

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILLS NOS. 3231 & 2531

103RD GENERAL ASSEMBLY

6321S.06C

KRISTINA MARTIN, Secretary

AN ACT

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

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

Section A. Sections 99.918, 99.919, 99.930, 99.933,
2 99.936, 99.942, 99.948, 99.951, 99.954, 99.957, 99.960, 99.963,
3 99.965, 99.968, 99.975, and 99.980, RSMo, are repealed and
4 twenty-nine new sections enacted in lieu thereof, to be known
5 as sections 99.918, 99.919, 99.930, 99.933, 99.936, 99.942,
6 99.948, 99.951, 99.954, 99.957, 99.960, 99.963, 99.965, 99.968,
7 99.975, 99.980, 620.2012, 620.6000, 620.6003, 620.6006,
8 620.6009, 620.6012, 620.6015, 620.6018, 620.6021, 620.6024,
9 620.6027, 620.6030, and 620.6033, to read as follows:

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

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

7 (2) "Baseline year", the calendar year prior to the
8 adoption of an ordinance by the municipality approving a
9 development project **or an expanded development project, as**

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

10 **applicable**; provided, however, if economic activity taxes or
11 state sales tax revenues, from businesses other than any out-
12 of-state business or businesses locating in the development
13 project area **or an expanded development project, as**
14 **applicable**, decrease in the development project area **or an**
15 **expanded development project, as applicable**, in the year
16 following the year in which the ordinance approving a
17 development project **or an expanded development project, as**
18 **applicable**, is approved by a municipality, the baseline year
19 may, at the option of the municipality approving the
20 development project **or an expanded development project, as**
21 **applicable**, be the year following the year of the adoption
22 of the ordinance approving the development project[. When a
23 development project area is located within a county for
24 which public and individual assistance has been requested by
25 the governor pursuant to Section 401 of the Robert T.
26 Stafford Disaster Relief and Emergency Assistance Act, 42
27 U.S.C. 5121, et seq., for an emergency proclaimed by the
28 governor pursuant to section 44.100 due to a natural
29 disaster of major proportions that occurred after May 1,
30 2003, but prior to May 10, 2003, and the development project
31 area is a central business district that sustained severe
32 damage as a result of such natural disaster, as determined
33 by the state emergency management agency, the baseline year
34 may, at the option of the municipality approving the
35 development project, be the calendar year in which the
36 natural disaster occurred or the year following the year in
37 which the natural disaster occurred, provided that the
38 municipality adopts an ordinance approving the development
39 project within one year after the occurrence of the natural
40 disaster] **or an expanded development project, as applicable**;

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

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

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

65 (6) "Conservation area", any improved area within the
66 boundaries of a redevelopment area located within the
67 territorial limits of a municipality in which fifty percent
68 or more of the structures in the area have an age of thirty-
69 five years or more, and such an area is not yet a blighted
70 area but is detrimental to the public health, safety,
71 morals, or welfare and may become a blighted area because of
72 any one or more of the following factors: dilapidation;

73 obsolescence; deterioration; illegal use of individual
74 structures; presence of structures below minimum code
75 standards; abandonment; excessive vacancies; overcrowding of
76 structures and community facilities; lack of ventilation,
77 light or sanitary facilities; inadequate utilities;
78 excessive land coverage; deleterious land use or layout;
79 depreciation of physical maintenance; and lack of community
80 planning;

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

83 (8) "Developer", the entity with which the
84 municipality entered into a development agreement for the
85 development of the development area as set forth in the
86 municipality's application to the department for which a
87 certificate of approval was issued under section 99.960
88 prior to January 1, 2013, and that has or is in the process
89 of developing the development project, or the entity's
90 affiliate;

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

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

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

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

102 (d) It has generally suffered from declining
103 population or property taxes for the twenty-year period
104 immediately preceding the area's designation as a

105 development area or has structures in the area fifty percent
106 or more of which have an age of thirty-five years or more;

107 (e) It is contiguous, provided, however that a
108 development area may include up to three noncontiguous areas
109 selected for development projects, provided that each
110 noncontiguous area meets the requirements of paragraphs (a)
111 to (g) herein;

112 (f) The development area shall not exceed ten percent
113 of the entire area of the municipality; and

114 (g) The development area shall not include any
115 property that is located within the one hundred year flood
116 plain, as designated by the Federal Emergency Management
117 Agency flood delineation maps, unless such property is
118 protected by a structure that is inspected and certified by
119 the United States Army Corps of Engineers. This subdivision
120 shall not apply to property within the one hundred year
121 flood plain if the buildings on the property have been or
122 will be flood proofed in accordance with the Federal
123 Emergency Management Agency's standards for flood proofing
124 and the property is located in a home rule city with more
125 than one hundred fifty-one thousand five hundred but fewer
126 than one hundred fifty-one thousand six hundred
127 inhabitants. Only those buildings certified as being flood
128 proofed in accordance with the Federal Emergency Management
129 Agency's standards for flood proofing by the authority shall
130 be eligible for the state sales tax increment and the state
131 income tax increment. Subject to the limitation set forth
132 in this subdivision, the development area can be enlarged or
133 modified as provided in section 99.951] **as a development**
134 **area as included in its application to the department for**
135 **which a certificate of approval was issued under section**
136 **99.960 prior to January 1, 2013, as may be thereafter**

137 **modified under section 99.948 in relation to an expanded**
138 **development area;**

139 [(8)] (10) "Development plan", the comprehensive
140 program of a municipality [to reduce or eliminate those
141 conditions which qualified a development area as a blighted
142 area or a conservation area, and to thereby enhance the tax
143 bases of the taxing districts which extend into the
144 development area through the reimbursement, payment, or
145 other financing of development project costs in accordance
146 with sections 99.915 to 99.980 and through the exercise of
147 the powers set forth in sections 99.915 to 99.980. The
148 development plan shall conform to the requirements of
149 section 99.942] **included in its application to the**
150 **department for which a certificate of approval was issued**
151 **under section 99.960 prior to January 1, 2013, as may be**
152 **thereafter modified under section 99.948 in relation to an**
153 **expanded development plan;**

