

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NOS. 3231 & 2531

103RD GENERAL ASSEMBLY

6321H.04P

JOSEPH ENGLER, Chief Clerk

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## AN ACT

To amend chapter 620, RSMo, by adding thereto twelve new sections relating to the Missouri innovation, public safety, and accountability act.

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

Section A. Chapter 620, RSMo, is amended by adding thereto twelve new sections, to  
2 be known as sections 620.6000, 620.6003, 620.6006, 620.6009, 620.6012, 620.6015,  
3 620.6018, 620.6021, 620.6024, 620.6027, 620.6030, and 620.6033, to read as follows:

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

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

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

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

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

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

**13 (5) "Executive branch", the chief executive officer of a participating city and any  
14 department, agency, or officer acting under the authority of such chief executive officer,  
15 consistent with the city's form of government to administer, oversee, and carry out the**

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.

16 responsibilities of a Missouri innovation zone authorized under sections 620.6000 to  
17 620.6033;

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

20 (7) "Master plan", a written submission prepared and submitted by the  
21 executive branch of an eligible city to the department under sections 620.6000 to  
22 620.6006 for the purpose of requesting designation and certification of a Missouri  
23 innovation zone;

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

28 (9) "Missouri innovation zone", a locally designated geographic area within a  
29 participating city that overlays its historic downtown, central business district, or  
30 qualified Missouri main street district, as applicable;

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

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

39 (12) "Net-new state revenue", the amount by which state tax receipts  
40 attributable to activity within a certified Missouri innovation zone exceed the  
41 applicable baseline state tax receipts, as actually received by the state, net of refunds,  
42 chargebacks, or statutory distribution adjustments;

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

46 (14) "Reviewing authority", the local governing body, commission, board, or  
47 state agency authorized by law to approve or administer an incentive for which an  
48 application is submitted.

620.6003. 1. There is hereby established a statewide Missouri innovation zone  
2 program providing a coordinated framework under which eligible cities may designate  
3 a defined geographic area for participation in state-authorized economic development  
4 incentives under sections 620.6000 to 620.6033.

5           **2. (1) A city shall not be permitted more than one Missouri innovation zone and**  
6 **the department shall not consider multiple proposals from a single city.**

7           **(2) A Missouri innovation zone shall consist of a defined geographic area**  
8 **overlying the city's historic downtown, central business district, qualified Missouri**  
9 **main street, or comparable core commercial area.**

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

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

15           **3. (1) The executive branch of a city seeking designation and certification of a**  
16 **Missouri innovation zone shall prepare and submit to the department a master plan for**  
17 **the proposed zone and shall retain responsibility for coordinating implementation of the**  
18 **zone upon certification.**

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

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

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

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

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

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

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

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

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

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

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

38           **4. (1) Within forty-five calendar days of receipt of a complete master plan**  
39 **application, the department shall issue a written determination approving, conditionally**  
40 **approving, or denying designation or certification.**

41           **(2) For purposes of this section, an application shall be deemed complete if it**  
42 **includes all materials expressly required under this section and any forms or**  
43 **documentation prescribed by rule consistent with this section. The department's**  
44 **review of completeness shall be limited to determining whether the required materials**  
45 **have been submitted and whether such materials are facially sufficient.**

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

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

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

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

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

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

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

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

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

76           **(c) There shall be no mandatory deadline for adoption of such required local**  
77 **policies; provided, however, that no incentives authorized under sections 620.6000 to**

78 **620.6033 shall be available within the conditionally designated zone until certification of**  
79 **implementation is issued by the department.**

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

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

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

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

97 5. (1) **Upon certification of a Missouri innovation zone under this section, the**  
98 **incentives authorized under sections 620.6000 to 620.6033 shall be available within the**  
99 **certified geographic boundaries of the zone, subject to the eligibility criteria,**  
100 **performance standards, and procedures set forth in those sections.**

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

103 (a) **Move-to-Missouri resident incentive under section 620.6015;**

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

105 (c) **Employer relocation incentive under section 620.6021;**

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

107 (e) **Missouri opportunity zone tax deferral and exclusion under section 620.6027;**

108 **and**

109 (f) **Missouri angel investment incentive under section 620.6033.**

110 (3) **Upon certification of a Missouri innovation zone, the geographic area within**  
111 **the certified zone shall constitute a redevelopment area for purposes of chapters 99 and**  
112 **353, and for all other statutes authorizing property tax abatement or tax increment**  
113 **financing, to the extent permitted by Article X of the Constitution of Missouri.**

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

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

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

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

124           **(6) The duration, percentage, and structure of any property tax abatement or**  
125 **tax increment financing awarded within a certified Missouri innovation zone shall be**  
126 **determined by the project's verified score under the master scorecard, subject only to**  
127 **maximum limits authorized by statute.**

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

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

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

137           **8. The public safety fund shall be administered by the executive branch of the**  
138 **participating city in accordance with the approved master plan under sections 620.6003,**  
139 **620.6006, and 620.6012.**

140           **9. The move-to-Missouri resident incentive under section 620.6015 and the**  
141 **Missouri opportunity zone incentive under section 620.6027 shall be administered by the**  
142 **department of revenue through tax filing, certification, and reporting procedures.**

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

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

149           **12. The Missouri angel investment incentive under section 620.6033 shall be**  
150 **administered by the department.**

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

156           **14. (1) The department shall adopt and promulgate rules to establish and**  
157 **administer a master scorecard solely for purposes of:**

158           **(a) The office-to-residential conversion incentive authorized under section**  
159 **620.6024; and**

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

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

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

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

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

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

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

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

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

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

177           **(a) No single scoring category shall be weighed in a manner that causes such**  
178 **category to constitute a mandatory prerequisite to eligibility or to control a**  
179 **disproportionate share of the total available points, except that the department may**  
180 **assign enhanced weight to housing production or residential activation categories**  
181 **consistent with the purposes of this subsection, namely scoring categories listed under**  
182 **paragraphs (a), (g), and (h) of subdivision (4) of this subsection;**

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

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

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

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

190           **(b) Affordability;**

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

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

193           **(e) Historic preservation;**

194           **(f) Access and mobility;**

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

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

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

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

199           **(5) The department shall not establish additional scoring categories beyond**  
200 **those enumerated in this subsection; however, it may promulgate subcategories, rules,**  
201 **and documentation requirements within each category consistent with the purposes of**  
202 **this subsection.**

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

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

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

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

217           **16. Nothing in this section shall prohibit a participating city from awarding**  
218 **additional locally administered incentives consistent with state law regardless of a**  
219 **project's score under the master scorecard.**

220           **17. Nothing in sections 620.6000 to 620.6033 shall be construed to authorize the**  
221 **reduction, abatement, diversion, or impairment of any existing revenues of the**  
222 **participating city. Any property tax abatement or tax increment financing incentive**

223 evaluated under the master scorecard shall apply solely to net-new assessed value, net-  
224 new tax increment, or net-new property tax revenues.

225 **18. Nothing in sections 620.6000 to 620.6033 shall be construed to waive, limit,**  
226 **supersede, or otherwise modify any requirement, limitation, restriction, or prohibition**  
227 **imposed by state or federal law applicable to an applicant or to the use of funds**  
228 **including, but not limited to, sections 135.810 and 280.025, any provision of sections**  
229 **135.800 to 135.830, or any statutory limitation on eligibility for, or use of, public**  
230 **funding. Compliance with all applicable criminal, tax, labor, reporting, and funding**  
231 **laws shall remain a condition of eligibility for, and retention of, any economic**  
232 **development tools authorized under sections 620.6000 to 620.6033, independent of the**  
233 **master scorecard.**

234 **19. (1) Any state-administered economic development tool authorized under**  
235 **sections 620.6000 to 620.6033 that requires submission of an application to the**  
236 **department shall be reviewed and determined in accordance with this subsection.**

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

- 238 **(a) The rural Missouri development fund under section 620.6009;**
- 239 **(b) The employer retention and reinvestment incentive under section 620.6018;**
- 240 **(c) The employer relocation incentive under section 620.6021;**
- 241 **(d) The office-to-residential conversion incentive under section 620.6024; and**
- 242 **(e) The Missouri angel investment incentive under section 620.6033.**

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

- 244 **(a) The innovation zone public safety fund under section 620.6012;**
- 245 **(b) The move-to-Missouri resident incentive under section 620.6015; or**
- 246 **(c) The Missouri opportunity zone under section 620.6027.**

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

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

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

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

260 (a) Be issued in writing; and

261 (b) Identify with specificity the statutory provision or rule with which the  
262 application fails to comply.

263 (6) (a) Applications for locally administered economic development tools,  
264 including tax abatement and tax increment financing authorized under sections  
265 620.6003 to 620.6006, shall be reviewed and determined in accordance with section  
266 620.6006.

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

269 (c) For economic development tools subject to master scorecard evaluation, the  
270 participating city shall apply the master scorecard under section 620.6003 in accordance  
271 with department rules, and the department shall retain supervisory authority to ensure  
272 consistency, accuracy, and compliance with statutory requirements.

