to the governing body of the city a proposed annual budget, setting forth expected expenditures, revenues, and rates of assessments and taxes, if any, for such fiscal year. The governing body may review and comment to the board on this proposed budget, but if such comments are given, the governing body of the municipality shall provide such written comments to the board no later than sixty days prior to the first day of the relevant fiscal year; such comments shall not constitute requirements but shall only be recommendations.

3. The board shall hold an annual meeting and adopt an annual budget no later than thirty days prior to the first day of each fiscal year.

4. Within one hundred twenty days after the end of each fiscal year, the district shall submit a report to the municipal clerk and the Missouri department of economic development **[**~~stating~~**] . The report shall state** the services provided, revenues collected**,** and expenditures made by the district during such fiscal year**[**~~,~~**] ; state the dates the district adopted its annual budget, submitted its proposed annual budget to the municipality, and submitted its annual report to the municipal clerk;** and **include** copies of written resolutions approved by the board during the fiscal year. The municipal clerk shall retain this report as part of the official records of the municipality and shall also cause this report to be spread upon the records of the governing body.

5. The state auditor may audit a district in the same manner as the auditor may audit any agency of the state.

67.1481. 1. Each ordinance establishing a district shall set forth the term for the existence of such district which term may be defined as a minimum, maximum**,** or definite number of years**, but in the case of districts established after August 28, 2021, the term shall not exceed seven years except as provided under subsection 6 of this section**.

2. Upon receipt by the municipal clerk of a proper petition and after notice and a public hearing, any district may be terminated by ordinance adopted by the governing body of the municipality prior to the expiration of its term if the district has no outstanding obligations. A copy of such ordinance shall be given to the department of economic development.

3. A petition for the termination of a district is proper if:

(1) It names the district to be terminated;

(2) It has been signed by owners of real property collectively owning more than fifty percent by assessed value of real property within the boundaries of the district;

(3) It has been signed by more than fifty percent per capita of owners of real property within the boundaries of the district;

(4) It contains a plan for dissolution and distribution of the assets of the district; and

(5) The signature block signed by each petitioner is in the form set forth in subdivision (4) of subsection 2 of section 67.1421.

4. The public hearing required by this section shall be held and notice of such public hearing shall be given in the manner set forth in section 67.1431. The notice shall contain the following information:

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

(2) A statement that a petition requesting the termination of the district has been filed with the municipal clerk;

(3) A statement that a copy of the petition is available at the office of the municipal clerk during regular business hours; and

(4) A statement that all interested parties will be given an opportunity to be heard.

5. Upon expiration or termination of a district, the assets of such district shall **either** be **[**~~distributed~~**]** **sold or transferred** in accordance with the plan for dissolution as approved by ordinance. Every effort should be made by the municipality for the assets of the district to be distributed in such a manner so as to benefit the real property which was formerly a part of the district.

6. Prior to the expiration of the term of a district, a municipality may adopt an ordinance to extend the term of the existence of a district after holding a public hearing on the proposed extension. The extended term may be defined as a minimum, maximum, or definite number of years, but the extended term shall not exceed twenty-seven years. Notice of the hearing shall be given in the same manner as required under section 67.1431, except the notice shall include the time, date, and place of the public hearing; the name of the district; a map showing the boundaries of the existing district; and a statement that all interested persons shall be given an opportunity to be heard at the public hearing.

67.1545. 1. Any district formed as a political subdivision may impose by resolution a district sales and use tax on all retail sales made in such district which are subject to taxation pursuant to sections 144.010 to 144.525, except sales of motor vehicles, trailers, boats or outboard motors and sales to or by public utilities and providers of communications, cable, or video services. Any sales and use tax imposed pursuant to this section may be imposed in increments of one-eighth of one percent, up to a maximum of one percent. Such district sales

and use tax may be imposed for any district purpose designated by the district in its ballot of submission to its qualified voters; except that, no resolution adopted pursuant to this section shall become effective unless the board of directors of the district submits to the qualified voters of the district, by mail-in ballot, a proposal to authorize a sales and use tax pursuant to this section. If a majority of the votes cast by the qualified voters on the proposed sales tax are in favor of the sales tax, then the resolution is adopted. If a majority of the votes cast by the qualified voters are opposed to the sales tax, then the resolution is void.

2. The ballot shall be substantially in the following form:

Shall the _____ (insert name of district) Community Improvement District impose a community improvement districtwide sales and use tax at the maximum rate of _____ (insert amount) for a period of _____ (insert number) years from the date on which such tax is first imposed for the purpose of providing revenue for _____ (insert general description of the purpose)?

☐ YES ☐ NO

If you are in favor of the question, place an "X" in the box opposite "YES". If you are opposed to the question, place an "X" in the box opposite "NO".

3. Within ten days after the qualified voters have approved the imposition of the sales and use tax, the district shall, in accordance with section 32.087, notify the director of the department of revenue. The sales and use tax authorized by this section shall become effective on the first day of the second calendar quarter after the director of the department of revenue receives notice of the adoption of such tax.

4. The director of the department of revenue shall collect any tax adopted pursuant to this section pursuant to section 32.087.

5. In each district in which a sales and use tax is imposed pursuant to this section, every retailer shall add such additional tax imposed by the district to such retailer's sale price, and when so added such tax shall constitute a part of the purchase price, shall be a debt of the purchaser to the retailer until paid and shall be recoverable at law in the same manner as the purchase price.

6. In order to allow retailers to collect and report the sales and use tax authorized by this section as well as all other sales and use taxes required by law in the simplest and most efficient manner possible, a district may establish appropriate brackets to be used in the district imposing a tax pursuant to this section in lieu of the brackets provided in section 144.285.

7. The penalties provided in sections 144.010 to 144.525 shall apply to violations of this section.

8. All revenue received by the district from a sales and use tax imposed pursuant to this section which is designated for a specific purpose shall be deposited into a special trust fund and expended solely for such purpose. Upon the expiration of any sales and use tax adopted pursuant

to this section, all funds remaining in the special trust fund shall continue to be used solely for the specific purpose designated in the resolution adopted by the qualified voters. Any funds in such special trust fund which are not needed for current expenditures may be invested by the board of directors pursuant to applicable laws relating to the investment of other district funds.

9. A district may repeal by resolution any sales and use tax imposed pursuant to this section before the expiration date of such sales and use tax unless the repeal of such sales and use tax will impair the district's ability to repay any liabilities the district has incurred, moneys the district has borrowed or obligation the district has issued to finance any improvements or services rendered for the district.

10. Notwithstanding the provisions of chapter 115, an election for a district sales and use tax under this section shall be conducted in accordance with the provisions of this section.

11. In each district in which a sales tax is imposed under this section, every retailer shall prominently display the rate of the sales tax imposed or increased at the cash register area.

68.075. 1. This section shall be known and may be cited as the "Advanced Industrial Manufacturing Zones Act".

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

(1) "AIM zone", an area identified through a resolution passed by the port authority board of commissioners appointed under section 68.045 that is being developed or redeveloped for any purpose so long as any infrastructure and building built or improved is in the development area. The port authority board of commissioners shall file an annual report indicating the established AIM zones with the department of revenue;

(2) "County average wage", the average wage in each county as determined by the Missouri department of economic development for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county for the purpose of determining eligibility;

(3) "New job", the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the notice of intent shall be deemed a new job. An employee that spends less than fifty percent of the employee's work time at the facility is still considered to be located at a facility if the employee receives his or her directions and control from that facility, is on the facility's payroll, one hundred percent of the employee's income from such employment is Missouri income, and the employee is paid at or above the county average wage;

(4) "Related facility", a facility operated by a company or a related company prior to the establishment of the AIM zone in question located within any port district, as defined under section 68.015, which is directly related to the operations of the facility within the new AIM zone.

3. Any port authority located in this state may establish an AIM zone. Such zone may only include the area within the port authority's jurisdiction, ownership, or control, and may include any such area. The port authority shall determine the boundaries for each AIM zone, and more than one AIM zone may exist within the port authority's jurisdiction or under the port authority's ownership or control, and may be expanded or contracted by resolution of the port authority board of commissioners.