154 [(9)] (11) "Development project", any development
155 project [within a development area which constitutes a major
156 initiative in furtherance of the objectives of the
157 development plan, and any such development project shall
158 include a legal description of the area selected for such
159 development project] **for which a certificate of approval was**
160 **issued under section 99.960 prior to January 1, 2013, as may**
161 **be thereafter modified under section 99.948 in relation to**
162 **an expanded development project;**

163 [(10)] (12) "Development project area", the area
164 located within a development area selected for a development
165 project **for which a certificate of approval was issued under**
166 **section 99.960 prior to January 1, 2013, as may be**
167 **thereafter modified under section 99.948 in relation to an**
168 **expanded development project;**

169 [(11)] (13) "Development project costs" include such
170 costs to the development plan or a development project, as
171 applicable, which are expended on public property,
172 buildings, or rights-of-ways for public purposes to provide
173 infrastructure to support a development project. Such costs
174 shall only be allowed as an initial expense which, to be
175 recoverable, must be included in the costs of a development
176 plan or development project, except in circumstances of plan
177 amendments approved by [the Missouri development finance
178 board and] the department [of economic development]. Such
179 infrastructure costs include, but are not limited to, the
180 following:

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

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

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

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

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

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

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

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

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

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

224 [(12)] **(14)** "Economic activity taxes", the total
225 additional revenue from taxes which are imposed by the
226 municipality and other taxing districts, and which are
227 generated by economic activities within each development
228 project area **or expanded development project area, as**
229 **applicable**, which are not related to the relocation of any
230 out-of-state business into the development project area **or**
231 **expanded development project area, as applicable**, which
232 exceed the amount of such taxes generated by economic

233 activities within such development project area **or expanded**
234 **development project area, as applicable,** in the baseline
235 year plus, in development project areas where the baseline
236 year is the year following the year in which the development
237 project **or expanded development project, as applicable,** is
238 approved by the municipality pursuant to subdivision (2) of
239 this section, the total revenue from taxes which are imposed
240 by the municipality and other taxing districts which is
241 generated by economic activities within the development
242 project area resulting from the relocation of an out-of-
243 state business or out-of-state businesses to the development
244 project area **or expanded development project area, as**
245 **applicable,** pursuant to section 99.919; but excluding
246 personal property taxes, taxes imposed on sales or charges
247 for sleeping rooms paid by transient guests of hotels and
248 motels, licenses, fees, or special assessments. If a
249 **business or** retail establishment relocates within one year
250 from one facility to another facility within the same county
251 and the municipality or authority finds that the **business or**
252 retail establishment is a direct beneficiary of development
253 financing, then for purposes of this definition, the
254 economic activity taxes generated by the **business or** retail
255 establishment shall equal the total additional revenues from
256 taxes which are imposed by the municipality and other taxing
257 districts which are generated by the economic activities
258 within the development project area **or expanded development**
259 **project area, as applicable,** which exceed the amount of
260 taxes which are imposed by the municipality and other taxing
261 districts which are generated by economic activities within
262 the development project area **or expanded development project**
263 **area, as applicable,** generated by the **business or** retail
264 establishment in the baseline year;

265 (15) "Expanded development area", an area designated
266 by a municipality in respect to which the municipality has
267 made a finding that there exist conditions which cause the
268 area to be classified as a blighted area or a conservation
269 area, which area shall have the following characteristics:

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

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

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

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

279 (e) It is contiguous, provided, however that an
280 expanded development area may include up to three
281 noncontiguous areas selected for expanded development
282 projects, provided that each noncontiguous area meets the
283 requirements of paragraphs (a) to (d) herein;

284 (f) The expanded development area, together with the
285 development area, shall not exceed ten percent of the entire
286 area of the municipality; and

287 (g) The expanded development area shall not include
288 any property that is located within the one-hundred-year
289 flood plain, as designated by the Federal Emergency
290 Management Agency flood delineation maps, unless such
291 property is protected by a structure that is inspected and
292 certified by the U.S. Army Corps of Engineers;

293 (16) "Expanded development plan", the comprehensive
294 program of a municipality to reduce or eliminate those
295 conditions that qualify an expanded development area as a
296 blighted area or a conservation area, and to thereby enhance

297 the tax bases of the taxing districts which extend into the
298 expanded development area through the reimbursement,
299 payment, or other financing of expanded development project
300 costs in accordance with sections 99.915 to 99.980 and
301 through the exercise of the powers set forth in sections
302 99.915 to 99.980. The expanded development plan shall
303 conform to the requirements of section 99.942;

304 (17) "Expanded development project", any development
305 project within an expanded development area and is in
306 furtherance of the objectives of the expanded development
307 plan, and any such expanded development project shall
308 include a legal description of the area selected for such
309 expanded development project;

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

313 (19) "Expanded development project costs", costs to an
314 expanded development plan or expanded development project as
315 set forth in a certificate of approval from the department
316 that are expended on or used to reimburse base building
317 costs of an expanded development project including site
318 preparation; foundation; structural; utility relocation and
319 off-site utility; environmental mitigation and remediation;
320 stormwater management; mechanical, engineering, and
321 plumbing; landscaping and hardscaping; lighting; and
322 temporary structural support or stabilization costs; and any
323 costs allowable under the definition of development project
324 costs in this section. Economic activity taxes, payment in
325 lieu of taxes, and municipal residential earnings tax
326 increment may be expended on or used to reimburse any
327 reasonable or necessary costs incurred or estimated to be
328 incurred in furtherance of an expanded development plan or

329 expanded development project. Notwithstanding any provision
330 of law to the contrary, expanded development project costs
331 may include the payment of obligations issued to finance
332 development project costs associated with the major
333 initiative. "Expanded development project costs" shall not
334 include costs expended on the interior improvements of an
335 expanded development project;

336 [(13)] (20) "Gambling establishment", an excursion
337 gambling boat as defined in section 313.800 and any related
338 business facility including any real property improvements
339 which are directly and solely related to such business
340 facility, whose sole purpose is to provide goods or services
341 to an excursion gambling boat and whose majority ownership
342 interest is held by a person licensed to conduct gambling
343 games on an excursion gambling boat or licensed to operate
344 an excursion gambling boat as provided in sections 313.800
345 to 313.850;