262.6006. 1. As a condition of certification and continued participation as a  
2 Missouri innovation zone under sections 620.6000 to 620.6033, a participating city shall  
3 establish and maintain the policies set forth in this section within the geographic  
4 boundaries of the Missouri innovation zone.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

51           **(1) Development applications;**

52           **(2) Business applications; and**

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

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

61           **9. (1) Each participating city shall designate a one stop review authority**  
62 **responsible for:**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

136

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

207           **(a) Waive compliance with adopted codes;**

- 208           **(b) Limit inspection authority;**
- 209           **(c) Prevent enforcement of violations discovered during construction or**  
210 **occupancy; or**
- 211           **(d) Require issuance of permits contingent upon state or federal approval.**
- 212           **(22) In the event of a declared local or state emergency that materially impairs**  
213 **the participating city's ability to process applications, review periods under this**  
214 **subsection may be suspended for the duration of such emergency, provided the delay is**  
215 **no longer than thirty calendar days.**
- 216           **(23) An applicant aggrieved by a participating city's failure to comply with this**  
217 **subsection may seek declaratory or injunctive relief in the circuit court of the county in**  
218 **which the Missouri innovation zone is located. The court shall give such action priority**  
219 **on its docket.**
- 220           **10. (1) A participating city shall adopt and implement a policy providing that**  
221 **any permit, plan review, inspection, or development-related fee applicable to projects**  
222 **located within a Missouri innovation zone:**
- 223           **(a) Shall be limited to the actual, reasonable, and direct costs incurred by the**  
224 **applicable department or reviewing authority in processing, reviewing, inspecting, and**  
225 **administering such project or application; and**
- 226           **(b) Shall not be calculated as a percentage of project value, construction cost,**  
227 **financing amount, or other project-based metric unrelated to the actual cost of**  
228 **providing such services.**
- 229           **(2) Nothing in this subsection shall require the waiver or reduction of fees**  
230 **necessary to support the baseline health, staffing, and operational capacity of the**  
231 **building department or other reviewing agencies, provided such fees reflect documented**  
232 **cost recovery and not revenue generation.**
- 233           **(3) A participating city may distinguish between:**
- 234           **(a) Essential operational cost-recovery fees; and**
- 235           **(b) Discretionary, percentage-based, duplicative, or extraordinary charges.**
- 236           **11. (1) Any property subject to an existing tax increment financing plan or tax**  
237 **abatement agreement at the time of Missouri innovation zone certification shall**  
238 **continue to be governed by the terms of such existing agreement, and nothing in sections**  
239 **620.6000 to 620.6033 shall be construed to impair, modify, or terminate such agreement.**
- 240           **(2) (a) For properties within a Missouri innovation zone that are not subject to**  
241 **an existing project-specific tax increment financing plan or property tax abatement**  
242 **agreement, twenty-five percent of the net-new incremental real local property tax**  
243 **revenue generated after certification shall be treated as tax increment for purposes of**  
244 **deposit into the applicable innovation zone public safety fund, established under section**

245 **620.6012.** The reallocation of such funds shall be determined by the executive branch  
246 under sections 620.6000 to 620.6033.

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

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

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

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

260 (c) Proceed without either incentive.

261 12. (1) A participating city shall provide building code flexibility for adaptive  
262 reuse projects within the zone. Such flexibility shall:

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

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

269 (c) Maintain compliance with applicable structural requirements, fire-safety,  
270 and life-safety standards.

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

273 13. (1) If the department determines that a participating city has failed to  
274 maintain one or more requirements of this section, the department shall provide written  
275 notice of such noncompliance.

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

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

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

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

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

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

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

292           **14. (1) The department shall prepare and submit a biennial written report to the**  
293 **general assembly summarizing the status, performance, and outcomes of the Missouri**  
294 **innovation zone program. The purpose of the report is to provide transparency,**  
295 **accountability, and aggregate information regarding the implementation and**  
296 **performance of Missouri innovation zones and the incentives authorized under**  
297 **sections 620.6000 to 620.6033. The report shall be informational in nature and shall**  
298 **not be used to impose additional approval requirements, conditions, or penalties on any**  
299 **Missouri innovation zone or approved projects.**

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

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

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

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

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

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

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

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

317           **15. The department may retain, subject to appropriation, a limited portion of**  
318 **net-new state revenue generated under sections 620.6000 to 620.6033 solely for the**  
319 **administration of the Missouri innovation zone program. Such retained amounts shall**  
320 **be derived exclusively from net-new state revenue attributable to Missouri innovation**  
321 **zones and shall not reduce or impair any existing state or local revenues. No**  
322 **application, participation, or administrative fees shall be imposed under sections**  
323 **620.6000 to 620.6033.**

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

330           **17. Notwithstanding any provisions of section 32.057, or any other law to the**  
331 **contrary, the department of revenue shall disclose to the department, the state treasurer,**  
332 **and any other state agency or local governments administering economic development**  
333 **tools under sections 620.6000 to 620.6033 such state tax information as is necessary to**  
334 **verify eligibility for, calculate, administer, audit, or enforce any economic development**  
335 **tool authorized under sections 620.6000 to 620.6033. Any information disclosed under**  
336 **this subsection shall otherwise remain confidential and shall be used solely for purposes**  
337 **of administering sections 620.6000 to 620.6033.**

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

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

351           **(1) The provisions of the new program authorized under sections 620.6000 to**  
352 **620.6033 shall sunset ten years after the effective date of sections 620.6000 to 620.6033**  
353 **unless reauthorized by an act of the general assembly; and**

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

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

5           2. (1) For purposes of this section, a "contributing city" means a city that:

6           (a) Has a certified Missouri innovation zone under sections 620.6000 to  
7 620.6033; and

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

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

13           3. (1) Each contributing city shall annually contribute to the rural Missouri  
14 development fund an amount equal to ten percent of net-new property tax revenue by  
15 such communities that are generated within its Missouri innovation zone above the  
16 applicable baseline.

17           (2) For purposes of this section, "net-new property tax revenue" means that  
18 portion of net-new local revenue attributable to incremental property tax collections  
19 within the Missouri innovation zone above the applicable local baseline, as actually  
20 collected and retained by the contributing city.

21           (3) "Net-new property tax revenue" shall not include:

22           (a) Any property tax revenues abated, exempted, or otherwise forgone under a  
23 property tax abatement agreement; or

24           (b) Any property tax increment captured, pledged, or otherwise dedicated under  
25 a tax increment financing plan.

26           (4) Contributions under this section shall be required only in a fiscal year in  
27 which:

28           (a) Total revenues from all sources actually collected by the contributing city  
29 from activity within the Missouri innovation zone equal or exceed the certified baseline  
30 for such zone; and

31           (b) Net-new property tax revenue actually collected within the Missouri  
32 innovation zone exceeds the applicable certified baseline for property tax collections  
33 within such zone.

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

35           **(a) Rural cities;**  
36           **(b) Smaller cities not meeting the definition of a contributing city; or**  
37           **(c) Local or regional development organizations, community development**  
38 **corporations, or similar entities applying on behalf of or in coordination with such rural**  
39 **or smaller municipalities.**

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

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

44           **(1) Rural education;**

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

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

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

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

49           **(6) Other economic purposes consistent with the intent of sections 620.6000 to**  
50 **620.6033.**

51           **6. (1) The department shall administer the rural Missouri development fund**  
52 **and shall establish an application process for eligible recipients.**

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

54           **(a) Project readiness;**

55           **(b) Demonstrated community need;**

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

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

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

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

5           **2. (1) Subject to the exclusions set forth in this section, the innovation zone**  
6 **public safety fund shall receive fifty percent of net-new state revenue generated within a**  
7 **Missouri innovation zone that would otherwise be deposited into the state general**  
8 **revenue fund.**

9           **(2) For purposes of this section, "net-new state revenue" means the amount of**  
10 **state sales tax revenues and state income tax withholdings actually remitted to the state**  
11 **general fund in excess of the applicable baseline under subsection 3 of this section, net of**  
12 **any amounts retained or credited under sections 620.6018 and 620.6021.**

13           **(3) No other state taxes shall be subject to recapture under this section unless**  
14 **expressly authorized by law.**

15           **3. The baseline for determining incremental state tax receipts shall be**  
16 **established by the department based on actual state sales tax and state withholding**  
17 **tax collections within the Missouri innovation zone during the twelve months**  
18 **immediately preceding certification of the zone. The baseline shall remain fixed for**  
19 **the purposes of calculating incremental receipts under this section.**

20           **4. (1) This section shall not apply to any geographic area located within:**

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

24           **(b) A district designated under the Missouri Downtown Economic Stimulus**  
25 **Authority Act (MODESA), whether such a district exists at the time of Missouri**  
26 **innovation zone certification or is created thereafter.**

27           **(2) Incremental state tax receipts generated within excluded geographic areas**  
28 **shall not be subject to recapture under this section.**

29           **(3) Excluded geographic areas shall not receive moneys, directly or indirectly, or**  
30 **benefit from moneys remitted to or expended from the innovation zone public safety**  
31 **fund, including funding for public safety, infrastructure, or public realm improvements.**

32           **5. (1) Moneys remitted under this section shall be deposited into a dedicated**  
33 **local fund or account established by the participating city for the applicable Missouri**  
34 **innovation zone.**

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

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

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

42           **6. (1) Moneys remitted from the innovation zone public safety fund shall be used**  
43 **for capital or operating expenditures related to public safety and public realm**  
44 **improvements within the Missouri innovation zone including, but not limited to:**

- 45           **(a) Police services and law enforcement staffing;**
- 46           **(b) Lighting, cameras, and surveillance systems;**
- 47           **(c) Wayfinding and signage;**
- 48           **(d) Sidewalks, streets, crosswalks, and traffic-calming improvements;**
- 49           **(e) Landscaping, trees, and plazas;**
- 50           **(f) Stabilization, remediation, demolition, or redevelopment preparation of real**  
51 **property;**
- 52           **(g) Maintenance or operations directly related to public safety or infrastructure;**
- 53           **(h) Other public safety or public infrastructure improvements consistent with**  
54 **the purposes of this section.**

55           **(2) The use of innovation zone public safety fund moneys for police services shall**  
56 **be limited to sworn law enforcement officers or duly authorized law enforcement**  
57 **agencies and shall not include private security or non-law-enforcement personnel acting**  
58 **in a public safety capacity. Moneys remitted under this section shall supplement and**  
59 **not supplant existing public safety funding obligations of the Missouri innovation zone.**

60           **7. (1) A project sponsor may apply to the department for a construction-phase**  
61 **withholding for a project located within a Missouri innovation zone, provided that:**

- 62           **(a) The project has received all required local approvals; and**
- 63           **(b) The project has total hard construction costs of not less than five million**  
64 **dollars.**

65           **(2) An application for a construction-phase withholding advance shall be**  
66 **submitted to the department after project approval and prior to project stabilization, in**  
67 **such form and manner as prescribed by rule.**

68           **(3) The department shall authorize a construction-phase withholding advance**  
69 **upon demonstration by the project sponsor that:**

- 70           **(a) The project is located within a Missouri innovation zone;**
- 71           **(b) The project will generate construction-phase employment occurring within**  
72 **the zone; and**

73           **(c) The project is reasonably projected to generate state income tax withholdings**  
74 **attributable to construction-phase employment above the applicable baseline.**