4. Fifty percent of the state tax withholdings imposed by sections 143.191 to 143.265 on new jobs within such zone after development or redevelopment has commenced shall not be remitted to the general revenue fund of the state of Missouri. Such moneys shall be deposited into the port authority AIM zone fund established under subsection 5 of this section for the purpose of continuing to expand, develop, and redevelop AIM zones identified by the port authority board of commissioners and may be used for managerial, engineering, legal, research, promotion, planning, satisfaction of bonds issued under section 68.040, and any other expenses.

5. There is hereby created in the state treasury the "Port Authority AIM Zone Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and shall approve disbursements from the fund in accordance with sections 30.170 and 30.180 to the port authorities from which the funds were collected, less the pro-rata portion appropriated by the general assembly to be used solely for the administration of this section which shall not exceed ten percent of the total amount collected within the zones of a port authority. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

6. The port authority shall approve any projects that begin construction and disperse any money collected under this section. The port authority shall submit an annual budget for the funds to the department of economic development explaining how and when such money will be spent.

7. The provision of section 23.253 notwithstanding, no AIM zone may be established after August 28, **[**~~2023~~**] 2030**. Any AIM zone created prior to that date shall continue to exist and be coterminous with the retirement of all debts incurred under subsection 4 of this section. No debts may be incurred or reauthorized using AIM zone revenue after August 28, **[**~~2023~~**] 2030**.

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, **[**~~improper subdivision or obsolete platting,~~**]** or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, **[**~~morals,~~**]** or welfare in its present condition and use;

(2) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes or economic activity taxes from taxpayers or the department of revenue;

(3) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, **[**~~morals,~~**]** or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997**. For all redevelopment plans and projects approved on or after January 1, 2022, in retail areas, a conservation area shall meet the dilapidation factor as one of the three factors required under this subdivision**;

(4) "Economic activity taxes", the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, while tax increment financing remains in effect, 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. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment relocates within one year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes

which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area;

(5) "Economic development area", any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (3) of this section, and in which the governing body of the municipality finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will:

(a) Discourage commerce, industry or manufacturing from moving their operations to another state; or

(b) Result in increased employment in the municipality; or

(c) Result in preservation or enhancement of the tax base of the municipality;

(6) "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. This subdivision shall be applicable only to a redevelopment area designated by ordinance adopted after December 23, 1997;

(7) "Greenfield area", any vacant, unimproved, or agricultural property that is located wholly outside the incorporated limits of a city, town, or village, or that is substantially surrounded by contiguous properties with agricultural zoning classifications or uses unless said property was annexed into the incorporated limits of a city, town, or village ten years prior to the adoption of the ordinance approving the redevelopment plan for such greenfield area;

(8) "Municipality", a city, village, or incorporated town or any county of this state. For redevelopment areas or projects approved on or after December 23, 1997, municipality applies only to cities, villages, incorporated towns or counties established for at least one year prior to such date;

(9) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality to carry out a redevelopment project or to refund outstanding obligations;

(10) "Ordinance", an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;

(11) "Payment in lieu of taxes", those estimated revenues from real property in the area selected for a redevelopment project, which revenues according to the redevelopment project or

plan are to be used for a private use, which taxing districts would have received had a municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the area selected for the redevelopment project exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of section 99.850;

(12) "Port infrastructure project", docks and associated equipment, cargo and passenger terminals, storage warehouses, or any other similar infrastructure directly related to port facilities located in a port district created pursuant to the provisions of chapter 68 and located within one-half of one mile of a navigable waterway;

[~~(12)~~**] (13)** "Redevelopment 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, a conservation area, an economic development area, an enterprise zone pursuant to sections 135.200 to 135.256, or a combination thereof, which area includes only those parcels of real property directly and substantially benefitted by the proposed redevelopment project;

[~~(13)~~**] (14)** "Redevelopment plan", the comprehensive program of a municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the redevelopment area. Each redevelopment plan shall conform to the requirements of section 99.810;

[~~(14)~~**] (15)** "Redevelopment project", any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan; any such redevelopment project shall include a legal description of the area selected for the redevelopment project;

[~~(15)~~**] (16)** "Redevelopment project costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited to, the following:

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

(b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of a redevelopment plan or project;

(c) Property assembly costs, including, but not limited to:

a. Acquisition of land and other property, real or personal, or rights or interests therein;

b. Demolition of buildings; and

c. The clearing and grading of land;

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

(e) Initial costs for an economic development area;

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

(g) Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;

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

(i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law;

(j) Payments in lieu of taxes;

(17) "Retail area", a proposed redevelopment building area for which more than fifty percent of the usable building square footage in the area is projected to be used by retail businesses, which shall be businesses that primarily sell or offer to sell goods to a buyer primarily for the buyer's personal, family, or household use and not primarily for business, commercial, or agricultural use;

(18) "Retail infrastructure projects", highways, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks, storm water and drainage systems, or any other similar public improvements, but in no case shall retail infrastructure projects include private structures;

[~~(16)~~**] (19)** "Special allocation fund", the fund of a municipality or its commission which contains at least two separate segregated accounts for each redevelopment plan, maintained by the treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes are deposited in one account, and economic activity taxes and other revenues are deposited in the other account;

[~~(17)~~**] (20)** "Taxing districts", any political subdivision of this state having the power to levy taxes;

[~~(18)~~**] (21)** "Taxing districts' 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 the redevelopment project; and

[~~(19)~~**] (22)** "Vacant land", any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.

99.810. 1. Each redevelopment plan shall set forth in writing a general description of the program to be undertaken to accomplish the objectives and shall include, but need not be limited to, the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the project costs, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the redevelopment area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality without findings that:

(1) The redevelopment area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Such a finding shall include, but not be limited to, **a study prepared by a land use planner, urban planner, licensed architect, licensed commercial real estate appraiser, or licensed attorney, which includes** a detailed description of the factors that qualify the redevelopment area or project pursuant to this subdivision and an affidavit, signed by the developer or developers and submitted with the redevelopment plan, attesting that the provisions of this subdivision have been met;

(2) The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole;

(3) The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain later than five years from the adoption of the ordinance approving such redevelopment project;

(4) A plan has been developed for relocation assistance for businesses and residences;

(5) A cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the boundaries of the redevelopment area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for the commission established in section 99.820 to evaluate whether the project as proposed is financially feasible;

(6) A finding that the plan does not include the initial development or redevelopment of any gambling establishment, provided however, that this subdivision shall be applicable only to a redevelopment plan adopted for a redevelopment area designated by ordinance after December 23, 1997.

2. **Tax increment allocation financing shall not be adopted under sections 99.800 to 99.865 in a retail area unless such financing is exclusively utilized to fund retail infrastructure projects or unless such area is a blighted area or conservation area. The provisions of this subsection shall not apply to any tax increment allocation financing project or plan approved before August 28, 2021, nor to any amendment to tax increment allocation financing projects and plans where such projects or plans were originally approved before August 28, 2021, provided that such an amendment does not add buildings of new construction in excess of twenty-five percent of the scope of the original redevelopment agreement.**

3. By the last day of February each year, each commission shall report to the director of economic development the name, address, phone number and primary line of business of any business which relocates to the district. The director of the department of economic development shall compile and report the same to the governor, the speaker of the house and the president pro tempore of the senate on the last day of April each year.