346 [(14)] (21) "Major initiative", a development project
347 within a central business district [that:

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

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

	Population of Municipality	Estimated Project Cost	New Jobs Created
359			
360			
361	300,000 or more	\$10,000,000	at least 100
362	100,000 to	\$5,000,000	at least 50
363	299,999		
364	50,001 to	\$1,000,000	at least 10
365	99,999		
366	50,000 or less	\$500,000	at least 5;]

367 [(15)] for which a certificate of approval was issued
 368 under section 99.960 prior to January 1, 2013;

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

382 (23) "Municipality", any city, village, incorporated
 383 town, or any county of this state established on or prior to
 384 January 1, 2001, or a census-designated place in any county
 385 designated by the county for purposes of sections 99.915 to
 386 99.1060 to which a certificate of approval was issued under
 387 section 99.960 prior to January 1, 2013;

388 [(16)] (24) "New job", any job defined as a new job
389 pursuant to subdivision (11) of section 100.710;

390 [(17)] (25) "Obligations", bonds, loans, debentures,
391 notes, special certificates, or other evidences of
392 indebtedness issued by the municipality or authority, or
393 other public entity authorized to issue such obligations
394 pursuant to sections 99.915 to 99.980 to carry out a
395 development project **or expanded development project, as**
396 **applicable**, or to refund outstanding obligations;

397 [(18)] (26) "Ordinance", an ordinance enacted by the
398 governing body of any municipality or an order of the
399 governing body of such a municipal entity whose governing
400 body is not authorized to enact ordinances;

401 [(19)] (27) "Other net new revenues", the amount of
402 state sales tax increment or state income tax increment or
403 the combination of the amount of each such increment as
404 determined under section 99.960. **For expanded development**
405 **project areas, "other net new revenues" also includes the**
406 **amount of state residential income tax increment as**
407 **determined under section 99.960;**

408 [(20)] (28) "Out-of-state business", a business entity
409 or operation that has been located outside of the state of
410 Missouri prior to the time it relocates to a development
411 project area **or expanded development project area, as**
412 **applicable;**

413 [(21)] (29) "Payment in lieu of taxes", those revenues
414 from real property in each development project area **or**
415 **expanded development project area, as applicable**, which
416 taxing districts would have received had the municipality
417 not adopted a development plan **or expanded development plan,**
418 **as applicable**, and the municipality not adopted development
419 financing, and which would result from levies made after the

420 time of the adoption of development financing during the
421 time the current equalized value of real property in such
422 development project area **or expanded development project**
423 **area, as applicable**, exceeds the total equalized value of
424 real property in such development project area **or expanded**
425 **development project area, as applicable**, during the baseline
426 year until development financing for such development
427 project area **or expanded development project area, as**
428 **applicable**, expires or is terminated pursuant to sections
429 99.915 to 99.980;

430 (30) "Retained job", an existing job in the state if
431 the department determines that the existing job could be
432 relocated to another state in the absence of the expanded
433 development project authorized under sections 99.915 to
434 99.980;

435 [(22)] (31) "Special allocation fund", the fund of the
436 municipality or its authority required to be established
437 pursuant to section 99.957 which special allocation fund
438 shall contain at least four separate segregated accounts
439 into which payments in lieu of taxes are deposited in one
440 account, economic activity taxes are deposited in a second
441 account, other net new revenues are deposited in a third
442 account, and other revenues, if any, received by the
443 authority or the municipality for the purpose of
444 implementing a development plan or a development project **or**
445 **expanded development plan or an expanded development**
446 **project, as applicable**, are deposited in a fourth account;

447 [(23)] (32) "State income tax increment", up to fifty
448 percent of the estimate of the income tax due the state for
449 salaries or wages paid to new employees in new jobs at a
450 business located in the development project area and created
451 by the development project **or in an expanded development**

452 project area and created by the expanded development
453 project, as applicable, and for an expanded development
454 project, up to fifty percent of the estimate of the income
455 tax due the state for salaries or wages paid to employees in
456 retained jobs at a business located in the expanded
457 development project area and created by the expanded
458 development project. In the case of an expanded development
459 project wherein the department director has determined,
460 through the cost-benefit analysis and other analysis as
461 determined by the department, that the projected state
462 benefit is substantial and that the project is unlikely to
463 occur without a higher percentage of state contribution, the
464 increment percentage for the expanded development project
465 may, at the department's discretion, be increased up to
466 seventy percent of the income tax due the state for salaries
467 or wages paid to new employees in new jobs and employees in
468 retained jobs at a business located in the expanded
469 development project area and created by the expanded
470 development project. The estimate shall be a percentage of
471 the gross payroll which percentage shall be based upon an
472 analysis by the department of revenue of the practical tax
473 rate on gross payroll as a factor in overall taxable
474 income. The department may provide in a certificate of
475 approval for an expanded development project under section
476 99.960 that it will calculate and disburse state income tax
477 increment based upon the highest marginal personal income
478 tax rate in effect under section 143.011 at the time the
479 certificate is issued even in the event the state personal
480 income tax rate is subsequently reduced, or the tax is
481 eliminated;

482 (33) "State residential income tax increment", up to
483 seventy percent of the estimate of the income tax due the

484 state for salaries or wages paid to natural persons residing
485 in a primarily residential building, regardless of the
486 inclusion of mixed uses within a portion of the building, in
487 an expanded development project area that did not reside in
488 the expanded development project area in the baseline year.
489 Annually, after the opening of the residential component of
490 the expanded development project, the developer shall
491 provide the department and the municipality with certified
492 incomes of natural persons residing in leased or occupied
493 residential units. The increment shall be the product of
494 the total certified incomes for all residential units leased
495 to or occupied by natural persons times the maximum marginal
496 tax rate in effect under section 143.011. The department
497 may provide in a certificate of approval for an expanded
498 development project under section 99.960 that the department
499 shall calculate and disburse state residential income tax
500 increment based upon the highest marginal personal income
501 tax rate in effect under section 143.011 at the time the
502 certificate is issued in the event the state personal income
503 tax rate is subsequently reduced, or the tax is eliminated.
504 The developer shall allow the department to audit records of
505 certified incomes of natural persons residing in leased or
506 occupied residential units;