75           **(4) The department's review shall be limited to verification of eligibility and**  
76 **projected withholding amounts and shall not include discretionary policy evaluation.**

77           **(5) The amount of a construction-phase withholding advance authorized under**  
78 **this section shall not exceed twenty-five percent of the projected state income tax**

79 **withholdings attributable to construction-phase employment generated by the project**  
80 **above the applicable baseline. In no event shall a project sponsor receive construction-**  
81 **phase withholding advances exceeding twenty-five percent of actual construction-phase**  
82 **withholdings generated by the project. Construction phase withholding advances shall**  
83 **not be eligible for use as qualifying reinvestment expenditures under section 620.6018.**

84 **8. (1) An authorized construction-phase withholding advance shall not be**  
85 **disbursed until the project sponsor demonstrates to the department that:**

86 **(a) Construction has commenced; and**

87 **(b) Not less than ten percent of the total hard construction costs have been**  
88 **incurred.**

89 **(2) Upon satisfaction of such requirements, the department shall authorize**  
90 **payment to the project sponsor an amount not to exceed twenty-five percent of the**  
91 **incremental state income tax withholdings actually received and attributable to**  
92 **construction-phase employment within the certified Missouri innovation zone, which**  
93 **amount would otherwise be allocable to the innovation zone public safety fund.**

94 **9. The department shall approve or deny an application for a construction-phase**  
95 **withholding advance within forty-five calendar days of receipt of a complete**  
96 **application. Failure to act within such period shall result in deemed approval of the**  
97 **application as submitted.**

98 **10. For purposes of this section, "construction-phase employment" means**  
99 **employment primarily engaged in construction, demolition, rehabilitation, or related**  
100 **activities associated with an approved development project and occurring prior to**  
101 **project stabilization. Construction-phase employment shall not include permanent or**  
102 **stabilized employment.**

103 **11. (1) Following completion of construction, the department shall verify the**  
104 **actual amount of state income tax withholdings attributable to construction-phase**  
105 **employment generated by the project above the applicable baseline.**

106 **(2) Notwithstanding the provisions of section 32.057 to the contrary, the**  
107 **department of revenue shall disclose to the department such state income tax**  
108 **withholding information as is necessary to verify the amount required under**  
109 **subdivision (1) of this subsection.**

110 **(3) Any information disclosed pursuant to this subsection:**

111 **(a) Shall be used solely for the administration of sections 620.6000 to 620.6033;**

112 **(b) Shall remain confidential and not be subject to disclosure under chapter 610;**

113 **and**

114 **(c) Shall not be disclosed in a manner that identifies any individual taxpayer.**

115           **(4) If twenty-five percent of the actual construction-phase withholdings equals or**  
116 **exceeds the amount of the construction-phase withholding advance disbursed to the**  
117 **project, no further action shall be required.**

118           **(5) If twenty-five percent of the actual construction-phase withholdings is less**  
119 **than the amount of the construction-phase withholding advance disbursed, the excess**  
120 **shall be repaid by the project sponsor, as determined by rule. The department may**  
121 **enforce repayment through administrative offset, assessment as a debt due to the state,**  
122 **civil action, or any other lawful means.**

123           **12. All incremental state tax receipts attributable to construction-phase**  
124 **employment not subject to an approved construction-phase withholding advance shall**  
125 **be allocated for the benefit of the applicable Missouri innovation zone and controlled by**  
126 **the executive branch in accordance with sections 620.6000 to 620.6033.**

127           **13. (1) The department of revenue shall, within one hundred twenty calendar**  
128 **days following the close of each fiscal year, calculate the amount of net-new state**  
129 **revenue attributable to each certified Missouri innovation zone established.**

130           **(2) Upon such calculation, the state treasurer shall transfer the applicable funds**  
131 **to the innovation zone public safety fund subaccount designated for the participating**  
132 **city. Such transfer shall occur by operation of law and shall not require further**  
133 **legislative appropriation.**

134           **(3) Participating cities shall not be required to submit an application for receipt**  
135 **of funds under this section. Receipt of funds shall occur automatically upon**  
136 **certification and verification of net-new revenues as provided herein.**

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

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

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

145           **14. The department shall promulgate all rules necessary to implement this**  
146 **section, provided that such rules are consistent with and reasonably necessary to carry**  
147 **out the purposes, structure, and operative provisions of sections 620.6000 to 620.6033.**  
148 **In promulgating such rules, the department shall consult with the department of**  
149 **revenue to the extent necessary for the administration of this section. Any rule or**  
150 **portion of a rule, as that term is defined in section 536.010, that is created under the**  
151 **authority delegated in this section shall become effective only if it complies with and is**

152 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This  
153 section and chapter 536 are nonseverable and if any of the powers vested with the  
154 general assembly pursuant to chapter 536 to review, to delay the effective date, or to  
155 disapprove and annul a rule are subsequently held unconstitutional, then the grant of  
156 rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be  
157 invalid and void.

620.6015. 1. This section establishes a move-to-Missouri resident incentive,  
2 under which one hundred percent income tax exclusion is available for qualifying  
3 individuals establishing residency within a Missouri innovation zone.

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

5 (1) "Material reduction in payroll", a decrease of five percent or more in total  
6 Missouri employment wages, as reported under chapter 143, at a single Missouri  
7 location, outside of the certified innovation zone, of an employer during the twelve-  
8 month period following the commencement of employment by a qualified resident,  
9 compared to the employer's average Missouri employment wages at such location  
10 during the twelve-month period immediately preceding such commencement date;

11 (2) "Primary residence", a dwelling unit within a Missouri innovation zone that  
12 the individual occupies as the individual's principal place of residence for Missouri  
13 income tax purposes, whether such dwelling unit is owned or leased by the individual;

14 (3) "Qualified resident", an individual who:

15 (a) Did not have Missouri adjusted gross income, as defined under chapter 143,  
16 at any time during the three taxable years preceding such more recent taxable year;

17 (b) Establishes a primary residence within a Missouri innovation zone and is a  
18 resident of the state of Missouri for state income tax purposes during the tax year for  
19 which the exclusion is claimed; and

20 (c) Earns wages in an amount of not less than seventy thousand dollars during  
21 the tax year for which the exclusion is claimed.

22 3. For all tax years beginning on or after January 1, 2027, the income tax  
23 exclusion authorized by this section shall apply beginning with the first tax year for  
24 which the individual qualifies as a qualified resident and for each subsequent tax year in  
25 which the individual remains a resident of the state of Missouri for income tax purposes  
26 and maintains a primary residence within a Missouri innovation zone. The exclusion  
27 shall not apply for any tax year in which either condition is not satisfied.

28 4. Nothing in this section shall be construed to require that a qualified resident  
29 occupy a primary residence within a Missouri innovation zone for any minimum  
30 number of days or months during a tax year, provided the individual otherwise qualifies

31 as a Missouri resident for income tax purposes and maintains such residence as the  
32 individual's primary residence.

33 **5. Any reduction in tax as a result of such exclusion shall be fully recaptured by**  
34 **the department of revenue for the tax year in which eligibility is lost if the qualified**  
35 **resident no longer meets the requirements provided under this section. The amount**  
36 **required to be recaptured shall be deemed an underpayment of tax and shall be due and**  
37 **payable on the tax return that is due immediately following the loss of residency. If no**  
38 **Missouri income tax return is otherwise required to be filed for such tax year and, in the**  
39 **same year, the individual subsequently no longer meets the qualifications for the**  
40 **incentive under this section, the individual shall file a return for the sole purpose of**  
41 **reporting and remitting the recaptured amount, and the department of revenue may**  
42 **assess and collect such amount in the same manner as any other tax due under chapter**  
43 **143.**

44 **6. Notwithstanding any other provision of law, the department of revenue may**  
45 **collect any taxes deemed to be an underpayment under this section within three years**  
46 **following the due date of the recaptured taxes. Nothing in this subsection shall be**  
47 **construed to limit or supersede any longer period for assessment or collection otherwise**  
48 **provided by law.**

49 **7. The exclusion authorized under this section shall apply only to income earned**  
50 **during tax years in which the individual satisfies the definition of a qualified resident**  
51 **and maintains a primary residence within a Missouri innovation zone.**

52 **8. The department shall promulgate all rules necessary to implement this**  
53 **section, provided that such rules are consistent with and reasonably necessary to carry**  
54 **out the purposes, structure, and operative provisions of sections 620.6000 to 620.6033.**  
55 **In promulgating such rules, the department of economic development shall consult with**  
56 **the department of revenue to the extent necessary for the administration of this section.**  
57 **Any rule or portion of a rule, as that term is defined in section 536.010, that is created**  
58 **under the authority delegated in this section shall become effective only if it complies**  
59 **with and is subject to all of the provisions of chapter 536 and, if applicable, section**  
60 **536.028. This section and chapter 536 are nonseverable and if any of the powers vested**  
61 **with the general assembly pursuant to chapter 536 to review, to delay the effective date,**  
62 **or to disapprove and annul a rule are subsequently held unconstitutional, then the grant**  
63 **of rulemaking authority and any rule proposed or adopted after August 28, 2026, shall**  
64 **be invalid and void.**

**620.6018. 1. This section establishes an employer retention and reinvestment**  
2 **withholding incentive for retention of jobs and reinvestment by businesses establishing a**  
3 **continuous presence in a Missouri innovation zone.**

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

5           **(1) "Baseline payroll", the employer's average quarterly gross payroll**  
6 **attributable to the Missouri innovation zone location for the four consecutive**  
7 **calendar quarters immediately preceding approval of a withholding agreement under**  
8 **this section, or such alternative baseline as may be established for a newly locating or**  
9 **expanding employer under a withholding agreement;**

10          **(2) "Eligible employee", an employee:**

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

13          **(b) Who performs services in person at such location for not less than twenty**  
14 **hours per week on average during the applicable calendar quarter;**

15          **(3) "Eligible employer", an employer that:**

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

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

21

22 **An employer shall not receive withholding benefits under this section for wages or**  
23 **payroll amounts used to calculate benefits under section 620.6021. The department**  
24 **shall ensure that no payroll is used to generate benefits under both sections;**

25          **(4) "Good standing", for purposes of this section, means that the employer:**