99.820. 1. A municipality may:

(1) By ordinance introduced in the governing body of the municipality within fourteen to ninety days from the completion of the hearing required in section 99.825, approve redevelopment plans and redevelopment projects, and designate redevelopment project areas pursuant to the notice and hearing requirements of sections 99.800 to 99.865. No redevelopment project shall be approved unless a redevelopment plan has been approved and a redevelopment area has been designated prior to or concurrently with the approval of such redevelopment project and the area selected for the redevelopment project shall include only those parcels of real property and improvements thereon directly and substantially benefitted by the proposed redevelopment project improvements;

(2) Make and enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan or project;

(3) Pursuant to a redevelopment plan, subject to any constitutional limitations, acquire by purchase, donation, lease or, as part of a redevelopment project, eminent domain, own, convey, lease, mortgage, or dispose of land and other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the municipality or the commission determines is reasonably necessary to achieve the objectives of the redevelopment plan. No conveyance, lease, mortgage, disposition of land or other property, acquired by the municipality, or agreement relating to the development of the property shall be made except upon the adoption of an ordinance by the governing body of the municipality. Each municipality or its commission shall establish written procedures relating to bids and proposals for implementation of the redevelopment projects. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without making public disclosure of the terms of the disposition and all bids and proposals made in response to the municipality's request. Such procedures for obtaining such bids and proposals shall provide reasonable opportunity for any person to submit alternative proposals or bids;

(4) Within a redevelopment area, clear any area by demolition or removal of existing buildings and structures;

(5) Within a redevelopment area, renovate, rehabilitate, or construct any structure or building;

(6) Install, repair, construct, reconstruct, or relocate streets, utilities, and site improvements essential to the preparation of the redevelopment area for use in accordance with a redevelopment plan;

(7) Within a redevelopment area, fix, charge, and collect fees, rents, and other charges for the use of any building or property owned or leased by it or any part thereof, or facility therein;

(8) Accept grants, guarantees, and donations of property, labor, or other things of value from a public or private source for use within a redevelopment area;

(9) Acquire and construct public facilities within a redevelopment area;

(10) Incur redevelopment costs and issue obligations;

(11) Make payment in lieu of taxes, or a portion thereof, to taxing districts;

(12) Disburse surplus funds from the special allocation fund to taxing districts as follows:

(a) Such surplus payments in lieu of taxes shall be distributed to taxing districts within the redevelopment area which impose ad valorem taxes on a basis that is proportional to the

current collections of revenue which each taxing district receives from real property in the redevelopment area;

(b) Surplus economic activity taxes shall be distributed to taxing districts in the redevelopment area which impose economic activity taxes, on a basis that is proportional to the amount of such economic activity taxes the taxing district would have received from the redevelopment area had tax increment financing not been adopted;

(c) Surplus revenues, other than payments in lieu of taxes and economic activity taxes, deposited in the special allocation fund, shall be distributed on a basis that is proportional to the total receipt of such other revenues in such account in the year prior to disbursement;

(13) If any member of the governing body of the municipality, a member of a commission established pursuant to subsection 2 or 3 of this section, or an employee or consultant of the municipality, involved in the planning and preparation of a redevelopment plan, or redevelopment project for a redevelopment area or proposed redevelopment area, owns or controls an interest, direct or indirect, in any property included in any redevelopment area, or proposed redevelopment area, which property is designated to be acquired or improved pursuant to a redevelopment project, he or she 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 such redevelopment plan, redevelopment project or redevelopment area, from voting on any matter pertaining to such redevelopment plan, redevelopment project or redevelopment area, or communicating with other members concerning any matter pertaining to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such member or employee shall acquire any interest, direct or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan or project, or (b) first public notice of such plan, project or area pursuant to section 99.830, whichever first occurs;

(14) Charge as a redevelopment cost the reasonable costs incurred by its clerk or other official in administering the redevelopment project. The charge for the clerk's or other official's costs shall be determined by the municipality based on a recommendation from the commission, created pursuant to this section.

2. Prior to adoption of an ordinance approving the designation of a redevelopment area or approving a redevelopment plan or redevelopment project, the municipality shall create a commission of nine persons if the municipality is a county or a city not within a county and not a first class county with a charter form of government with a population in excess of nine

hundred thousand, and eleven persons if the municipality is not a county and not in a first class county with a charter form of government having a population of more than nine hundred thousand, and twelve persons if the municipality is located in or is a first class county with a charter form of government having a population of more than nine hundred thousand, to be appointed as follows:

(1) In all municipalities two members shall be appointed by the school boards whose districts are included within the redevelopment plan or redevelopment area. Such members shall be appointed in any manner agreed upon by the affected districts;

(2) In all municipalities one member shall be appointed, in any manner agreed upon by the affected districts, to represent all other districts levying ad valorem taxes within the area selected for a redevelopment project or the redevelopment area, excluding representatives of the governing body of the municipality;

(3) In all municipalities six members shall be appointed by the chief elected officer of the municipality, with the consent of the majority of the governing body of the municipality;

(4) In all municipalities which are not counties and not in a first class county with a charter form of government having a population in excess of nine hundred thousand, two members shall be appointed by the county of such municipality in the same manner as members are appointed in subdivision (3) of this subsection;

(5) In a municipality which is a county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the cities in the county which have tax increment financing districts in a manner in which the cities shall agree;

(6) In a municipality which is located in the first class county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the county of such municipality in the same manner as members are appointed in subdivision (3) of this subsection;

(7) At the option of the members appointed by the municipality, the members who are appointed by the school boards and other taxing districts may serve on the commission for a term to coincide with the length of time a redevelopment project, redevelopment plan or designation of a redevelopment area is considered for approval by the commission, or for a definite term pursuant to this subdivision. If the members representing school districts and other taxing districts are appointed for a term coinciding with the length of time a redevelopment project, plan or area is approved, such term shall terminate upon final approval of the project, plan or designation of the area by the governing body of the municipality. Thereafter the commission shall consist of the six members appointed by the municipality, except that members representing school boards and other taxing districts shall be appointed as provided in this section prior to any

amendments to any redevelopment plans, redevelopment projects or designation of a redevelopment area. If any school district or other taxing jurisdiction fails to appoint members of the commission within thirty days of receipt of written notice of a proposed redevelopment plan, redevelopment project or designation of a redevelopment area, the remaining members may proceed to exercise the power of the commission. Of the members first appointed by the municipality, two shall be designated to serve for terms of two years, two shall be designated to serve for a term of three years and two shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed by the municipality shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the original appointments. Members appointed by the county executive or presiding commissioner prior to August 28, 2008, shall continue their service on the commission established in subsection 3 of this section without further appointment unless the county executive or presiding commissioner appoints a new member or members.

3. Beginning August 28, 2008:

(1) In lieu of a commission created under subsection 2 of this section, any city, town, or village in a county with a charter form of government and with more than one million inhabitants, in a county with a charter form of government and with more than two hundred fifty thousand but fewer than three hundred fifty thousand inhabitants, **[**~~or~~**]** in a county of the first classification with more than one hundred eighty-five thousand but fewer than two hundred thousand inhabitants**, or in a county of the first classification with more than ninety-two thousand but fewer than one hundred one thousand inhabitants** shall, prior to adoption of an ordinance approving the designation of a redevelopment area or approving a redevelopment plan or redevelopment project, create a commission consisting of twelve persons to be appointed as follows:

(a) Six members appointed either by the county executive or presiding commissioner; notwithstanding any provision of law to the contrary, no approval by the county's governing body shall be required;

(b) Three members appointed by the cities, towns, or villages in the county which have tax increment financing districts in a manner in which the chief elected officials of such cities, towns, or villages agree;

(c) Two members appointed by the school boards whose districts are included in the county in a manner in which the school boards agree; and

(d) One member to represent all other districts levying ad valorem taxes in the proposed redevelopment area in a manner in which all such districts agree.

No city, town, or village subject to this subsection shall create or maintain a commission under subsection 2 of this section, except as necessary to complete a public hearing for which notice under section 99.830 has been provided prior to August 28, 2008, and to vote or make recommendations relating to redevelopment plans, redevelopment projects, or designation of redevelopment areas, or amendments thereto that were the subject of such public hearing;

(2) Members appointed to the commission created under this subsection, except those six members appointed by either the county executive or presiding commissioner, shall serve on the commission for a term to coincide with the length of time a redevelopment project, redevelopment plan, or designation of a redevelopment area is considered for approval by the commission. The six members appointed by either the county executive or the presiding commissioner shall serve on all such commissions until replaced. The city, town, or village that creates a commission under this subsection shall send notice thereof by certified mail to the county executive or presiding commissioner, to the school districts whose boundaries include any portion of the proposed redevelopment area, and to the other taxing districts whose boundaries include any portion of the proposed redevelopment area. The city, town, or village that creates the commission shall also be solely responsible for notifying all other cities, towns, and villages in the county that have tax increment financing districts and shall exercise all administrative functions of the commission. The school districts receiving notice from the city, town, or village shall be solely responsible for notifying the other school districts within the county of the formation of the commission. If the county, school board, or other taxing district fails to appoint members to the commission within thirty days after the city, town, or village sends the written notice, as provided herein, that it has convened such a commission or within thirty days of the expiration of any such member's term, the remaining duly appointed members of the commission may exercise the full powers of the commission.