507 [(24)] (34) "State sales tax increment", up to [one-
508 half] **fifty percent** of the incremental increase in the state
509 sales tax revenue in the development project area **or**
510 **expanded development project area, as applicable.** [In no
511 event shall the incremental increase include any amounts
512 attributable to retail sales unless the Missouri development
513 finance board and the department of economic development are
514 satisfied based on information provided by the municipality
515 or authority, and such entities have made a finding that a

516 substantial portion of all but a de minimus portion of the
517 sales tax increment attributable to retail sales is from new
518 sources which did not exist in the state during the baseline
519 year.] **In the case of an expanded development project**
520 **wherein the department director has determined, through the**
521 **cost-benefit analysis and other analysis as determined by**
522 **the department, that the projected state benefit is**
523 **substantial and that the project is unlikely to occur**
524 **without a higher percentage of state contribution, the**
525 **increment percentage for the expanded development project**
526 **may, at the department's discretion, be increased up to**
527 **seventy percent of the incremental increase in the state**
528 **sales tax revenue in the expanded development project area.**
529 The incremental increase for an existing facility shall be
530 the amount by which the state sales tax revenue generated at
531 the facility exceeds the state sales tax revenue generated
532 at the facility in the baseline year. The incremental
533 increase in development project areas **or expanded**
534 **development project areas, as applicable,** where the baseline
535 year is the year following the year in which the development
536 project **or expanded development project areas, as**
537 **applicable,** is approved by the municipality pursuant to
538 subdivision (2) of this section shall be the state sales tax
539 revenue generated by out-of-state businesses relocating into
540 a development project area **or expanded development project**
541 **areas, as applicable.** The incremental increase for a
542 Missouri facility which relocates to a development project
543 area **or expanded development project areas, as applicable,**
544 shall be the amount by which the state sales tax revenue of
545 the facility exceeds the state sales tax revenue for the
546 facility in the calendar year prior to relocation. **If the**
547 **department elects to issue a certificate of approval for an**

548 **expanded development project that applies the highest**
549 **marginal personal income tax rate for the state income tax**
550 **increment and state residential income tax increment**
551 **regardless of whether the rate may thereafter be reduced or**
552 **the tax eliminated, the department may fix the state sales**
553 **tax rate upon which the state sales tax increment is**
554 **calculated at the rate in effect at the time the certificate**
555 **of approval is issued, even if the state sales tax rate is**
556 **increased thereafter;**

557 [(25)] (35) "State sales tax revenues", the general
558 revenue portion of state sales tax revenues received
559 pursuant to section 144.020, excluding sales taxes that are
560 constitutionally dedicated, taxes deposited to the school
561 district trust fund in accordance with section 144.701,
562 sales and use taxes on motor vehicles, trailers, boats and
563 outboard motors and future sales taxes earmarked by law;

564 [(26)] (36) "Taxing district's capital costs", those
565 costs of taxing districts for capital improvements that are
566 found by the municipal governing bodies to be necessary and
567 to directly result from a development project **or expanded**
568 **development project, as applicable;** and

569 [(27)] (37) "Taxing districts", any political
570 subdivision of this state having the power to levy taxes.

99.919. Notwithstanding anything contained in sections
2 99.915 to 99.980 to the contrary, for development projects
3 **or expanded development projects, as applicable,** that result
4 in the relocation of an out-of-state business or out-of-
5 state businesses to the development project area **or expanded**
6 **development project area, as applicable,** the portion of
7 economic activity taxes, the state income tax increment, the
8 state sales tax increment and other net new revenues
9 generated by such out-of-state business or businesses shall

10 be calculated based upon the full amount of tax revenue
11 generated by such out-of-state business or out-of-state
12 businesses without reduction due to revenues generated in
13 the baseline year.

99.930. 1. In any suit, action, or proceeding
2 involving the validity or enforcement of or relating to any
3 contract of an authority entered into pursuant to sections
4 99.915 to 99.980, such authority shall be conclusively
5 deemed to have become established and authorized to transact
6 business and exercise its powers under sections 99.915 to
7 99.980 upon proof of the adoption of the appropriate
8 ordinance prescribed in section 99.921. Each such ordinance
9 shall be deemed sufficient if it authorizes the exercise of
10 powers under sections 99.915 to 99.980 by the authority and
11 sets forth the findings of the municipality as required in
12 subdivision (2) of section 99.921.

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

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

99.933. 1. The authority created pursuant to section
2 99.921 shall constitute a public body corporate and politic,
3 exercising public and essential governmental functions.

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

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

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

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

33 any development project **or expanded development project, as**
34 **applicable**, and to include in any contract let in connection
35 with any such development project **or expanded development**
36 **project, as applicable**, provisions to fulfill such of the
37 conditions as it may deem reasonable and appropriate;

38 ~~[(3)]~~ (4) Within a development area **or expanded**
39 **development area, as applicable**, to acquire by purchase,
40 lease, gift, grant, bequest, devise, obtain options upon, or
41 otherwise acquire any real or personal property or any
42 interest therein, necessary or incidental to a development
43 project **or expanded development project, as applicable**, all
44 in the manner and at such price as the municipality or
45 authority determines is reasonably necessary to achieve the
46 objectives of a development plan **or expanded development**
47 **plan, as applicable**;

48 ~~[(4)]~~ (5) Within a development area **or expanded**
49 **development area, as applicable**, subject to provisions of
50 section 99.936 with regard to the disposition of real
51 property, to sell, lease, exchange, transfer, assign,
52 subdivide, retain for its own use, mortgage, pledge,
53 hypothecate, or otherwise encumber or dispose of any real or
54 personal property or any interest therein, all in the manner
55 and at such price and subject to any covenants,
56 restrictions, and conditions as the municipality or
57 authority determines is reasonably necessary to achieve the
58 objectives of a development plan **or expanded development**
59 **plan, as applicable**; to make any such covenants,
60 restrictions, or conditions as covenants running with the
61 land, and to provide appropriate remedies for any breach of
62 any such covenants, restrictions, or conditions, including
63 the right in the municipality or authority to terminate such

64 contracts and any interest in the property created pursuant
65 thereto;