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

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

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

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

35          **(6) "Qualifying reinvestment expenditures", documented expenditures incurred**  
36 **by an eligible employer for capital improvements or other investments at or for the**  
37 **benefit of the Missouri innovation zone location including, but not limited to, security**  
38 **and safety improvements such as law enforcement, as defined in section 620.6012;**  
39 **lighting, cameras, and access control; building systems improvements; tenant**  
40 **improvements; public infrastructure improvements; life-safety systems; code**

41 **compliance; accessibility improvements; or other expenditures approved by the**  
42 **department that are consistent with the purposes of this section, provided that such**  
43 **expenditures supplement and do not supplant ordinary operating expenses;**

44 **(7) "Withholding agreement", an agreement entered into between an eligible**  
45 **employer and the department under this section that specifies:**

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

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

49 **(c) The qualifying reinvestment expenditures to be undertaken by the employer,**  
50 **demonstrating that the qualifying rehabilitation expenditures are new investments that**  
51 **supplement and do not supplant the employer's ordinary operating or capital**  
52 **expenditures within the Missouri innovation zone;**

53 **(d) Payroll baseline and maintenance requirements;**

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

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

56 **(8) "Withholding benefit", the state income tax withholdings attributable to**  
57 **eligible employees that an eligible employer is authorized to receive, either through a**  
58 **credit or through authorized retention of such withholdings, which may be carried**  
59 **forward under a withholding agreement under this section;**

60 **(9) "Withholding incentive", a nonrefundable credit against the employer's**  
61 **liability otherwise due under chapter 143, equal to all or a portion of the withholding**  
62 **benefit authorized under a withholding agreement under this section, which may be**  
63 **carried forward in accordance with this section. Such credit shall not be applied against**  
64 **the employer's obligation to withhold or remit income tax under chapter 143.**

65 **3. An eligible employer may, but shall not be required to, apply to enter into a**  
66 **withholding agreement with the department under this section. For all tax years**  
67 **beginning on or after January 1, 2027, an eligible employer that enters into a**  
68 **withholding agreement shall receive a withholding benefit attributable to eligible**  
69 **employees. The withholding benefit may be delivered either as a withholding tax credit**  
70 **or as authorized retention of state income tax withholdings, as specified in the**  
71 **withholding agreement. The method of delivery shall not affect the amount of the**  
72 **withholding benefit authorized under this section.**

73 **4. (1) Applications for a withholding agreement may be submitted at any time.**  
74 **The department shall approve or deny any application for a withholding agreement**  
75 **within forty-five calendar days of receipt of a complete application. The department**  
76 **shall approve a withholding agreement unless it determines that:**

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

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

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

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

90           **5. The withholding benefit authorized under this section shall not exceed three**  
91 **percent of the aggregate gross wages paid to eligible employees at the Missouri**  
92 **innovation zone location during a tax year. The withholding benefit may be authorized**  
93 **for a period not to exceed ten years, as specified in the withholding agreement. A**  
94 **withholding incentive issued under this section shall be nonrefundable and may be**  
95 **carried forward in accordance with the terms of the withholding agreement.**

96           **6. A withholding agreement shall provide that the withholding benefit is**  
97 **requested and authorized on a quarterly basis, based on state income tax withholdings**  
98 **attributable to covered employees during the applicable calendar quarter. The**  
99 **department may authorize a withholding agreement to permit requests on a semi-**  
100 **annual basis if determined appropriate based on the size or nature of the employer and**  
101 **provided that such authorization does not impact verification or compliance. For**  
102 **purposes of this subsection, the "applicable request period" means the calendar quarter**  
103 **or, if authorized by the department, the semi-annual period specified in the withholding**  
104 **agreement. In no event shall a withholding agreement authorize automatic retention or**  
105 **crediting of withholdings beyond the applicable request period without review and**  
106 **verification as required by this section.**

107           **7. Any withholding benefit received under this section shall be used solely for**  
108 **qualifying reinvestment expenditures. In no event shall the total amount of withholding**  
109 **benefit received by an eligible employer exceed the total amount of qualifying**  
110 **reinvestment expenditures actually incurred and paid under the withholding agreement.**

111           **8. To receive and retain a withholding benefit under this section, an eligible**  
112 **employer shall:**

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

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

116           **(3) Complete qualifying reinvestment expenditures under the withholding**  
117 **agreement;**

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

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

121           **9. (1) An employer receiving a withholding benefit shall submit to the**  
122 **department, on a quarterly basis, a certification of:**

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

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

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

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

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

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

141           **12. An employer may participate in the incentive authorized under this section**  
142 **concurrently with participation in the Missouri one-start program under sections**  
143 **620.800 to 620.809, the Missouri quality jobs act under sections 620.1875 to 620.1890, or**  
144 **the state economic development programs, provided that each program's statutory**  
145 **requirements are independently satisfied. Participation under this subsection shall not**  
146 **disqualify an employer from other incentives, nor shall benefits under this section be**  
147 **aggregated for purposes of determining eligibility or leverage under other programs**  
148 **expressly required by law. The withholding tax credit under the Missouri one start**  
149 **program under sections 620.800 to 620.809 or the Missouri quality jobs act under**  
150 **sections 620.1875 to 620.1890 shall be collected and disbursed prior to the collection and**

151 **disbursement of the withholding benefits under the provisions of this section. In no**  
152 **event shall the same state income tax withholdings, or projected withholdings, be used to**  
153 **calculate, authorize, or support benefits under more than one program referenced in**  
154 **this subsection.**

155 **13. Tax credits issued under the provisions of this section shall be nonrefundable.**  
156 **No tax credit claimed under this section shall be assigned, transferred, sold, or otherwise**  
157 **conveyed.**

158 **14. The department, in coordination with the department of revenue, shall**  
159 **promulgate all necessary rules and regulations, solely for administrative purposes of**  
160 **this section. Any rule or portion of a rule, as that term is defined in section 536.010, that**  
161 **is created under the authority delegated in this section shall become effective only if it**  
162 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**  
163 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**  
164 **vested with the general assembly pursuant to chapter 536 to review, to delay the**  
165 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**  
166 **then the grant of rulemaking authority and any rule proposed or adopted after August**  
167 **28, 2026, shall be invalid and void.**

**620.6021. 1. This section establishes an employer relocation withholding**  
2 **incentive.**

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

4 **(1) "Eligible employee", an individual who:**

5 **(a) Relocates from a location outside the state of Missouri to accept employment**  
6 **with an eligible employer;**

7 **(b) Establishes a primary residence within a Missouri innovation zone or a**  
8 **location within ten miles of a Missouri innovation zone, measured in a straight-line**  
9 **distance, provided such residence is located within the state of Missouri; and**

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

11 **(2) "Eligible employer", a business entity that:**

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

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

19 **(3) "Eligible relocation expenses", includes reasonable and necessary one-time**  
20 **costs incurred in connection with an eligible employee's relocation to or within the state**

21 of Missouri that are paid directly by the eligible employer or reimbursed by the eligible  
22 employer to the eligible employee, which may include:

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

25 (b) Travel expenses associated with the relocation;

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

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

29 (4) "Primary residence", a dwelling unit located within the geographic area  
30 described in paragraph (b) of subdivision (1) of this subsection that the eligible  
31 employee occupies as the employee's principal place of residence for Missouri income  
32 tax purposes, whether owned or leased, and that the employee intends to use as such  
33 residence during the period required under this section;

34 (5) "State tax credit", a credit against the tax otherwise due under chapter 143  
35 or 148, and shall not be applied against any tax required to be withheld or remitted by  
36 the employer under chapter 143.

37 3. An employer shall not receive withholding retention benefits under this  
38 section for wages or payroll amounts used to calculate benefits under this section. The  
39 department shall ensure that no payroll is used to generate benefits under both sections.

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

46 5. An eligible employer applying for a state tax credit under the provisions of  
47 this section shall submit an application to the department in such form and manner as  
48 prescribed by rule and shall be subject to the application completeness, review, and  
49 approval timelines set forth by rule. If the employer meets all criteria required under  
50 the provisions of this section and section 620.6000, and approval is granted by the  
51 department, the department shall issue a tax credit certificate in the appropriate  
52 amount.

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

56 7. If an eligible employee fails to maintain the primary residence requirement  
57 for twelve consecutive months following relocation, any state tax credit attributable to

58 such employee shall be subject to recapture from the eligible employer. The amount  
59 subject to recapture shall be added to the employer's tax liability for the tax year in  
60 which the failure occurs and shall be due and payable on the employer's next tax return.  
61 If no Missouri income tax return is otherwise required to be filed for such tax year, the  
62 department of revenue may assess and collect such amount in the same manner as any  
63 other tax due under chapter 143 or 148.

64 8. The department of economic development, in coordination with the  
65 department of revenue, shall promulgate all necessary rules and regulations for the  
66 administration of this section. Any rule or portion of a rule, as that term is defined in  
67 section 536.010, that is created under the authority delegated in this section shall  
68 become effective only if it complies with and is subject to all of the provisions of chapter  
69 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable  
70 and if any of the powers vested with the general assembly pursuant to chapter 536 to  
71 review, to delay the effective date, or to disapprove and annul a rule are subsequently  
72 held unconstitutional, then the grant of rulemaking authority and any rule proposed or  
73 adopted after August 28, 2026, shall be invalid and void.

74 9. Nothing in this section shall prevent a taxpayer from claiming a tax credit  
75 properly issued before this program was sunset in a tax year after the program is sunset.

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

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

4 (1) "Qualified conversion expenditures", any amount properly chargeable to a  
5 capital account for federal income tax purposes under the Internal Revenue Code and  
6 applicable Treasury Regulations, as in effect on January 1, 2027. The term "qualified  
7 conversion expenditures" shall not include:

8 (a) The cost of acquisition;

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

10 (c) Tax-exempt properties;

11 (2) "Qualified converted building", any building and its structural components

12 if:

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

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

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

22 (3) "Substantially converted", qualified conversion expenditures incurred  
23 during the twenty-four-month period preceding final approval of tax credits that in total  
24 are greater than:

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

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

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

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

39 (b) The taxpayer's liability for state sales and use taxes under chapter 144;

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

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

48 3. (1) For all tax years beginning on or after January 1, 2027, the department  
49 shall issue a taxpayer a tax credit of up to twenty-five percent of qualified conversion  
50 expenditures with respect to a qualified converted building or upper-floor housing  
51 located either:

52 (a) Within a Missouri innovation zone; or

53 (b) Within a qualified Missouri main street district that is not located within a  
54 Missouri innovation zone.