4. (1) Any commission created under this section, subject to approval of the governing body of the municipality, may exercise the powers enumerated in sections 99.800 to 99.865, except final approval of plans, projects and designation of redevelopment areas. The commission shall hold public hearings and provide notice pursuant to sections 99.825 and 99.830.

(2) Any commission created under subsection 2 of this section shall vote on all proposed redevelopment plans, redevelopment projects and designations of redevelopment areas, and amendments thereto, within thirty days following completion of the hearing on any such plan, project or designation and shall make recommendations to the governing body within ninety days of the hearing referred to in section 99.825 concerning the adoption of or amendment to redevelopment plans and redevelopment projects and the designation of redevelopment areas. The requirements of subsection 2 of this section and this subsection shall not apply to

redevelopment projects upon which the required hearings have been duly held prior to August 31, 1991.

(3) Any commission created under subsection 3 of this section shall, within fifteen days of the receipt of a redevelopment plan meeting the minimum requirements of section 99.810, as determined by counsel to the city, town, or village creating the commission and a request by the applicable city, town, or village for a public hearing, fix a time and place for the public hearing referred to in section 99.825. The public hearing shall be held no later than seventy-five days from the commission's receipt of such redevelopment plan and request for public hearing. The commission shall vote and make recommendations to the governing body of the city, town, or village requesting the public hearing on all proposed redevelopment plans, redevelopment projects, and designations of redevelopment areas, and amendments thereto within thirty days following the completion of the public hearing. A recommendation of approval shall only be deemed to occur if a majority of the commissioners voting on such plan, project, designation, or amendment thereto vote for approval. A tied vote shall be considered a recommendation in opposition. If the commission fails to vote within thirty days following the completion of the public hearing referred to in section 99.825 concerning the proposed redevelopment plan, redevelopment project, or designation of redevelopment area, or amendments thereto, such plan, project, designation, or amendment thereto shall be deemed rejected by the commission.

5. It shall be the policy of the state that each redevelopment plan or project of a municipality be carried out with full transparency to the public. The records of the tax increment financing commission including, but not limited to, commission votes and actions, meeting minutes, summaries of witness testimony, data, and reports submitted to the commission shall be retained by the governing body of the municipality that created the commission and shall be made available to the public in accordance with chapter 610.

99.843. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no new tax increment financing project shall be authorized in any greenfield area, as such term is defined in section 99.805**[**~~, that is located within a city not within a county or any county subject to the authority of the East-West Gateway Council of Governments. Municipalities not subject to the authority of the East-West Gateway Council of Governments may authorize tax increment finance projects in greenfield areas~~**]**.

99.847. 1. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no new tax increment financing project shall be authorized in any area which is within an area designated as flood plain by the Federal Emergency Management Agency **[**~~and which is located in or partly within a county with a charter form of government with greater than two hundred fifty thousand inhabitants but fewer than three hundred thousand inhabitants, unless the redevelopment area actually abuts a river or a major waterway and is substantially surrounded~~

~~by contiguous properties with residential, industrial, or commercial zoning classifications~~] **unless such project is located in:**

(1) A county with a charter form of government and with more than six hundred thousand but fewer than seven hundred thousand inhabitants;

(2) A county of the first classification with more than two hundred thousand but fewer than two hundred sixty thousand inhabitants;

(3) A county of the first classification with more than eighty-three thousand but fewer than ninety-two thousand inhabitants and with a city of the fourth classification with more than four thousand five hundred but fewer than five thousand inhabitants as the county seat;

(4) A home rule city with more than seventy-one thousand but fewer than seventy-nine thousand inhabitants;

(5) A home rule city with more than one hundred fifty-five thousand but fewer than two hundred thousand inhabitants;

(6) A home rule city with more than seventeen thousand but fewer than nineteen thousand inhabitants and partially located in any county of the third classification without a township form of government and with more than twenty-six thousand but fewer than twenty-nine thousand inhabitants;

(7) A county of the first classification with more than seventy thousand but fewer than eighty-three thousand inhabitants and with a home rule city with more than forty-one thousand but
fewer than forty-seven thousand inhabitants as the county seat;

(8) A port district created under the provisions of chapter 68, provided that such financing is exclusively utilized to fund a port infrastructure project that is approved by the port authority; or

(9) A levee district created pursuant to chapter 245 or a drainage district created pursuant to chapter 242 or chapter 243 prior to August 28, 2021.

2. This [~~subsection~~] **section** shall not apply to tax increment financing projects or districts approved prior to July 1, 2003, and shall allow [~~the aforementioned~~] **such** tax increment financing projects to modify, amend**,** or expand such projects**,** including redevelopment project costs**,** by not more than forty percent of such project original projected cost**,** including redevelopment project costs**,** as such projects**,** including redevelopment project costs [~~as such projects redevelopment projects including redevelopment project costs~~] **,** existed as of June 30, 2003, and shall allow [~~the aforementioned~~] **such** tax increment financing district to modify, amend**,** or expand such districts by not more than five percent as such districts existed as of June 30, 2003.

3. The provisions of subsections 1 and 2 of this section notwithstanding, no new tax increment financing project shall be authorized in any area which is within an area designated as flood plain by the Federal Emergency Management Agency and which is located in or partly within a county with a charter form of government and with more than three hundred thousand but fewer
than four hundred fifty thousand inhabitants, unless the redevelopment area actually abuts a river or a major waterway and is substantially surrounded by contiguous properties with residential, industrial, or commercial zoning classifications.

99.848. 1. **(1)** Notwithstanding subsection 1 of section 99.845, any **[**~~district or county~~**]** **ambulance district board operating under chapter 190, any fire protection district board operating under chapter 321, or any governing body operating a 911 center providing dispatch services under chapter 190 or chapter 321** imposing a property tax for the purposes of providing emergency services pursuant to chapter 190 or **chapter** 321 shall be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent but not more than one hundred percent of the district's **or 911 center's** tax increment. This **[**~~section~~**]** **subsection** shall not apply to tax increment financing projects or **[**~~districts~~**]** **redevelopment areas** approved prior to August 28, 2004.

[~~2.~~**] (2)** Beginning August 28, 2018, an ambulance district board operating under chapter 190, a fire protection district board operating under chapter 321, or the governing body of a county operating a 911 center providing emergency or dispatch services under chapter 190 or **chapter** 321 **imposing a property tax for the purpose of providing emergency services pursuant to chapter 190 or chapter 321** shall annually set the reimbursement rate under **this** subsection **[**~~1 of this section~~**]** prior to **[**~~the time the assessment is paid into the special allocation fund~~**]** **November thirtieth preceding the calendar year for which the annual reimbursement is being set**. If the redevelopment plan, area, or project is amended by ordinance or by other means after August 28, 2018, the ambulance or fire protection district board or the governing body of a county operating a 911 center providing emergency or dispatch services under chapter 190 or **chapter** 321 shall have the right to recalculate the reimbursement rate under this **[**~~section~~**]** **subdivision**.

2. (1) Notwithstanding subsection 1 of section 99.845, any ambulance district board operating under chapter 190, any fire protection district operating under chapter 321, or any governing body operating a 911 center imposing an economic activities tax for the purposes of providing emergency services pursuant to chapter 190 or chapter 321 shall be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent but not more than one hundred percent of the district's or 911 center's tax

increment. This subsection shall not apply to tax increment financing projects or redevelopment areas approved prior to August 28, 2021.

(2) Beginning August 28, 2021, any ambulance district board operating under chapter 190, any fire protection district operating under chapter 321, or any governing body operating a 911 center providing dispatch services under chapter 190 or chapter 321 shall annually set the reimbursement rate under this subsection prior to November thirtieth preceding the calendar year for which the annual reimbursement is being set. If the redevelopment plan, area, or project is amended by ordinance or by other means after August 28, 2021, the ambulance or fire protection district board or the governing body of a county operating a 911 center providing emergency or dispatch services under chapter 190 or chapter 321 shall have the right to recalculate the reimbursement rate under this subdivision.

143.088. Notwithstanding any provision of law to the contrary, for all tax years beginning on or after January 1, 2022, there shall be no tax imposed under this chapter on the first fifty thousand dollars of income of any person who is under twenty-three years of age on the first day of the tax year.