66 [(5)] (6) Within a development area **or expanded**
67 **development area, as applicable,** to clear any area by
68 demolition or removal of existing buildings and structures;

69 [(6)] (7) To install, repair, construct, reconstruct,
70 or relocate streets, utilities, and site improvements as
71 necessary or desirable for the preparation of a development
72 area **or expanded development area, as applicable,** for use in
73 accordance with a development plan **or expanded development**
74 **plan, as applicable;**

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

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

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

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

95 plan or any development project **or the expanded development**
96 **plan or any expanded development project, as applicable;**

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

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

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

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

119 [(15)] (16) To borrow money and to apply for and
120 accept advances, loans, grants, contributions, and any other
121 form of financial assistance from the federal government,
122 the state, county, municipality, or other public body or
123 from any sources, public or private, for the purposes of
124 implementing a development plan **or expanded development**
125 **plan, as applicable,** to give such security as may be
126 required and to enter into and carry out contracts in

127 connection therewith. A municipality or authority,
128 notwithstanding the provisions of any other law, may include
129 in any contract for financial assistance with the federal
130 government for a project such conditions imposed pursuant to
131 federal law as the municipality or authority may deem
132 reasonable and appropriate and which are not inconsistent
133 with the purposes of sections 99.915 to 99.980;

134 [(16)] (17) To incur development project costs and
135 **expanded development project costs, as applicable, and** make
136 such expenditures as may be necessary to carry out the
137 purposes of sections 99.915 to 99.980; and to make
138 expenditures from funds obtained from the federal government
139 without regard to any other laws pertaining to the making
140 and approval of appropriations and expenditures;

141 [(17)] (18) To loan the proceeds of obligations issued
142 pursuant to sections 99.915 to 99.980 for the purpose of
143 providing for the purchase, construction, extension, or
144 improvement of public infrastructure related to a
145 development project **or expanded development project, as**
146 **applicable**, by a developer pursuant to a development
147 contract approved by the municipality or authority in
148 accordance with subdivision (2) of section 99.936;

149 [(18)] (19) To declare any funds, or any portion
150 thereof, in the special allocation fund to be excess funds,
151 so long as such excess funds have not been pledged to the
152 payment of outstanding obligations, [or] outstanding
153 development project costs **or outstanding expanded**
154 **development project costs, as applicable**, are not necessary
155 for the payment of development project costs, **or expanded**
156 **development project costs, as applicable**, incurred or
157 anticipated to be incurred, and are not required to pay
158 baseline state sales taxes and baseline state withholding

159 taxes to the director of revenue. Any such funds deemed to
160 be excess shall be disbursed in the manner of surplus funds
161 as provided in section 99.965;

162 [(19)] (20) To pledge or otherwise expend funds
163 deposited to the special allocation fund, or any portion
164 thereof, for the payment or reimbursement of development
165 project costs **or expanded development project costs, as**
166 **applicable**, incurred by the authority, the municipality, a
167 developer selected by the municipality or authority, or any
168 other entity with the consent of the municipality or
169 authority; to pledge or otherwise expend funds deposited to
170 the special allocation fund, or any portion thereof, or to
171 mortgage or otherwise encumber its property, or any portion
172 thereof, for the payment of obligations issued to finance
173 development project costs **or expanded development project**
174 **costs, as applicable**; provided, however, any such pledge or
175 expenditure of economic activity taxes or other net new
176 revenues shall be subject to annual appropriation by the
177 municipality; and

178 [(20)] (21) To exercise all powers or parts or
179 combinations of powers necessary, convenient, or appropriate
180 to undertake and carry out development plans and any
181 development projects **or expanded development plans and any**
182 **expanded development projects, as applicable**, and all the
183 powers granted pursuant to sections 99.915 to 99.980,
184 excluding powers of eminent domain.

185 3. If any member of the governing body of the
186 municipality, a commissioner of the authority, or an
187 employee or consultant of the municipality or authority,
188 involved in the planning and preparation of a development
189 project **or expanded development project, as applicable**, owns
190 or controls an interest, direct or indirect, in any property

191 included in a development project area **or expanded**
192 **development project area, as applicable,** the individual
193 shall disclose the same in writing to the clerk of the
194 municipality, and shall also so disclose the dates, terms,
195 and conditions of any disposition of any such interest,
196 which disclosures shall be acknowledged by the governing
197 body of the municipality and entered upon the minutes books
198 of the governing body of the municipality. If an individual
199 holds such an interest, then that individual shall refrain
200 from any further official involvement in regard to a
201 development project **or expanded development project, as**
202 **applicable,** and from voting on any matter pertaining to such
203 development project **or expanded development project, as**
204 **applicable,** or communicating with other commissioners or
205 members of the authority or the municipality concerning any
206 matter pertaining to such development project **or expanded**
207 **development project, as applicable.** Furthermore, subject to
208 the succeeding sentence, no such member, commissioner,
209 employee, or consultant shall acquire any interest, direct
210 or indirect, in any property in a development project area
211 or proposed development project area **or expanded development**
212 **project area or proposed expanded development project area,**
213 **as applicable,** after either such individual obtains
214 knowledge of a development project **or expanded development**
215 **project, as applicable,** or first public notice of such
216 development project **or expanded development project, as**
217 **applicable,** or development project area **or expanded**
218 **development project, as applicable,** pursuant to [subsection
219 2 of] section 99.951, whichever first occurs. At any time
220 after one year from the adoption of an ordinance designating
221 a development project area, **or expanded development project**
222 **area, as applicable,** any commissioner may acquire an

223 interest in real estate located in a development project
224 area **or expanded development project area, as applicable**, so
225 long as any such commissioner discloses such acquisition and
226 refrains from voting on any matter related to the
227 development project area **or expanded development project**
228 **area, as applicable**, in which the property acquired by such
229 commissioner is located.