55 (2) A project qualifying under paragraph (b) of subdivision (1) of this subsection  
56 shall not be deemed to be located within a Missouri innovation zone and shall not be

57 eligible for, or subject to, any other incentive, governance structure, reinvestment  
58 mechanism, overlay designation, or program authorized exclusively for Missouri  
59 innovation zones under sections 620.6000 to 620.6033.

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

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

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

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

80 4. (1) For all tax years beginning on or after January 1, 2027, the department  
81 shall issue a taxpayer a tax credit of up to thirty percent of qualified conversion  
82 expenditures with respect to upper-floor housing located in a qualified Missouri main  
83 street district. If the amount of such tax credit exceeds the taxpayer's state tax liability  
84 for the year in which tax credits are issued, the amount that exceeds the state tax  
85 liability may be carried forward for credit against state tax liability for the succeeding  
86 ten tax years, or until the full credit is used, whichever occurs first.

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

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

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

103           **5. (1) The total amount of tax credits authorized under this section shall not**  
104 **exceed fifty million dollars in any fiscal year.**

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

116           **(a) The project otherwise meets all the requirements of this section and section**  
117 **620.6000; and**

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

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

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

130           **(5) If the maximum amount of tax credits allowed in any fiscal year, as provided**  
131 **under this section, is authorized, the maximum amount of tax credits allowed under this**  
132 **section shall be adjusted by the percentage increase in the Consumer Price Index for All**  
133 **Urban Consumers, or its successor index, as such index is defined and officially reported**  
134 **by the United States Department of Labor, or its successor agency, beginning in the**  
135 **fiscal year following any fiscal year in which the full annual cap is authorized. For**  
136 **purposes of this subdivision, "percentage increase" means the percentage change**  
137 **between the annual average Consumer Price Index for All Urban Consumers (CPI-U),**  
138 **U.S. city average, for the most recent calendar year ending immediately before the**  
139 **beginning of the fiscal year to be adjusted and the annual average CPI-U for the**  
140 **calendar year immediately preceding that calendar year. Only one such adjustment**  
141 **shall be made for each instance in which the provisions of this subdivision apply. The**  
142 **department shall publish such adjusted amount.**

143           **6. In the event the department authorizes tax credits equal to the total amount**  
144 **available under this section, or sufficient that when totaled with all other approvals, the**  
145 **amount available under this section is exhausted, all taxpayers with applications then**  
146 **awaiting approval or thereafter submitted for approval shall be notified by the**  
147 **department that no additional approvals shall be granted during the fiscal year and**  
148 **shall be notified of the priority given to such taxpayer's application then awaiting**  
149 **approval. Such applications shall be kept on file by the department and shall be**  
150 **considered for approval for tax credits in the order established in this section in the**  
151 **event that additional tax credits become available due to the rescission of approvals, or**  
152 **when a new fiscal year's allocation of tax credits becomes available for approval.**

153           **7. (1) To obtain approval for tax credits under this section, a taxpayer shall**  
154 **submit to the department for preliminary approval, an application for tax credits**  
155 **authorization to the department. The department shall have forty-five calendar days to**  
156 **review the application and shall notify the applicant in writing within forty-five**  
157 **calendar days of the decision of whether the application has been authorized for tax**  
158 **credits. Each application for approval, including any applications received for**  
159 **supplemental allocations of tax credits, as provided under this section, shall be**  
160 **authorized for tax credits in the order of submission.**

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

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

167 **simple ownership, proof of site control shall include an executed sales contract or an**  
168 **executed option to purchase the eligible property;**

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

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

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

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

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

181 **8. Only the property for which a property address is provided in the application**  
182 **shall be reviewed for approval. Once selected for review, a taxpayer shall not be**  
183 **permitted to request the review of another property for approval in the place of the**  
184 **property contained in such application. Any disapproved application shall be removed**  
185 **from the review process. If an application is removed from the review process, the**  
186 **department shall notify the taxpayer in writing of the decision to remove such**  
187 **application. The taxpayer may subsequently submit a revised application. For the**  
188 **purposes of determining the order of submission and authorization of credits, the**  
189 **revised application shall be considered a new application.**

190 **9. The department shall use the innovation zone master scorecard under sections**  
191 **620.6000 to 620.6033 to determine the credit amount. The applicant shall receive a score**  
192 **of at least fifty points to qualify for the lowest tier of incentive, which is a ten-percent**  
193 **credit, and shall score at least ninety to qualify for the highest tier of incentive.**

194 **10. If the department determines that the application meets the requirements of**  
195 **this section and section 620.6003 to receive an authorization of tax credits, the taxpayer**  
196 **shall be notified in writing within forty-five days of the approval for an amount of tax**  
197 **credits equal to the amounts provided in this section, subject to the provisions of section**  
198 **620.6003, unless approval of such credits would cause the total aggregate amount of tax**  
199 **credits approved under this section for all projects in the applicable tax year to exceed**  
200 **the annual limitation established herein. Tax credits approved under this section shall**  
201 **be approved and administered independently of any other state tax credit program and**  
202 **shall not be aggregated or evaluated in combination with other state tax credits for**  
203 **purposes of determining eligibility, scoring, leverage ratios, or maximum award**

204 limitations under such other programs. Such approvals shall be granted to applications  
205 in the order of priority established under this section and shall require full compliance  
206 thereafter with all other requirements of law as a condition to any claim for such tax  
207 credits.

208 **11. Following approval of an application, the identity of the taxpayer contained**  
209 **in such application shall not be modified except:**

210 **(1) The taxpayer may add partners, members, or shareholders as part of the**  
211 **ownership structure, so long as the principal remains the same; provided, however, that**  
212 **subsequent to the commencement of renovation and the expenditure of at least ten**  
213 **percent of the proposed rehabilitation budget, removal of the principal for failure to**  
214 **perform duties and the appointment of a new principal thereafter shall not constitute a**  
215 **change of the principal; or**

216 **(2) Where the ownership of the project is changed due to a foreclosure, deed in**  
217 **lieu of a foreclosure or voluntary conveyance, to avoid foreclosure, or a transfer in**  
218 **bankruptcy.**

219 **12. Upon approval of a tax credit application, a taxpayer shall:**

220 **(1) Submit within one hundred twenty days from the date of the award of such**  
221 **credits, evidence of the capacity of the applicant to finance the costs and expenses for the**  
222 **conversion of the eligible property in the form of a line of credit or letter of commitment**  
223 **subject to the lender's termination for a material adverse change impacting the**  
224 **extension of credit. If the department determines that a taxpayer has failed to comply**  
225 **with the requirements of this subdivision, the department shall notify the applicant of**  
226 **such failure and the applicant shall have a thirty-day period from the date of such notice**  
227 **to submit additional evidence to remedy the failure; and**

228 **(2) Commence conversion within twelve months of the date of issuance of the**  
229 **letter from the department granting the approval for tax credits. For the purposes of**  
230 **this subsection, "commence conversion" shall mean that, as of the date in which actual**  
231 **physical work, contemplated by the architectural plans submitted with the application,**  
232 **has begun, the taxpayer has incurred no less than ten percent of the estimated hard**  
233 **construction costs provided in the application. Taxpayers with approval of a project**  
234 **shall submit evidence of compliance with the provisions of this subsection. If the**  
235 **department determines that a taxpayer has failed to comply with the requirements of**  
236 **this subdivision, the department shall provide the taxpayer written notice of**  
237 **noncompliance. The taxpayer shall have thirty calendar days from receipt of such**  
238 **notice to respond in writing to the department and demonstrate that conversion has**  
239 **commenced, substantial steps toward commencement have been taken, or good cause**  
240 **exists for the delay. Upon a showing of good cause, including delays beyond the**

241 taxpayer's reasonable control, the department shall grant a cure period of not less than  
242 ninety calendar days to allow commencement of conversion. Tax credits approved  
243 under this section shall be rescinded only if the taxpayer fails to commence conversion  
244 within the applicable cure period following written notice and opportunity to cure.  
245 Rescinded tax credits shall be included in the total amount of tax credits from which  
246 approvals may be granted. In such a case, the applicant may submit a new application  
247 for the project.

248 13. To claim a tax credit authorized under this section, a taxpayer with approval  
249 shall apply for final approval and issuance of tax credits from the department, which  
250 shall determine the final amount of qualified conversion expenditures and whether the  
251 project meets the requirements of this section. A taxpayer shall submit to the  
252 department a final application demonstrating:

253 (1) That the taxpayer has substantially converted a qualified converted building  
254 or upper-floor housing;

255 (2) Satisfactory evidence of any qualified conversion expenditures for the  
256 structure, as determined by the department; and

257 (3) Any other information reasonably requested by the department to verify  
258 qualified conversion expenditures or compliance with the requirements of this section or  
259 section 620.6000.

260 14. For financial institutions, tax credits authorized under this section shall be  
261 deemed to be redevelopment tax credits for the purposes of sections 135.800 to 135.830.  
262 The approval of all applications and the issuing of certificates of eligible tax credits to  
263 taxpayers shall be performed by the department. The department shall inform a  
264 taxpayer of final approval by letter and shall issue to the taxpayer tax credit certificates.  
265 The taxpayer shall attach the certificate to all Missouri tax returns on which the credit is  
266 claimed.

267 15. (1) The department shall issue seventy-five percent of the approved tax  
268 credits under this section within forty-five calendar days of receiving all required final  
269 application materials. Within ninety calendar days of receiving all required final  
270 application materials, the department shall make a final determination of costs and  
271 issue the remaining twenty-five percent of approved tax credits, or request repayment  
272 from the applicant if the final determination results in an over-issuance of tax credits.  
273 In the event the amount of qualified conversion expenditures incurred by a taxpayer  
274 would result in the issuance of an amount of tax credits in excess of the amount  
275 authorized under this section, such taxpayer may apply to the department for issuance  
276 of tax credits in an amount equal to such excess. Applications for issuance of tax credits  
277 in excess of the amount provided under a taxpayer's application shall be made on a form

278 prescribed by the department. Such applications shall be subject to all provisions  
279 regarding priority provided under this section.