143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision shall not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 **or 116-260**, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, and deducted from Missouri adjusted gross income pursuant to section 143.171**. The amount added under this subdivision shall also not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability under any other federal law that provides direct economic impact payments to taxpayers to mitigate financial challenges related to the COVID-19 pandemic, and deducted from Missouri adjusted gross income under section 143.171**;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of

the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income

taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the

President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

(a) Livestock Forage Disaster Program;

(b) Livestock Indemnity Program;

(c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;

(d) Emergency Conservation Program;

(e) Noninsured Crop Disaster Assistance Program;

(f) Pasture, Rangeland, Forage Pilot Insurance Program;

(g) Annual Forage Pilot Program;

(h) Livestock Risk Protection Insurance Plan; and

(i) Livestock Gross Margin Insurance Plan; and

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

143.171. 1. For all tax years beginning on or after January 1, 1994, and ending on or before December 31, 2018, an individual taxpayer shall be allowed a deduction for his or her federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable

year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by 26 U.S.C. Section 31, 26 U.S.C. Section 27, and 26 U.S.C. Section 34.

2. (1) Notwithstanding any other provision of law to the contrary, for all tax years beginning on or after January 1, 2019, an individual taxpayer shall be allowed a deduction equal to a percentage of his or her federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by 26 U.S.C. Section 31, 26 U.S.C. Section 27, and 26 U.S.C. Section 34. The deduction percentage is determined according to the following table:

If the Missouri gross income on the return is:	The deduction percentage is:
$25,000 or less	35 percent
From $25,001 to $50,000	25 percent
From $50,001 to $100,000	15 percent
From $100,001 to $125,000	5 percent
$125,001 or more	0 percent

(2) Notwithstanding any provision of law to the contrary, the amount of any tax credits reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 **or 116-260**, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, **and the amount of any tax credits reducing a taxpayer's federal tax liability under any other federal law that provides direct economic impact payments to taxpayers to mitigate financial challenges related to the COVID-19 pandemic** shall not be considered in determining a taxpayer's federal tax liability for the purposes of subdivision (1) of this subsection.

3. For all tax years beginning on or after September 1, 1993, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the

credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by 26 U.S.C. Section 31, 26 U.S.C. Section 27, and 26 U.S.C. Section 34.

4. If a federal income tax liability for a tax year prior to the applicability of sections 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid or accrued, he may deduct the federal tax in the later year to the extent it would have been deductible if paid or accrued in the prior year.

620.1039. 1. As used in this section, the **[**~~term~~**] following terms shall mean:**

(1) "Additional qualified research expenses", the difference between qualified research expenses, as certified by the director of economic development, incurred in a tax year subtracted by the average of the taxpayer's qualified research expenses incurred in the three immediately preceding tax years;

(2) "Minority business enterprise", a business that is:

(a) A sole proprietorship owned and controlled by a minority;

(b) A partnership or joint venture owned and controlled by minorities in which at least fifty-one percent of the ownership interest is held by minorities and the management and daily business operations of which are controlled by one or more of the minorities who own it; or

(c) A corporation or other entity whose management and daily business operations are controlled by one or more minorities who own it and that is at least fifty-one percent owned by one or more minorities or, if stock is issued, at least fifty-one percent of the stock is owned by one or more minorities;

(3) "Missouri Qualified Research and Development Equipment": tangible personal property that has not previously been used in this state for any purpose and is acquired by the purchaser for the purpose of research and development activities devoted to experimental or laboratory research and development for new products, new uses of existing products, or improving or testing existing products;

(4) "Qualified research expenses", for expenses within this state, the same meaning as prescribed in 26 U.S.C. 41;

(5) "Small business", a corporation, partnership, sole proprietorship or other business entity, including its affiliates, that:

(a) Is independently owned and operated; and

(b) Employs fifty or fewer full-time employees;

(6) "Taxpayer" **[**~~means~~**] ,** an individual, a partnership, or any charitable organization which is exempt from federal income tax and whose Missouri unrelated business taxable income, if any, would be subject to the state income tax imposed under chapter 143, or a corporation as

described in section 143.441 or 143.471, or section 148.370[~~, and the term "qualified research expenses" has the same meaning as prescribed in 26 U.S.C. 41~~] ;

(7) "Women's business enterprise", a business that is:

(a) A sole proprietorship owned and controlled by a woman;

(b) A partnership or joint venture owned and controlled by women in which at least fifty-one percent of the ownership interest is held by women and the management and daily business operations of which are controlled by one or more of the women who own it; or

(c) A corporation or other entity whose management and daily business operations are controlled by one or more women who own it and that is at least fifty-one percent owned by women or, if stock is issued, at least fifty-one percent of the stock is owned by one or more women.

2. **(1)** For tax years beginning on or after January 1, 2001, **and ending before January 1, 2005,** the director of the department of economic development may authorize a taxpayer to receive a tax credit against the tax otherwise due pursuant to chapter 143, or chapter 148, other than the taxes withheld pursuant to sections 143.191 to 143.265, in an amount up to six and one-half percent of the excess of the taxpayer's qualified research expenses, as certified by the director of the department of economic development, within this state during the taxable year over the average of the taxpayer's qualified research expenses within this state over the immediately preceding three taxable years; except that, no tax credit shall be allowed on that portion of the taxpayer's qualified research expenses incurred within this state during the taxable year in which the credit is being claimed, to the extent such expenses exceed two hundred percent of the taxpayer's average qualified research expenses incurred during the immediately preceding three taxable years.

(2) For all tax years beginning on or after January 1, 2022, the director of economic development may authorize a taxpayer to receive a tax credit against the tax otherwise due under chapters 143 and 148, other than the taxes withheld under sections 143.191 to 143.265 in an amount equal to the greater of:

(a) Fifteen percent of the taxpayer's additional qualified research expenses; or

(b) If such qualified research expenses relate to research conducted in conjunction with a public or private college or university located in this state, twenty percent of the taxpayer's additional qualified research expenses.

However, in no case shall a tax credit be allowed for any portion of qualified research expenses that exceed two hundred percent of the taxpayer's average qualified research expenses incurred during the three immediately preceding tax years.

3. The director of economic development shall prescribe the manner in which the tax credit may be applied for. The tax credit authorized by this section may be claimed by the taxpayer to offset the tax liability imposed by chapter 143 or chapter 148 that becomes due in the tax year during which such qualified research expenses were incurred. **For tax years ending before January 1, 2005,** where the amount of the credit exceeds the tax liability, the difference between the credit and the tax liability may only be carried forward for the next five succeeding taxable years or until the full credit has been claimed, whichever first occurs. **For all tax years beginning on or after January 1, 2022, where the amount of the credit exceeds the tax liability, the difference between the credit and the tax liability may only be carried forward for the next twelve succeeding tax years or until the full credit has been claimed, whichever occurs first.** The application for tax credits authorized by the director pursuant to subsection 2 of this section shall be made no later than the end of the taxpayer's tax period immediately following the tax period for which the credits are being claimed.

4. **(1)** Certificates of tax credit issued pursuant to this section may be transferred, sold or assigned by filing a notarized endorsement thereof with the department which names the transferee and the amount of tax credit transferred. The director of economic development may allow a taxpayer to transfer, sell or assign up to forty percent of the amount of the certificates of tax credit issued to and not claimed by such taxpayer pursuant to this section during any tax year commencing on or after January 1, 1996, and ending not later than December 31, 1999. Such taxpayer shall file, by December 31, 2001, an application with the department which names the transferee, the amount of tax credit desired to be transferred, and a certification that the funds received by the applicant as a result of the transfer, sale or assignment of the tax credit shall be expended within three years at the state university for the sole purpose of conducting research activities agreed upon by the department, the taxpayer and the state university. Failure to expend such funds in the manner prescribed pursuant to this section shall cause the applicant to be subject to the provisions of section 620.017.

(2) Tax credits provided under this program may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department. For a taxpayer with flow-through tax treatment to its members, partners, or shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion to their share of ownership on the last day of the taxpayer's tax period.