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

233 (1) To sue and to be sued; to have a seal and to alter
234 the same at the authority's pleasure; to have perpetual
235 succession; to make and execute contracts and other
236 instruments necessary or convenient to the exercise of the
237 powers of the authority; and to make and from time to time
238 amend and repeal bylaws, rules, and regulations, not
239 inconsistent with sections 99.915 to 99.980, to carry out
240 the provisions of sections 99.915 to 99.980;

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

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

251 [5. Any home rule city with more than four hundred
252 thousand inhabitants and located in more than one county,
253 any city not within a county, and any county with a charter
254 form of government and with more than one million

255 inhabitants shall approve a disadvantaged business
256 enterprise program to be implemented by the downtown
257 economic stimulus authority. The program shall require all
258 businesses, vendors, and contractors working on projects
259 undertaken by the authority to ensure enforcement of an
260 equal opportunity employment plan and a minority and women-
261 owned business program that is based on population and
262 availability that contains specific worker ethnicity goals
263 for each such business, vendor, and contractor, in
264 accordance with applicable state and federal laws, rules,
265 regulations, and orders.]

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

5 (1) Within a development project area **or expanded**
6 **development project area, as applicable**, the authority may
7 sell, lease, exchange, or otherwise transfer real property,
8 including land, improvements, and fixtures, or any interest
9 therein, to any developer selected for a development
10 project, or any portion thereof, in accordance with the
11 development plan **or to a developer of an expanded**
12 **development project, in accordance with the expanded**
13 **development plan, as applicable**, subject to such covenants,
14 conditions, and restrictions as may be deemed to be in the
15 public interest or to carry out the purposes of sections
16 99.915 to 99.980. Such real property shall be sold, leased,
17 or transferred at its fair market value for uses in
18 accordance with the development plan **or expanded development**
19 **plan, as applicable**; provided that such fair market value
20 may be less than the cost of such property to the
21 municipality or authority. In determining the fair market

22 value of real property for uses in accordance with a
23 development plan **or expanded development plan, as**
24 **applicable**, the municipality or authority shall take into
25 account and give consideration to the uses and purposes
26 required by the development plan **or expanded development**
27 **plan, as applicable**; the restrictions upon, and the
28 covenants, conditions, and obligations assumed by the
29 developer of such property; the objectives of the
30 development plan **or expanded development plan, as**
31 **applicable**; and such other matters as the municipality or
32 authority shall specify as being appropriate. In fixing
33 rental and sale prices, a municipality or authority shall
34 give consideration to appraisals of the property for such
35 uses made by experts employed by the municipality or
36 authority;

37 (2) **(a)** The municipality or authority shall, by
38 public notice published in a newspaper having a general
39 circulation in a development area, prior to selecting one or
40 more developers for any development project, or any portion
41 thereof, invite proposals from, and make available all
42 pertinent information to, private developers or any persons
43 interested in undertaking the development of such
44 development project, or any portion thereof. Such notice
45 shall be published at least once each week during the two
46 weeks preceding the selection of a developer, shall identify
47 the area of the development project or development projects,
48 or any portion thereof, for which one or more developers are
49 to be selected, and shall state that such further
50 information as it is available may be obtained at the office
51 of the municipality or authority. The municipality or
52 authority shall consider all proposals and the financial and
53 legal ability of the prospective developers to carry out

54 their proposals. The municipality or authority may
55 negotiate and enter into one or more contracts with any
56 developer selected for the development of any such area for
57 the development of such area by such developer in accordance
58 with a development plan or for the sale or lease of any real
59 property to any such developer in any such area for the
60 purpose of developing such property in accordance with the
61 development plan. The municipality or authority may enter
62 into any such contract as it deems to be in the public
63 interest and in furtherance of the purposes of sections
64 99.915 to 99.980; provided that the municipality or
65 authority has, not less than ten days prior thereto,
66 notified the governing body in writing of its intention to
67 enter into such contract. Thereafter, the municipality or
68 authority may execute such contract in accordance with the
69 provisions of subdivision (1) of this section and deliver
70 deeds, leases, and other instruments and take all steps
71 necessary to effectuate such contract. In its discretion,
72 the municipality or authority may, in accordance with the
73 provisions of this subdivision, dispose of any real property
74 in an area selected for a development project, or any
75 portion thereof, to private developers for development under
76 such reasonable competitive bidding procedures as it shall
77 prescribe, subject to the provisions of subdivision (1) of
78 this section[;].

79 **(b) The municipality or authority may negotiate and**
80 **enter into one or more contracts with a developer for the**
81 **development of an expanded development area or expanded**
82 **development project area in accordance with an expanded**
83 **development plan or for the sale or lease of any real**
84 **property to any such developer in any such area for the**
85 **purpose of developing such property in accordance with the**

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

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

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

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

116 (c) Convey to the municipality or other appropriate
117 public body such real property as, in accordance with the

118 development plan **or expanded development plan, as**
119 **applicable**, is to be used for parks, schools, public
120 buildings, facilities, or other public purposes;

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

99.942. 1. A development plan **or expanded development**
2 **plan, as applicable**, shall set forth in writing a general
3 description of the program to be undertaken to accomplish
4 the development projects **or expanded development projects,**
5 **as applicable**, and related objectives and shall include, but
6 need not be limited to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50 (15) The total number of individuals employed in this
51 state by the corporate parent of any business benefitting
52 from public expenditures in the development area, and all

53 subsidiaries thereof, as of December thirty-first of the
54 prior fiscal year, categorized by full-time, part-time, and
55 temporary positions;

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

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

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

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

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

78 (21) A list of all development subsidies that any
79 business benefitting from public expenditures in the
80 development area **or expanded development area, as**
81 **applicable**, has previously received for the project, and the
82 name of any other granting body from which such subsidies
83 are sought;

84 (22) A list of all other public investments made or to
85 be made by this state or units of local government to
86 support infrastructure or other needs generated by the
87 project for which the funding pursuant to [this act]
88 **sections 99.915 to 99.980** is being sought;

89 (23) A statement as to whether the development project
90 **or expanded development project, as applicable,** may reduce
91 employment at any other site, within or without of the
92 state, resulting from automation, merger, acquisition,
93 corporate restructuring, relocation, or other business
94 activity. **For an expanded development project, a statement**
95 **as to whether such jobs may be retained jobs;**

96 (24) A statement as to whether or not the project
97 involves the relocation of work from another address and if
98 so, the number of jobs to be relocated and the address from
99 which they are to be relocated. **For an expanded development**
100 **project, a statement as to whether such jobs may be retained**
101 **jobs;**