280 (2) For tax credits authorized under this section, the applicant may submit to the  
281 department an application for the issuance of tax credits annually prior to final  
282 completion of the project. Upon approval of the annual application for issuance, the  
283 department shall issue eighty percent of the amount of tax credits that would result from  
284 the qualified conversion expenditures, provided the total amount of credits issued to  
285 date does not exceed the total amount of credits authorized for the project to date. Any  
286 remaining authorized tax credits shall be issued upon the final approval of the project.  
287 The department shall issue eighty percent of the approved credits within forty-five  
288 calendar days of receiving all required application materials. Within ninety calendar  
289 days of receiving all required application materials, the department shall make a final  
290 determination of costs and issue any remaining authorized tax credits upon the final  
291 completion of the phased project, or request repayment if an over-issuance of credits is  
292 determined.

293 16. No taxpayer shall be issued tax credits for qualified conversion expenditures  
294 on a qualified converted building within twenty-seven years of a previous issuance of tax  
295 credits under this section on such qualified converted buildings.

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

306 18. The provisions of this subsection shall not be construed to limit or in any way  
307 impair:

308 (1) A taxpayer's ability to complete a project and receive authorization for tax  
309 credits for any project for which the taxpayer has submitted an initial application on or  
310 before the date the program authorized under this section expires; or

311 (2) The department of revenue's ability to redeem tax credits authorized on or  
312 before the date the program authorized under this section expires, or a taxpayer's  
313 ability to redeem such tax credits.

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

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

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

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

14           **(3) "Investment property", real property located within a Missouri opportunity**  
15 **zone that is acquired, held, or improved for purposes of commercial, residential, or**  
16 **mixed-use investment, whether or not such property is income-producing or cash-**  
17 **flowing at the time of acquisition, and that is not treated as an operating business for**  
18 **purposes of this section. Investment property shall qualify only if such property is**  
19 **placed into active commercial, residential, or mixed-use operation within thirty months**  
20 **of acquisition, and is not held primarily for passive appreciation;**

21           **(4) "Missouri income tax liability", the taxpayer's net Missouri income tax due**  
22 **for the taxable year under chapter 143 after application of all credits, but before**  
23 **reduction by withholding, estimated payments, or other remittances;**

24           **(5) "Missouri opportunity zone", any Missouri innovation zone under sections**  
25 **620.6000 to 620.6033 within which private capital investment is encouraged through the**  
26 **deferral and potential exclusion of Missouri income tax liabilities when such liabilities**  
27 **are reinvested into qualifying property or operating businesses located within such**  
28 **zone;**

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

30           **(a) Is located within a Missouri opportunity zone; and**

31           **(b) Either:**

32           **a. Conducts active trade or business operations within such Missouri**  
33 **opportunity zone and derives not less than fifty percent of its gross revenue from**  
34 **activities conducted within such zone; or**

35           **b. Has adopted a written business plan to commence such active trade or**  
36 **business operations within twenty-four months of receiving a qualified Missouri**  
37 **opportunity zone investment and is actively deploying capital toward that purpose in a**  
38 **manner consistent with such plan.**

38

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

44 (7) "Qualified Missouri opportunity zone fund", an entity organized for the  
45 purpose of investing in one or more qualified Missouri opportunity zone investments,  
46 ninety percent of the assets of which consist of such investments, as measured on the last  
47 day of the first six-month period of the fund's tax year and the last day of the fund's tax  
48 year, and that is certified or otherwise approved by the department in accordance with  
49 rules promulgated under this section;

50 (8) "Qualified Missouri opportunity zone investment", an equity investment  
51 made by a taxpayer in:

52 (a) Investment property located within a Missouri opportunity zone; or

53 (b) An operating business located within a Missouri opportunity zone;

54 (9) "Taxpayer", a person subject to Missouri income tax under chapter 143,  
55 including income reported on a pass-through basis by an owner, partner, or member of  
56 a partnership, limited liability company, or S corporation. The term "taxpayer" shall  
57 not include any entity subject to Missouri corporate income tax, including any C  
58 corporation.

59 3. (1) A taxpayer may elect to defer payment of Missouri income tax otherwise  
60 due for a tax year if the amount of such Missouri income tax liability is invested, in the  
61 manner prescribed by this section, in:

62 (a) A qualified Missouri opportunity zone investment; or

63 (b) A qualified Missouri opportunity zone fund that invests in one or more  
64 qualified Missouri opportunity zone investments.

65 (2) The deferral authorized by this subsection shall apply to ordinary Missouri  
66 income tax liabilities.

67 (3) Eligibility under this section shall not be conditioned on the residency of the  
68 taxpayer, provided that the deferral authorized by this section shall apply only for tax  
69 years in which the taxpayer remains subject to Missouri income tax under chapter 143.

70 (4) The election to defer Missouri income tax under this section may be made  
71 with respect to all or any portion of a taxpayer's Missouri income tax liability for a tax  
72 year, in the manner prescribed by the department of revenue.

73           **4. To qualify for deferral under this section, a taxpayer shall make a qualified**  
74 **Missouri opportunity zone investment not later than one hundred eighty days after the**  
75 **close of the tax year for which the Missouri income tax liability is otherwise due.**

76           **5. The deferral of Missouri income tax under this section shall continue until the**  
77 **earliest occurrence of an inclusion event, including:**

78           **(1) The sale, exchange, or other disposition of the qualified Missouri opportunity**  
79 **zone investment;**

80           **(2) When the investment ceases to qualify as a qualified Missouri opportunity**  
81 **zone investment;**

82           **(3) Ten years from the date of the qualified Missouri opportunity zone**  
83 **investment;**

84           **(4) In the case of an operating business, the failure to commence active trade or**  
85 **business operations, including employment of personnel or generation of revenue from**  
86 **goods or services within the zone, within twenty-four months of the initial qualified**  
87 **Missouri opportunity zone investment, as determined by the department; or**

88           **(5) (a) In the case of investment property, failure to satisfy the requirements of**  
89 **paragraph (b) of this subdivision.**

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

93           **a. The investment property is placed into active commercial or residential use,**  
94 **including leasing, occupancy, or other income-producing operation, within thirty**  
95 **months following the qualified Missouri opportunity zone investment; or**

96           **b. Within thirty months of the date of the initial qualified Missouri opportunity**  
97 **zone investment in the investment property, the taxpayer, either directly or through one**  
98 **or more affiliated entities, invests an amount equal to or greater than the adjusted basis**  
99 **of the property, excluding land, in improvements that materially enhance the value,**  
100 **utility, or productive use of the property. For purposes of this subparagraph, the**  
101 **required investment amount may be satisfied through any combination of capital**  
102 **contributions, including amounts attributable to Missouri income tax deferred under**  
103 **this section and other cash or equity contributions invested in the property. Debt**  
104 **financing shall not be treated as an equity investment for purposes of satisfying this test.**

105           **6. In the case of a qualified Missouri opportunity zone investment, if such**  
106 **operating business or investment property generates net income attributable to the**  
107 **investment during any tax year prior to the expiration of the deferral period, the**  
108 **amount of Missouri income tax previously deferred under this section shall be included**  
109 **in Missouri taxable income for such tax year in an amount equal to the net income so**

110 generated, and shall be due and payable with the return for such tax year, and any  
111 remaining deferred amount shall continue to be deferred in accordance with this  
112 section.

113 7. If a taxpayer holds a qualified Missouri opportunity zone investment for a  
114 period of not less than ten years, any gain attributable to such investment and  
115 recognized for Missouri income tax purposes upon disposition shall be exempted from  
116 Missouri taxable income.

117 8. Eligibility for, or participation in, any federal opportunity zone program shall  
118 not be required to qualify for benefits under this section, nor shall federal designation be  
119 construed to limit or expand eligibility under Missouri law.

120 9. No Missouri income tax liability shall be deferred, excluded, or otherwise  
121 reduced under this section more than once, nor shall any taxpayer structure  
122 transactions with affiliated entities for the primary purpose of duplicating or  
123 extending deferral benefits.

124 10. Notwithstanding the repeal, expiration, or nonrenewal of this section, any  
125 taxpayer that has made a qualified Missouri opportunity zone investment prior to such  
126 repeal, expiration, or nonrenewal shall remain eligible for the deferral and exclusion  
127 benefits provided under this section with respect to such investment, subject to the  
128 terms and conditions in effect at the time the investment was made.

129 11. The department of revenue, in consultation with the department of economic  
130 development, shall administer this section and may require reasonable documentation  
131 to verify:

132 (1) The amount of Missouri income tax deferred;

133 (2) The nature and location of the qualified Missouri opportunity zone  
134 investment; and

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

137 12. The department shall promulgate rules to implement this section. Such rules  
138 shall be consistent with and reasonably necessary to carry out the purposes, structure,  
139 and operative provisions of this section, including the encouragement of long-term,  
140 productive investment within Missouri opportunity zones and the prevention of tax  
141 deferral without meaningful economic activity. Rules promulgated under this  
142 subsection shall not expand or restrict eligibility, alter the nature of qualifying  
143 investments, or modify the deferral, inclusion, or exclusion mechanics established by  
144 this section. Any rule or portion of a rule, as that term is defined in section 536.010, that  
145 is created under the authority delegated in this section shall become effective only if it  
146 complies with and is subject to all of the provisions of chapter 536 and, if applicable,

147 **section 536.028. This section and chapter 536 are nonseverable and if any of the powers**  
148 **vested with the general assembly pursuant to chapter 536 to review, to delay the**  
149 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**  
150 **then the grant of rulemaking authority and any rule proposed or adopted after August**  
151 **28, 2026, shall be invalid and void.**

**620.6030. 1. This section and section 620.6033 establishes an angel investment**  
2 **incentive.**

3 **2. As used in this section and section 620.6033, the following terms mean:**

4 **(1) "Cash investment", any moneys or money-equivalent contribution in**  
5 **consideration of qualified securities;**

6 **(2) "Investor", one of the following persons or entities:**

7 **(a) A natural person who is an accredited investor as defined under 17 CFR**  
8 **230.501(a)(5) or 230.501(a)(6), as in effect on July 24, 2013;**