5. **Purchases of Missouri qualified research and development equipment are hereby specifically exempted from all state and local sales and use tax including, but not limited to, sales and use tax authorized or imposed under section 32.085 and chapter 144. [**~~No rule~~

~~or portion of a rule promulgated under the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536. The provisions of this section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.~~**]**

6. The department may adopt such rules, statements of policy, procedures, forms, and guidelines as may be necessary to carry out the provisions of sections 620.1039. 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, 2021, shall be invalid and void.

[~~6.~~**] 7. (1) For all tax years ending before January 1, 2005,** the aggregate of all tax credits authorized pursuant to this section shall not exceed nine million seven hundred thousand dollars in any year.

(2) (a) For all tax years beginning on or after January 1, 2022, the aggregate of all tax credits authorized under this section shall not exceed ten million dollars in any year.

(b) Five million dollars of such ten million dollars shall be reserved for minority business enterprises, women's business enterprises, and small businesses. Any reserved amount not issued or awarded to a minority business enterprise, women's business enterprise, or small business by November first of the tax year may be issued to any taxpayer otherwise eligible for a tax credit under this section.

(c) No single taxpayer shall be issued or awarded more than three hundred thousand dollars in tax credits under this section in any year.

(d) In the event that total eligible claims for credits received in a calendar year exceed the annual cap, each eligible claimant shall be issued credits based upon a pro-rata basis, given that all new businesses, defined as a business less than five years old, are issued full tax credits first.

[~~7.~~**] 8. [**~~For all tax years beginning on or after January 1, 2005, no tax credits shall be approved, awarded, or issued to any person or entity claiming any tax credit under this section~~**] Under section 23.253 of the Missouri sunset act:**

(1) The provisions of the program authorized under this section shall automatically sunset December thirty-first, six years after the effective date of this section;

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset December thirty-first, twelve years after the effective date of the reauthorization of this section; and

(3) This section shall terminate on December thirty-first of the calendar year immediately following the calendar year in which the program authorized under this section is sunset.

620.2020. 1. The department shall respond to a written request, by or on behalf of a qualified company or qualified military project, for a proposed benefit award under the provisions of this program within five business days of receipt of such request. The department shall respond to a written request, by or on behalf of a qualified manufacturing company, for a proposed benefit award under the provisions of this program within fifteen business days of receipt of such request. Such response shall contain either a proposal of benefits for the qualified company or qualified military project, or a written response refusing to provide such a proposal and stating the reasons for such refusal. A qualified company or qualified military project that intends to seek benefits under the program shall submit to the department a notice of intent. The department shall respond within thirty days to a notice of intent with an approval or a rejection, provided that the department may withhold approval or provide a contingent approval until it is satisfied that proper documentation of eligibility has been provided. The department shall certify or reject the qualifying company's plan outlined in their notice of intent as satisfying good faith efforts made to employ, at a minimum, commensurate with the percentage of minority populations in the state of Missouri, as reported in the previous decennial census, the following: racial minorities, contractors who are racial minorities, and contractors that, in turn, employ at a minimum racial minorities commensurate with the percentage of minority populations in the state of Missouri, as reported in the previous decennial census. Failure to respond on behalf of the department shall result in the notice of intent being deemed approved. A qualified company receiving approval for program benefits may receive additional benefits for subsequent new jobs at the same facility after the full initial project period if the applicable minimum job requirements are met. There shall be no limit on the number of project periods a qualified company may participate in the program, and a qualified company may elect to file a notice of intent to begin a new project period concurrent with an existing project period if the applicable minimum job requirements are achieved, the qualified company provides the department with the required

annual reporting, and the qualified company is in compliance with this program and any other state programs in which the qualified company is currently or has previously participated. However, the qualified company shall not receive any further program benefits under the original approval for any new jobs created after the date of the new notice of intent, and any jobs created before the new notice of intent shall not be included as new jobs for purposes of the benefit calculation for the new approval. When a qualified company has filed and received approval of a notice of intent and subsequently files another notice of intent, the department shall apply the definition of project facility under subdivision (24) of section 620.2005 to the new notice of intent as well as all previously approved notices of intent and shall determine the application of the definitions of new job, new payroll, project facility base employment, and project facility base payroll accordingly.

2. Notwithstanding any provision of law to the contrary, the benefits available to the qualified company under any other state programs for which the company is eligible and which utilize withholding tax from the new or retained jobs of the company shall first be credited to the other state program before the withholding retention level applicable under this program will begin to accrue. If any qualified company also participates in a job training program utilizing withholding tax, the company shall retain no withholding tax under this program, but the department shall issue a refundable tax credit for the full amount of benefit allowed under this program. The calendar year annual maximum amount of tax credits which may be issued to a qualifying company that also participates in a job training program shall be increased by an amount equivalent to the withholding tax retained by that company under a jobs training program.

3. **(1)** A qualified company or qualified military project receiving benefits under this program shall provide an annual report of the number of jobs, along with minority jobs created or retained, and such other information as may be required by the department to document the basis for program benefits available no later than ninety days prior to the end of the qualified company's or industrial development authority's tax year immediately following the tax year for which the benefits provided under the program are attributed. In such annual report, if the average wage is below the applicable percentage of the county average wage, the qualified company or qualified military project has not maintained the employee insurance as required, if the department after a review determines the qualifying company fails to satisfy other aspects of their notice of intent, including failure to make good faith efforts to employ, at a minimum, commensurate with the percentage of minority populations in the state of Missouri, as reported in the previous decennial census, the following: racial minorities, contractors who are racial minorities, and contractors that, in turn, employ at a minimum racial minorities commensurate with the percentage of minority populations in the state of Missouri, as reported in the previous

decennial census, or if the number of jobs is below the number required, the qualified company or qualified military project shall not receive tax credits or retain the withholding tax for the balance of the project period. Failure to timely file the annual report required under this section shall result in the forfeiture of tax credits attributable to the year for which the reporting was required and a recapture of withholding taxes retained by the qualified company or qualified military project during such year.

(2) If a qualified company fails to timely file the annual report required in subdivision (1) of this subsection, the department shall communicate with an employee that is separate from the original point of contact for the department, provided such employee is designated in writing by the qualified company and preferably of an equivalent or higher supervisory role than the original point of contact, and using multiple means of communications if necessary, to inform the qualified company of the failure to timely file the annual report. If the qualified company requests an extension in writing to the department within thirty days following the deadline to file the annual report, the department shall grant one thirty-day extension beginning on the date that the request was received by the department to file the report without penalty. A failure to submit the report by the end of any extension granted by the department shall result in the forfeiture of tax credits and a recapture of withholding tax as provided in subdivision (1) of this subsection. A qualified company that had an annual report due between January 1, 2020, and September 1, 2021, shall not be subject to the forfeiture of tax credits attributable to the year for which the reporting was required or to the recapture of withholding taxes retained by the qualified company or qualified military project during such year so long as the annual report is filed with the department by November 1, 2021.

4. The department may withhold the approval of any benefits under this program until it is satisfied that proper documentation has been provided, and shall reduce the benefits to reflect any reduction in full-time employees or payroll. Upon approval by the department, the qualified company may begin the retention of the withholding taxes when it reaches the required number of jobs and the average wage meets or exceeds the applicable percentage of county average wage. Tax credits, if any, may be issued upon satisfaction by the department that the qualified company has exceeded the applicable percentage of county average wage and the required number of jobs; provided that, tax credits awarded under subsection 7 of section 620.2010 may be issued following the qualified company's acceptance of the department's proposal and pursuant to the requirements set forth in the written agreement between the department and the qualified company under subsection 4 of section 620.2010.

5. Any qualified company or qualified military project approved for benefits under this program shall provide to the department, upon request, any and all information and records

reasonably required to monitor compliance with program requirements. This program shall be considered a business recruitment tax credit under subdivision (4) of subsection 2 of section 135.800, and any qualified company or qualified military project approved for benefits under this program shall be subject to the provisions of sections 135.800 to 135.830.

6. Any taxpayer who is awarded benefits under this program who knowingly hires individuals who are not allowed to work legally in the United States shall immediately forfeit such benefits and shall repay the state an amount equal to any state tax credits already redeemed and any withholding taxes already retained.