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

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

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

114 (28) **The total number of natural persons residing in**
115 **the expanded development area in the baseline year, if a**

116 **municipal residential earnings tax increment or state**
117 **residential income tax increment is sought to be included in**
118 **funding;**

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

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

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

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

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

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

164 (2) The development area **or expanded development area,**
165 **as applicable,** has not been subject to **material** growth and
166 development through investment by private enterprise and
167 would not reasonably be anticipated to be developed without
168 the implementation of one or more development projects **or**
169 **expanded development projects, as applicable,** and the
170 adoption of local and state development financing;

171 (3) The development plan **or expanded development plan,**
172 **as applicable,** conforms to the comprehensive plan for the
173 development of the municipality as a whole;

174 (4) The estimated dates, which shall not be more than
175 **[twenty-five] thirty** years from the adoption of the
176 ordinance approving any development project **or expanded**
177 **development project, as applicable,** of the completion of

178 such development project **or expanded development project, as**
179 **applicable**, and retirement of obligations incurred to
180 finance development project costs **or expanded development**
181 **project costs, as applicable**, have been stated, provided
182 that no ordinance approving a development project **or**
183 **expanded development project, as applicable**, shall be
184 adopted later than fifteen years from the adoption of the
185 ordinance approving the development plan **or expanded**
186 **development plan, as applicable**, and provided that no
187 property for a development project **or expanded development**
188 **project, as applicable**, shall be acquired by eminent domain
189 later than ten years from the adoption of the ordinance
190 approving such development plan **or expanded development**
191 **plan, as applicable**;

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

197 (6) A cost-benefit analysis showing the economic
198 impact of the development plan **or expanded development plan,**
199 **as applicable**, on the municipality and school districts that
200 are at least partially within the boundaries of the
201 development area **or expanded development area, as**
202 **applicable**. The analysis shall show the impact on the
203 economy if the development projects **or expanded development**
204 **projects, as applicable**, are not built pursuant to the
205 development plan **or expanded development plan, as**
206 **applicable**, under consideration. The cost-benefit analysis
207 shall include a fiscal impact study on each municipality and
208 school district which is at least partially within the
209 boundaries of the development area **or expanded development**

210 **area, as applicable,** and sufficient information from the
211 authority to evaluate whether each development project **or**
212 **expanded development project, as applicable,** as proposed is
213 financially feasible;

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

217 (8) An economic feasibility analysis including a pro
218 forma financial statement indicating the return on
219 investment that may be expected without public assistance.
220 The financial statement shall detail any assumptions made, a
221 pro forma statement analysis demonstrating the amount of
222 assistance required to bring the return into a range deemed
223 attractive to private investors, which amount shall not
224 exceed the estimated reimbursable project costs.

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

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

6 (2) After adopting an ordinance in accordance with
7 subdivision (1) of this subsection and after receipt of
8 recommendations from the authority in accordance with
9 **[subsection] subsections 3 and 4** of this section, by
10 ordinance, designate development areas **or expanded**
11 **development areas,** adopt the development plans and
12 development projects **or adopt expanded development plans and**
13 **expanded development projects,** designate a development
14 project area for each development project adopted **or**
15 **designate an expanded development project area for each**
16 **expanded development project adopted,** and adopt development
17 financing for each such development project area **or adopt**

18 **development financing for each such expanded development**
19 **project area.** No development plan **or expanded development**
20 **plan, as applicable,** may be adopted until the development
21 **area or expanded development area, as applicable,** is
22 designated. No development project **or expanded development**
23 **project, as applicable,** shall be adopted until the
24 development plan **or expanded development plan, as**
25 **applicable,** is adopted and the development project area for
26 each development project **or the expanded development project**
27 **area for each expanded development project, as applicable,**
28 shall be designated at the time of adopting the development
29 project **or expanded development project, as applicable.**

30 2. A municipality may authorize an authority created
31 pursuant to section 99.921 to exercise all powers and
32 perform all functions of a transportation development
33 district pursuant to sections 238.200 to [238.275] **238.280**
34 **within a development area or expanded development area, as**
35 **applicable. An expanded development project shall not, by**
36 **virtue of receiving increments under sections 99.915 to**
37 **99.980, be rendered ineligible to participate in the**
38 **programs established by sections 67.1401 to 67.1571, 100.010**
39 **to 100.200, and 238.200 to 238.280.**

40 3. **With respect to development plans and development**
41 **areas,** the municipality or authority shall hold public
42 hearings and provide notice pursuant to sections 99.957 and
43 99.960. Within ten days following the completion of any
44 such public hearing, the authority shall vote on and shall
45 make recommendation to the governing body of the
46 municipality with regard to any development plan,
47 development projects, designation of a development area or
48 amendments thereto which were proposed at such public
49 hearing.

50 **4. The municipality or authority shall consider and**
51 **approve any expanded development plan, expanded development**
52 **project, designation of an expanded development area or**
53 **amendments thereto, modification of a development area or**
54 **development project area, and, to the extent required under**
55 **section 99.951, amendments thereto at a meeting held in**
56 **accordance with chapter 610.**

 99.951. 1. Prior to the adoption of the ordinance
2 designating a development area, adopting a development plan,
3 or approving a development project, the municipality or
4 authority shall fix a time and place for a public hearing
5 and notify each taxing district located wholly or partially
6 within the boundaries of the proposed development area or
7 development project area affected. Such notice shall comply
8 with the provisions of subsection 2 of this section. At the
9 public hearing any interested person or affected taxing
10 district may file with the municipality or authority written
11 objections to, or comments on, and may be heard orally in
12 respect to, any issues regarding the plan or issues embodied
13 in the notice. The municipality or authority shall hear and
14 consider all protests, objections, comments, and other
15 evidence presented at the hearing. The hearing may be
16 continued to another date without further notice other than
17 a motion to be entered upon the minutes fixing the time and
18 place of the subsequent hearing. Prior to the conclusion of
19 the hearing, changes may be made in the development plan,
20 development project, development area or development project
21 area, provided that written notice of such changes is
22 available at the public hearing. After the public hearing
23 but prior to the adoption of an ordinance designating a
24 development area, adopting a development plan or approving a
25 development project, changes may be made to any such