9 **(b) A permitted entity investor who is an accredited investor as defined under 17**  
10 **CFR 230.501(a)(8) as in effect on July 24, 2013; or**

11 **(c) A natural person or permitted entity investor making an investment who**  
12 **qualifies under the federal Jumpstart Our Business Startups (JOBS) Act, Pub. L. 112-**  
13 **106 as in effect on April 5, 2012.**

14

15 **The term "investor" shall not include any person who serves as an executive, officer, or**  
16 **employee of the business in which an otherwise qualified cash investment is made, and**  
17 **such person shall not qualify for the issuance of tax credits for such investment.**  
18 **However, an investor who serves solely as a director may qualify for the issuance of tax**  
19 **credits;**

20 **(3) "MTC", the Missouri technology corporation established under section**  
21 **348.251;**

22 **(4) "Owner", any natural person who is, directly or indirectly, a partner,**  
23 **stockholder, or member in a permitted entity investor;**

24 **(5) "Permitted entity investor", any general partnership; limited partnership;**  
25 **corporation that has in effect a valid election to be taxed as an S corporation under the**  
26 **Internal Revenue Code of 1986, as amended; revocable living trust; nonprofit**  
27 **corporation; or limited liability company that has elected to be taxed as a**  
28 **partnership under the Internal Revenue Code of 1986, as amended, and that was**  
29 **established and is operated for the purpose of making investments in other entities;**

30 **(6) "Qualified knowledge-based company", a company engaged in the research,**  
31 **development, implementation, and commercialization of innovative technologies,**  
32 **products, and services for use in the commercial marketplace;**

33 (7) "Qualified Missouri business", a Missouri business that is approved as a  
34 qualified knowledge-based company by the MTC and meets at least one of the following  
35 criteria:

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

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

41 (8) "Qualified securities", a cash investment through any form or combination  
42 of forms of financial assistance as provided under this subdivision. Such forms of  
43 financial assistance include, but are not limited to:

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

45 a. A general or limited partnership interest;

46 b. Common stock;

47 c. Simple agreement for future equity (SAFE); or

48 d. Preferred stock, without regard to voting rights or seniority position and  
49 regardless of whether convertible into common stock; and

50 (b) Any debt instrument subordinate to the general creditors of the qualified  
51 Missouri business debtor that requires no payment from the qualified Missouri business  
52 debtor and that shall convert to some form of equity prior to, or in conjunction with, the  
53 qualified Missouri business raising any additional funds;

54 (9) "Rural county", any county in the state of Missouri with fewer than one  
55 hundred thousand inhabitants, and such term shall be deemed to include both the farm  
56 and nonfarm population thereof. The number of inhabitants specified in this subdivision  
57 shall be increased by six percent every ten years after each decennial census beginning  
58 in 2030;

59 (10) "Tax credit", a credit against the tax otherwise due under chapter 143,  
60 excluding withholding tax imposed by sections 143.191 to 143.265.

61 3. (1) For all tax years beginning on or after January 1, 2027, a tax credit shall  
62 be allowed for an investor's cash investment in the qualified securities of a qualified  
63 Missouri business. The credit shall be in a total amount equal to forty percent of such  
64 investor's cash investment in any qualified Missouri business, subject to the limitations  
65 set forth in this subsection. The credit shall be in a total amount equal to forty percent  
66 where the investor's cash investment is in the qualified securities of a qualified Missouri  
67 business that is headquartered in a Missouri innovation zone and the credit shall be in a  
68 total amount equal to sixty percent where the investor's cash investment is in the  
69 qualified securities of a qualified Missouri business that are headquartered outside of

70 such districts in rural counties. If the amount of the credit allowed by this section  
71 exceeds the investor's tax liability in any one tax year, the remaining portion of the  
72 credit may be carried forward five years or until the total amount of the credit is used,  
73 whichever occurs first. If the investor is a permitted entity investor, the credit provided  
74 by this section shall be claimed by the permitted entity investor in proportion to such  
75 owner's equity investment in the permitted entity investor.

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

79 (3) The department and the MTC shall not allow tax credits of more than  
80 seventy-five thousand dollars for a single qualified Missouri business per investor who is  
81 a natural person or a permitted entity investor and shall not allow a total of three  
82 hundred thousand dollars in tax credits for a single tax year per investor who is a  
83 natural person or a permitted entity investor. The total amount of tax credits that may  
84 be allowed under this section shall not exceed six million dollars during either calendar  
85 year 2027 or 2028. Beginning in calendar year 2029, the total amount of tax credits  
86 allowed under this section shall be annually increased by twenty percent of the total  
87 amount of tax credits allowed in the immediately preceding calendar year, so long as the  
88 total amount of tax credits allowed in the immediately preceding calendar year was  
89 issued during such calendar year. For each successive year thereafter, if the total  
90 amount of tax credits allowed in the immediately preceding calendar year under this  
91 section is issued, the total amount of tax credits shall be increased by an additional  
92 twenty percent. Such increase of twenty percent of tax credits allowed shall continue, so  
93 long as the total amount of tax credits allowed in the immediately preceding calendar  
94 year was completely issued. The balance of unissued tax credits may be carried over for  
95 issuance in future years before December 31, 2035. The balance of unissued tax credits  
96 carried over, if any, shall not be used in the calculation of the total amount of tax credits  
97 allowed in a given calendar year.

98 (4) At the beginning of each calendar year, the MTC shall equally designate the  
99 total amount of tax credits available during the first six months of that calendar year to  
100 each certified Missouri innovation zone. During this timeframe, twenty percent shall be  
101 reserved for investments in qualified Missouri businesses located within innovation  
102 districts and twenty percent shall be reserved for investments in qualified Missouri  
103 businesses located outside of such districts, of which not less than ten percent of the total  
104 tax credits authorized under this subsection shall be issued to qualified Missouri  
105 businesses that are headquartered outside of such districts in rural counties. As soon as  
106 practicable at the end of the first six months of that calendar year, the MTC shall

107 **prepare and issue a report to the director of the department designating all tax credit**  
108 **awards for that year to date, so that the department may issue such tax credits in**  
109 **accordance with the provisions of this section and section 620.6033.**

110 **(5) During the last six months of the calendar year, any unissued tax credits**  
111 **previously allocated to any certified Missouri innovation zone may be awarded at the**  
112 **discretion of the MTC to a qualified Missouri business in any certified Missouri**  
113 **innovation zone.**

114 **(6) Notwithstanding any provisions of sections 620.6000 to 620.6033 or any other**  
115 **law to the contrary, the tax credits under this subsection for qualified investments made**  
116 **in qualified Missouri businesses located outside of the innovation districts shall expire**  
117 **on August 28, 2032.**

118 **4. (1) Before an investor is entitled to receive tax credits under this section and**  
119 **section 620.6033, such investor shall have made a cash investment in a qualified security**  
120 **of a qualified Missouri business. The business shall have been approved as a qualified**  
121 **Missouri business before the date on which the cash investment was made. To be**  
122 **designated as a qualified Missouri business, a business shall apply to the MTC.**

123 **(2) The application by a business shall be in the form and substance required by**  
124 **the MTC in coordination with the department by and through its service on the MTC**  
125 **board of directors but shall include at least the following:**

126 **(a) The name of the business and certified copies of the organizational**  
127 **documents of the business;**

128 **(b) A business plan, including a description of the business and the management,**  
129 **product, market, and financial plan of the business;**

130 **(c) A statement of the potential economic impact of the business, including the**  
131 **number, location, and types of jobs expected to be created;**

132 **(d) A description of the qualified securities to be issued, the consideration to be**  
133 **paid for the qualified securities, and the amount of any tax credits requested;**

134 **(e) A statement of the amount, timing, and projected use of the proceeds to be**  
135 **raised from the proposed sale of qualified securities; and**

136 **(f) Such other information as may be reasonably requested.**

137 **(3) The designation of a business as a qualified Missouri business shall be made**  
138 **by the MTC, and each qualified Missouri business shall annually apply to renew such**  
139 **designation, to be approved by the MTC. A business shall be so designated if the MTC**  
140 **determines, based upon the application submitted by the business and any additional**  
141 **information provided in connection with such application or as reasonably requested by**  
142 **the MTC, that such business meets established criteria, including at least the following:**

- 143           **(a) The business shall not have had annual gross revenues of more than five**  
144 **million dollars in the most recent tax year of the business;**
- 145           **(b) Businesses that are not bioscience businesses shall have been in operation for**  
146 **less than five years, and bioscience businesses shall have been in operation for less than**  
147 **ten years;**
- 148           **(c) The ability of investors in the business to receive tax credits for cash**  
149 **investments in qualified securities of the business is beneficial to advancing the goals of**  
150 **this section and section 620.6033;**
- 151           **(d) The business shall not have ownership interests including, but not limited to,**  
152 **common or preferred shares of stock that can be traded via a public stock exchange**  
153 **before the date that a qualifying investment is made;**
- 154           **(e) The business shall not be engaged primarily in any one or more of the**  
155 **following enterprises:**
- 156               **a. The business of banking, savings and loan or lending institutions, credit or**  
157 **finance, or financial brokerage or investments;**
- 158               **b. The provision of professional services, such as legal, accounting, or**  
159 **engineering services; however, contract research or manufacturing organizations,**  
160 **sometimes referred to as CROs or CMOs, shall not be subject to this exclusion;**
- 161               **c. Governmental, charitable, religious, or trade organizations;**
- 162               **d. The ownership, development, brokerage, sales, or leasing of real estate;**
- 163               **e. Insurance;**
- 164               **f. Construction, construction management, or contracting;**
- 165               **g. Business consulting or brokerage;**
- 166               **h. Any business engaged primarily as a passive business, having irregular or**  
167 **noncontiguous operations, or deriving substantially all of the income of the business**  
168 **from passive investments that generate interest, dividends, royalties, or capital gains or**  
169 **any business arrangements the effect of which is to immunize an investor from risk of**  
170 **loss;**
- 171               **i. Any activity that is in violation of the law;**
- 172               **j. Any business raising moneys primarily to purchase real estate, land, or**  
173 **fixtures; and**
- 174               **k. Any gambling-related business;**
- 175           **(f) The business has a reasonable chance of success;**
- 176           **(g) The business has the reasonable potential to create measurable employment**  
177 **within the certified Missouri innovation zone, this state, or both;**
- 178           **(h) The business is based on an innovative technology, product, or service**  
179 **designed to be used in the commercial marketplace;**

180 (i) The existing owners of the business and other founders have made or are  
181 committed to making a substantial financial or time commitment to the business;

182 (j) The securities to be issued and purchased are qualified securities;

183 (k) The business has the reasonable potential to address needs and opportunities  
184 specific to the Missouri innovation zone, this state, or both;

185 (l) The business has made binding commitments to the MTC for adequate  
186 reporting of financial data, including a requirement for an annual report or, if required,  
187 an annual audit of the financial and operational records of the business; the right of  
188 access to the financial records of the business; the right of the department and the MTC  
189 to record and publish normal and customary data and information related to the  
190 issuance of tax credits that are not otherwise determined to be trade or business secrets;  
191 and other such protections as may be in the best interest of Missouri taxpayers to  
192 achieve the goals of this section and section 620.6033; and

193 (m) The business shall satisfy all other requirements of this section and section  
194 620.6033.