7. (1) The maximum amount of tax credits that may be authorized under this program for any fiscal year shall be limited as follows, less the amount of any tax credits previously obligated for that fiscal year under any of the tax credit programs referenced in subsection 14 of this section:

(a) For the fiscal year beginning on July 1, 2013, but ending on or before June 30, 2014, no more than one hundred six million dollars in tax credits may be authorized;

(b) For the fiscal year beginning on July 1, 2014, but ending on or before June 30, 2015, no more than one hundred eleven million dollars in tax credits may be authorized;

(c) For fiscal years beginning on or after July 1, 2015, but ending on or before June 30, 2020, no more than one hundred sixteen million dollars in tax credits may be authorized for each fiscal year; and

(d) For all fiscal years beginning on or after July 1, 2020, no more than one hundred six million dollars in tax credits may be authorized for each fiscal year. The provisions of this paragraph shall not apply to tax credits issued to qualified companies under a notice of intent filed prior to July 1, 2020.

(2) For all fiscal years beginning on or after July 1, 2020, in addition to the amount of tax credits that may be authorized under paragraph (d) of subdivision (1) of this subsection, an additional ten million dollars in tax credits may be authorized for each fiscal year for the purpose of the completion of infrastructure projects directly connected with the creation or retention of jobs under the provisions of sections 620.2000 to 620.2020 and an additional ten million dollars in tax credits may be authorized for each fiscal year for a qualified manufacturing company based on a manufacturing capital investment as set forth in section 620.2010.

8. For all fiscal years beginning on or after July 1, 2020, the maximum total amount of withholding tax that may be authorized for retention for the creation of new jobs under the provisions of sections 620.2000 to 620.2020 by qualified companies with a project facility base employment of at least fifty shall not exceed seventy-five million dollars for each fiscal year. The provisions of this subsection shall not apply to withholding tax authorized for retention for

the creation of new jobs by qualified companies with a project facility base employment of less than fifty.

9. For tax credits for the creation of new jobs under section 620.2010, the department shall allocate the annual tax credits based on the date of the approval, reserving such tax credits based on the department's best estimate of new jobs and new payroll of the project, and any other applicable factors in determining the amount of benefits available to the qualified company or qualified military project under this program; provided that, the department may reserve up to twenty-one and one-half percent of the maximum annual amount of tax credits that may be authorized under subsection 7 of this section for award under subsection 7 of section 620.2010. However, the annual issuance of tax credits shall be subject to annual verification of actual payroll by the department or, for qualified military projects, annual verification of average salary for the jobs directly created by the qualified military project. Any authorization of tax credits shall expire if, within two years from the date of commencement of operations, or approval if applicable, the qualified company has failed to meet the applicable minimum job requirements. The qualified company may retain authorized amounts from the withholding tax under the project once the applicable minimum job requirements have been met for the duration of the project period. No benefits shall be provided under this program until the qualified company or qualified military project meets the applicable minimum new job requirements or, for benefits awarded under subsection 7 of section 620.2010, until the qualified company has satisfied the requirements set forth in the written agreement between the department and the qualified company under subsection 4 of section 620.2010. In the event the qualified company or qualified military project does not meet the applicable minimum new job requirements, the qualified company or qualified military project may submit a new notice of intent or the department may provide a new approval for a new project of the qualified company or qualified military project at the project facility or other facilities.

10. Tax credits provided under this program may be claimed against taxes otherwise imposed by chapters 143 and 148, and may not be carried forward, but shall be claimed within one year of the close of the taxable year for which they were issued. Tax credits provided under this program may be transferred, sold, or assigned by filing a notarized endorsement thereof with the department that names the transferee, the amount of tax credit transferred, and the value received for the credit, as well as any other information reasonably requested by the department. For a qualified company with flow-through tax treatment to its members, partners, or shareholders, the tax credit shall be allowed to members, partners, or shareholders in proportion to their share of ownership on the last day of the qualified company's tax period.

11. Prior to the issuance of tax credits or the qualified company beginning to retain withholding taxes, the department shall verify through the department of revenue and any other

applicable state department that the tax credit applicant does not owe any delinquent income, sales, or use tax or interest or penalties on such taxes, or any delinquent fees or assessments levied by any state department and through the department of commerce and insurance that the applicant does not owe any delinquent insurance taxes or other fees. Such delinquency shall not affect the approval, except that any tax credits issued shall be first applied to the delinquency and any amount issued shall be reduced by the applicant's tax delinquency. If the department of revenue, the department of commerce and insurance, or any other state department concludes that a taxpayer is delinquent after June fifteenth but before July first of any year and the application of tax credits to such delinquency causes a tax deficiency on behalf of the taxpayer to arise, then the taxpayer shall be granted thirty days to satisfy the deficiency in which interest, penalties, and additions to tax shall be tolled. After applying all available credits toward a tax delinquency, the administering agency shall notify the appropriate department and that department shall update the amount of outstanding delinquent tax owed by the applicant. If any credits remain after satisfying all insurance, income, sales, and use tax delinquencies, the remaining credits shall be issued to the applicant, subject to the restrictions of other provisions of law.

12. The director of revenue shall issue a refund to the qualified company to the extent that the amount of tax credits allowed under this program exceeds the amount of the qualified company's tax liability under chapter 143 or 148.

13. An employee of a qualified company shall receive full credit for the amount of tax withheld as provided in section 143.211.

14. Notwithstanding any provision of law to the contrary, beginning August 28, 2013, no new benefits shall be authorized for any project that had not received from the department a proposal or approval for such benefits prior to August 28, 2013, under the development tax credit program created under sections 32.100 to 32.125, the rebuilding communities tax credit program created under section 135.535, the enhanced enterprise zone tax credit program created under sections 135.950 to 135.973, and the Missouri quality jobs program created under sections 620.1875 to 620.1890. The provisions of this subsection shall not be construed to limit or impair the ability of any administering agency to authorize or issue benefits for any project that had received an approval or a proposal from the department under any of the programs referenced in this subsection prior to August 28, 2013, or the ability of any taxpayer to redeem any such tax credits or to retain any withholding tax under an approval issued prior to that date. The provisions of this subsection shall not be construed to limit or in any way impair the ability of any governing authority to provide any local abatement or designate a new zone under the enhanced enterprise zone program created by sections 135.950 to 135.963. Notwithstanding any provision of law to the contrary, no qualified company that is awarded benefits under this program shall:

(1) Simultaneously receive benefits under the programs referenced in this subsection at the same capital investment; or

(2) Receive benefits under the provisions of section 620.1910 for the same jobs.

15. If any provision of sections 620.2000 to 620.2020 or application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or application of these sections which can be given effect without the invalid provisions or application, and to this end, the provisions of sections 620.2000 to 620.2020 are hereby declared severable.

16. By no later than January 1, 2014, and the first day of each calendar quarter thereafter, the department shall present a quarterly report to the general assembly detailing the benefits authorized under this program during the immediately preceding calendar quarter to the extent such information may be disclosed under state and federal law. The report shall include, at a minimum:

(1) A list of all approved and disapproved applicants for each tax credit;

(2) A list of the aggregate amount of new or retained jobs that are directly attributable to the tax credits authorized;

(3) A statement of the aggregate amount of new capital investment directly attributable to the tax credits authorized;

(4) Documentation of the estimated net state fiscal benefit for each authorized project and, to the extent available, the actual benefit realized upon completion of such project or activity; and

(5) The department's response time for each request for a proposed benefit award under this program.

17. The department may adopt such rules, statements of policy, procedures, forms, and guidelines as may be necessary to carry out the provisions of sections 620.2000 to 620.2020. 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, 2013, shall be invalid and void.

18. Under section 23.253 of the Missouri sunset act:

(1) The provisions of the program authorized under sections 620.2000 to 620.2020 shall be reauthorized as of August 28, 2018, and shall expire on August 28, 2030; and

(2) If such program is reauthorized, the program authorized under this section shall automatically sunset twelve years after the effective date of the reauthorization of sections 620.2000 to 620.2020; and

(3) Sections 620.2000 to 620.2020 shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under sections 620.2000 to 620.2020 is sunset.

620.2250. 1. This section shall be known and may be cited as the "Targeted Industrial Manufacturing Enhancement Zones Act".