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

197 (5) The MTC shall establish an application fee for qualified Missouri businesses  
198 and investors or transferees. This fee shall be utilized by MTC to administer this act,  
199 issue the tax credits, and review the applications.

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

14 (2) Each qualified Missouri business for which the MTC has allocated tax credits  
15 such that the department can issue tax credits to the investors of such qualified Missouri  
16 business shall submit to the MTC a report before such tax credits are issued. Such  
17 report shall include the following:

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

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

22           **(c) Such other information as may be reasonably required under this section and**  
23 **section 620.6030 or reasonably requested by the department or the MTC.**

24           **2. (1) The state of Missouri, the department, or the MTC shall not be held liable**  
25 **for any damages to any investor that makes an investment in any qualified security of a**  
26 **qualified Missouri business, any business that applies to be designated as a qualified**  
27 **Missouri business and is denied, or any investor that makes an investment in a business**  
28 **that applies to be designated as a qualified Missouri business and is denied.**

29           **(2) Each qualified Missouri business shall have the obligation to notify the MTC,**  
30 **which shall notify the director of the department, of any changes in the qualifications of**  
31 **the business or in the eligibility of investors to claim a tax credit for cash investment in a**  
32 **qualified security.**

33           **(3) The director of the department, in cooperation with the MTC, shall provide**  
34 **the information specified under subdivision (3) of subsection 4 of this section to the**  
35 **director of the department of revenue on an annual basis. The MTC shall conduct an**  
36 **annual review of the activities undertaken under this section and section 620.6030 to**  
37 **ensure that tax credits issued under this section and section 620.6030 are issued in**  
38 **compliance with the provisions of this section and section 620.6030 and rules and**  
39 **regulations promulgated by the MTC or the department with respect to this section and**  
40 **section 620.6030. The reasonable costs of the annual review shall be paid to the MTC**  
41 **according to a reasonable fee schedule adopted by the MTC in cooperation with the**  
42 **department by and through its service on the MTC board of directors.**

43           **(4) If the MTC determines that a business is not in substantial compliance with**  
44 **the requirements under this section and section 620.6030 to maintain its designation, the**  
45 **department or MTC, by written notice, may inform the business that such business will**  
46 **lose its designation as a qualified Missouri business one hundred twenty days from the**  
47 **date of mailing of the notice unless such business corrects the deficiencies and is once**  
48 **again in compliance with the requirements for designation and provides the MTC with**  
49 **evidence of correcting the deficiencies as the MTC reasonably requests.**

50           **(5) At the end of the one-hundred-twenty-day period, if the qualified Missouri**  
51 **business is still not in substantial compliance, the department or MTC may send a notice**  
52 **of loss of designation to the business, the director of the department of revenue, and to**  
53 **all known investors in the business.**

54           **(6) A business may lose its designation as a qualified Missouri business under**  
55 **this section and section 620.6030 by moving either its headquarters outside of Missouri**  
56 **or a substantial number of the jobs created in Missouri to a location outside Missouri**  
57 **within ten years after receiving financial assistance under this section and section**  
58 **620.6030, provided that no business may lose its designation as a qualified Missouri**  
59 **business under this section and section 620.6030 if such move is in connection with the**  
60 **acquisition of the business by sale of all or substantially all of its business, whether by**  
61 **merger, sale of stock, sale of assets, or otherwise.**

62           **(7) In the event that a business loses its designation as a qualified Missouri**  
63 **business, such business shall be precluded from being issued any additional tax credits**  
64 **available under this section and section 620.6030 with respect to the business, shall be**  
65 **precluded from being approved as a qualified Missouri business, and shall be subject to**  
66 **an appropriate clawback provision that the MTC, in cooperation with the department**  
67 **by and through its service on the MTC board of directors, may institute.**

68           **(8) Investors who lawfully make an investment in a qualified Missouri business**  
69 **shall not have issued tax credits disallowed solely due to the business subsequently losing**  
70 **its designation as a qualified Missouri business. In the event such qualified business**  
71 **loses its designation as a qualified Missouri business, the amount of tax credits issued**  
72 **under this section and section 620.6030 shall be subject to clawback provisions from the**  
73 **qualified Missouri business, to be determined by the department and the MTC board of**  
74 **directors.**

75           **(9) The portions of documents and other materials submitted to the department**  
76 **or MTC that contain confidential information shall be kept confidential and shall be**  
77 **maintained in a secured environment. For the purposes of this section and section**  
78 **620.6030, confidential information shall include, but not be limited to, such portions of**  
79 **trade secrets, documents, any customer lists, and other materials; any formula,**  
80 **compound, production data, or compilation of information that will allow certain**  
81 **individuals within a commercial concern using such portions of documents and other**  
82 **material the means to fabricate, produce, or compound an article of trade; or any**  
83 **service having commercial value that gives the user an opportunity to obtain a business**  
84 **advantage over competitors who do not know or use such service.**

85           **(10) The department and the MTC may prepare and adopt procedures, rules,**  
86 **and published guidance concerning the performance of the duties placed upon each**  
87 **respective entity by this section and section 620.6030.**

88           **3. Any investor who makes a cash investment in a qualified security of a**  
89 **qualified Missouri business may transfer the tax credits such investor may receive under**  
90 **subsection 3 of section 620.6030 to any natural person. So long as the investor has not**

91 **claimed the tax credit against the investor's Missouri income tax liability, such**  
92 **transferee may claim the tax credit against the transferee's Missouri income tax liability**  
93 **as provided in subdivision (1) of subsection 3 of section 620.6030, subject to all**  
94 **restrictions and limitations set forth in this section and section 620.6030.**  
95 **Documentation of any tax credit transfer under this section shall be provided by the**  
96 **investor in the manner established by the MTC and the department by and through its**  
97 **service on the MTC board of directors.**

98 **4. (1) Each qualified Missouri business for which tax credits were issued under**  
99 **this section and section 620.6030 shall report to the MTC annually on or before**  
100 **February first. The MTC shall provide copies of the reports to the department under**  
101 **appropriate confidentiality agreements as may be necessary under the circumstances.**  
102 **Such reports shall include the following:**

103 **(a) The name, address, and taxpayer identification number of each investor who**  
104 **has made a cash investment in the qualified securities of the qualified Missouri business**  
105 **and has received tax credits for this investment during the preceding year;**

106 **(b) The amounts of cash investments by each investor and a description of the**  
107 **qualified securities issued in consideration of such cash investments; and**

108 **(c) Such other information as may be reasonably required under this section and**  
109 **section 620.6030.**

110 **(2) The MTC shall report quarterly to the director of the department on the**  
111 **allocation of the tax credits in the preceding calendar quarter. Such reports shall**  
112 **include:**

113 **(a) The number of applications received;**

114 **(b) The number and ratio of successful applications to unsuccessful applications;**

115 **(c) The amount of tax credits allocated but not issued in the previous quarter,**  
116 **including what percentage was allocated to individuals and what percentage was**  
117 **allocated to investment firms; and**

118 **(d) Such other information as reasonably agreed upon from time to time.**

119 **(3) The MTC and the department, as applicable, shall also report annually to the**  
120 **governor, the director of the department of economic development, the president pro**  
121 **tempore of the senate, and the speaker of the house of representatives, on or before**  
122 **April first, on the allocation and issuance of the tax credits. Such reports shall include:**

123 **(a) The amount of tax credits issued in the previous fiscal year, including what**  
124 **percentage was issued to individuals and what percentage was issued to investment**  
125 **firms;**

126 **(b) The types of businesses that benefited from the tax credits;**

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

129 (d) Any aggregate job creation or capital investment in the Missouri innovation  
130 zone that resulted from the use of the tax credits for a period of five years beginning  
131 from the date on which the tax credits were awarded;

132 (e) The manner in which the purpose of this section and section 620.6030 has  
133 been carried out with regard to a certified Missouri innovation zone;

134 (f) The total cash investments made for the purchase of qualified securities of  
135 qualified Missouri businesses within the state during the preceding year and  
136 cumulatively since the effective date of this section and section 620.6030;

137 (g) An estimate of jobs created and jobs preserved by cash investments made in  
138 qualified Missouri businesses within the state;

139 (h) An estimate of the multiplier effect on the economy of the cash investments  
140 made under this section and section 620.6030; and

141 (i) Information regarding what businesses deriving benefits from the tax credits  
142 remained in the certified Missouri innovation zone, what businesses ceased business,  
143 what businesses were purchased, and what businesses may have moved out of a  
144 Missouri innovation zone or the state.

145 (4) Any violation of the reporting requirements of this subsection by a qualified  
146 Missouri business may be grounds for the loss of designation as a qualified Missouri  
147 business, and any such business that loses its designation as a qualified Missouri  
148 business shall be subject to the restrictions upon loss of designation set forth in  
149 subsection 2 of this section.

150 5. Notwithstanding any provision of section 105.1500 to the contrary, any  
151 requirement to provide information, documents, or records under section 620.6030 or  
152 this section, and any requirement established by the MTC or any state agency to provide  
153 information, documents, or records for the purpose of administering section 620.6030 or  
154 this section, shall be exempt from section 105.1500 of the personal privacy protection  
155 act.

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

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