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

(1) "County average wage", the average wage in each county as determined by the department for the most recently completed full calendar year. However, if the computed county average wage is above the statewide average wage, the statewide average wage shall be deemed the county average wage for such county for the purpose of determining eligibility;

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

(3) "New job", the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the completion of an agreement pursuant to subsection 6 of this section and no job that is relocated from another location within this state shall be deemed a new job. An employee that spends less than fifty percent of the employee's work time at the facility is still considered to be located at a facility if the employee receives his or her directions and control from that facility, is on the facility's payroll, one hundred percent of the employee's income from such employment is Missouri income, and the employee is paid at or above the county average wage;

(4) "Political subdivision", a town, village, city, or county located in this state;

(5) "Related facility", a facility operated by a company or a related company prior to the establishment of the TIME zone in question, and which is directly related to the operations of the facility within the new TIME zone;

(6) "TIME zone", an area identified through an ordinance or resolution passed pursuant to subsection 4 of this section that is being developed or redeveloped for any purpose so long as any infrastructure or building built or improved is in the development area;

(7) "Zone board", the governing body of a TIME zone.

3. The governing bodies of at least two contiguous or overlapping political subdivisions in this state may establish one or more TIME zones, which shall be political

subdivisions of the state, for the purposes of completing infrastructure projects to promote the economic development of the region. Such zones may only include the area within the governing bodies' jurisdiction, ownership, or control, and may include any such area. The governing bodies shall determine the boundaries for each TIME zone, and more than one TIME zone may exist within the governing bodies' jurisdiction or under the governing bodies' ownership or control, and may be expanded or contracted by resolution of the zone board.

4. (1) To establish a TIME zone, the governing bodies of at least two political subdivisions shall each propose an ordinance or resolution creating such zone. Such ordinance or resolution shall set forth the names of the political subdivisions which will form the TIME zone, the general nature of the proposed improvements, the estimated cost of such improvements, the boundaries of the proposed TIME zone, and the estimated number of new jobs to be created in the TIME zone. Prior to approving such ordinance or resolution, each governing body shall hold a public hearing to consider the creation of the TIME zone and the proposed improvements therein. The governing bodies shall hear and pass upon all objections to the TIME zone and the proposed improvements, if any, and may amend the proposed improvements, and the plans and specifications therefor.

(2) After the passage or adoption of the ordinance or resolution creating the TIME Zone, governance of the TIME zone shall be by the zone board, which shall consist of seven members selected from the political subdivisions creating the TIME zone. Members of a zone board shall receive no salary or other compensation for their services as members, but shall receive their necessary traveling and other expenses incurred while actually engaged in the discharge of their official duties. The zone board may expand or contract such TIME zone through an ordinance or resolution following a public hearing conducted to consider such expansion or contraction.

5. The boundaries of the proposed TIME zone shall be described by metes and bounds, streets, or other sufficiently specific description.

6. (1) Prior to retaining any state withholding tax pursuant to subsection 9 of this section, a zone board shall enter into an agreement with the department. Such agreement shall include, but shall not be limited to:

(a) The estimated number of new jobs to be created;

(b) The estimated average wage of new jobs to be created;

(c) The estimated net fiscal impact of the new jobs;

(d) The estimated costs of the proposed improvements;

(e) The estimated amount of withholding tax to be retained pursuant to subsection 9 of this section over the period of the agreement; and

(f) A copy of the ordinance establishing the board and a list of its members.

(2) The department shall not approve an agreement with a zone board unless the zone board commits to creating the following number of new jobs:

(a) For a TIME zone with a total population of less than five thousand inhabitants as determined by the most recent decennial census, a minimum of five new jobs with an average wage that equals or exceeds ninety percent of the county average wage;

(b) For a TIME zone with a total population of at least five thousand inhabitants but less than fifty thousand inhabitants as determined by the most recent decennial census, a minimum of ten new jobs with an average wage that equals or exceeds ninety percent of the county average wage;

(c) For a TIME zone with a total population of at least fifty thousand inhabitants but less than one hundred fifty thousand inhabitants as determined by the most recent decennial census, a minimum of fifteen new jobs with an average wage that equals or exceeds ninety percent of the county average wage; and

(d) For a TIME zone with a total population of at least one hundred fifty thousand inhabitants as determined by the most recent decennial census, a minimum of twenty-five new jobs with an average wage that equals or exceeds ninety percent of the county average wage.

7. (1) The term of the agreement entered into pursuant to subsection 6 of this section shall not exceed ten years. A zone board may apply to the department for approval to renew any agreement. Such application shall be made on forms provided by the department. In determining whether to approve the renewal of an agreement, the department shall consider:

(a) The number of new jobs created and the average wage and net fiscal impact of such jobs;

(b) The outstanding improvements to be made within the TIME zone and the funding necessary to complete such improvements; and

(c) Any other factor the department requires.

(2) The department may approve the renewal of an agreement for a period not to exceed ten years. If a zone board has not met the new job requirements pursuant to subdivision (2) of subsection 6 of this section by the end of the agreement, the department shall recapture from such zone board the amount of withholding tax retained by the zone board pursuant to this section and the department shall not approve the renewal of an agreement with such zone board.

(3) A zone board shall not retain any withholding tax pursuant to this section in excess of the costs of improvements completed by the zone board.

8. If a qualified company is retaining withholding tax pursuant to sections 620.2000 to 620.2020 for new jobs, as such terms are defined in section 620.2005, that also qualify for the retention of withholding tax pursuant to this section, the department shall not authorize an agreement pursuant to this section that results in more than fifty percent of the withholding tax for such new jobs being retained pursuant to this section and sections 620.2000 to 620.2020.

9. Upon the completion of an agreement pursuant to subsection 6 of this section, twenty-five percent of the state tax withholdings imposed by sections 143.191 to 143.265 on new jobs within a TIME zone after development or redevelopment has commenced shall not be remitted to the general revenue fund of the state of Missouri. Such moneys shall be deposited into the TIME zone fund established pursuant to subsection 10 of this section for the purpose of continuing to expand, develop, and redevelop TIME zones identified by the zone board, and may be used for managerial, engineering, legal, research, promotion, planning, and any other expenses.

10. There is hereby created in the state treasury the "TIME Zone Fund", which shall consist of money collected under this section. The state treasurer shall be custodian of the fund and may approve disbursements from the fund in accordance with sections 30.170 and 30.180 to the zone boards of the TIME zones from which the funds were collected, less the pro-rata portion appropriated by the general assembly to be used solely for the administration of this section, which shall not exceed ten percent of the total amount collected within the TIME zones of a zone board. Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

11. The zone board shall approve projects consistent with the provisions of this section that begin construction and disburse any money collected under this section. The zone board shall submit an annual budget for the funds to the department explaining how and when such money will be spent.

12. A zone board shall submit an annual report by December thirty-first of each year to the department and the general assembly. Such report shall include, but shall not be limited to:

(1) The locations of the established TIME zones governed by the zone board;

(2) The number of new jobs created within the TIME zones governed by the zone board;

(3) The average wage of the new jobs created within the TIME zones governed by the zone board;

(4) The improvements utilizing TIME zone funding;

(5) The amount of TIME zone funding utilized for each improvement and the total amount of TIME zone funds expended; and

(6) The amount of withholding tax retained pursuant to subsection 9 of this section from new jobs created within the TIME zones governed by the zone board.

13. No political subdivision shall establish a TIME zone with boundaries that overlap the boundaries of an advanced industrial manufacturing zone established pursuant to section 68.075.

14. The total amount of withholding taxes retained by all TIME zones pursuant to the provisions of this section shall not exceed five million dollars per fiscal year.

15. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2021, shall be invalid and void.

16. The provisions of section 23.253 notwithstanding, no TIME zone may be established after August 28, 2024. Any TIME zone created prior to such date shall continue to exist and be coterminous with the retirement of any debts incurred for improvements made within the TIME zone. No debts may be incurred or reauthorized using TIME zone revenue after August 28, 2024.

Section B. Because immediate action is necessary to protect the interests of taxpayers during the COVID-19 pandemic and because of the importance of economic development to the state of Missouri, sections 143.121, 143.171, and 620.2020 of section A of this act are deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and are hereby declared to be an emergency act within the meaning of the constitution, and sections 143.121, 143.171, and 620.2020 of section A of this act shall be in full force and effect upon its passage and approval.

✓