26 proposed development plan, development project, development
27 area, or development project area without a further hearing,
28 if such changes do not enlarge the exterior boundaries of
29 the development area, and do not substantially affect the
30 general land uses established in a development plan or
31 development project, provided that notice of such changes
32 shall be given by mail to each affected taxing district and
33 by publication in a newspaper of general circulation in the
34 development area or development project area, as applicable,
35 not less than ten days prior to the adoption of the changes
36 by ordinance. After the adoption of an ordinance
37 designating the development area, adopting a development
38 plan, approving a development project, or designating a
39 development project area, no ordinance shall be adopted
40 altering the exterior boundaries of the development area or
41 a development project area affecting the general land uses
42 established pursuant to the development plan or the general
43 nature of a development project without holding a public
44 hearing in accordance with this section. One public hearing
45 may be held for the simultaneous consideration of a
46 development area, development plan, development project, or
47 development project area.

48 2. Notice of the public hearing required by this
49 section shall be given by publication and mailing. Notice
50 by publication shall be given by publication at least twice,
51 the first publication to be not more than thirty days and
52 the second publication to be not more than ten days prior to
53 the hearing, in a newspaper of general circulation in the
54 proposed development area or development project area, as
55 applicable, and in two minority newspapers, if such
56 newspapers are published in the municipality, of which one
57 shall be published in the Spanish language, if such a

58 newspaper is published in the municipality. Notice by
59 mailing shall be given by depositing such notice in the
60 United States mail by certified mail addressed to the person
61 or persons in whose name the general taxes for the last
62 preceding year were paid on each lot, block, tract, or
63 parcel of land lying within the proposed development area or
64 development project area, as applicable, which is to be
65 subjected to the payment or payments in lieu of taxes and
66 economic activity taxes pursuant to section 99.957. Such
67 notice shall be mailed not less than ten working days prior
68 to the date set for the public hearing. In the event taxes
69 for the last preceding year were not paid, the notice shall
70 also be sent to the persons last listed on the tax rolls
71 within the preceding three years as the owners of such
72 property.

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

- 75 (1) The time and place of the public hearing;
- 76 (2) The general boundaries of the proposed development
77 area or development project area, as applicable, by street
78 location, where possible;
- 79 (3) A statement that all interested persons shall be
80 given an opportunity to be heard at the public hearing;
- 81 (4) A description of the development plan and the
82 proposed development projects and a location and time where
83 the entire development plan or development projects proposed
84 may be reviewed by any interested party;
- 85 (5) An estimate of other net new revenues;
- 86 (6) A statement that development financing involving
87 tax revenues and payments in lieu of taxes is being sought
88 for the project and an estimate of the amount of local

89 development financing that will be requested, if applicable;
90 and

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

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

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

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

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

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

11 2. Obligations issued pursuant to sections 99.915 to
12 99.980 may be issued in one or more series bearing interest
13 at such rate or rates as the issuing entity shall determine
14 by ordinance or resolution. Such obligations shall bear
15 such date or dates, be in such denomination, carry such
16 registration privileges, be executed in such manner, be
17 payable in such medium of payment at such place or places,
18 contain such covenants, terms, and conditions, and be
19 subject to redemption as such ordinance or resolution shall
20 provide. Obligations issued pursuant to sections 99.915 to
21 99.980 may be sold at public or private sale at such price
22 as shall be determined by the issuing entity and shall state
23 that obligations issued pursuant to sections 99.915 to
24 99.980 are special obligations payable solely from the funds
25 specifically pledged. No referendum approval of the
26 electors shall be required as a condition to the issuance of
27 obligations pursuant to sections 99.915 to 99.980.

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

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

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

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

63 7. State supplemental downtown development financing
64 shall not be used for retiring or refinancing debt or
65 obligations on a previously publicly financed redevelopment
66 project without express approval from the director of the
67 department [of economic development and the Missouri
68 development finance board]. No approval shall be granted
69 unless the application for state supplemental downtown
70 development financing contains development projects **or**
71 **expanded development projects, as applicable**, that are new
72 projects which were not a part of the development projects
73 for which there is existing public debt or obligations.

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

 2. Immediately upon the adoption of a resolution or
14 ordinance adopting development financing for a development
15 project area **or expanded development project area, as**
16 **applicable**, pursuant to subsection 1 of this section, the
17 county assessor shall determine the total equalized assessed
18 value of all taxable real property within such development
19 project area **or expanded development project area, as**
20 **applicable**, by adding together the most recently ascertained
21 equalized assessed value of each taxable lot, block, tract,

22 or parcel of real property within such development project
23 area **or expanded development project area, as applicable**, as
24 of the date of the adoption of such resolution or ordinance
25 and shall provide to the clerk of the municipality written
26 certification of such amount as the total initial equalized
27 assessed value of the taxable real property within such
28 development project area **or expanded development project**
29 **area, as applicable**.

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

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

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

86 financing for such development project area expires or is
87 terminated in accordance with sections 99.915 to 99.980;

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

97 4. In each of the twenty-five calendar years, **or at**
98 **the option of the municipality up to thirty calendar years,**
99 following the adoption of an ordinance or resolution
100 adopting development financing for a development project
101 area **or expanded development project area, as applicable,**
102 pursuant to subsection 1 of this section unless and until
103 development financing for such development project area **or**
104 **expanded development project, as applicable,** is terminated
105 in accordance with sections 99.915 to 99.980, fifty percent,
106 **or at the option of the municipality a higher percentage,** of
107 the economic activity taxes from such development project
108 area **or expanded development project area, as applicable,**
109 shall be allocated to, and paid by the collecting officer of
110 any such economic activity tax to, the treasurer or other
111 designated financial officer of the municipality, who shall
112 deposit such funds in a separate segregated account for
113 economic activity taxes within the special allocation fund.
114 Provided however, in any county, the governing body of the
115 county may, by resolution, exclude any portion of any
116 countywide sales tax of such county.

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

123 6. In each of the twenty-five calendar years, or at
124 the option of the municipality up to thirty calendar years,
125 following the adoption of an ordinance or resolution
126 adopting development financing for an expanded development
127 project area pursuant to subsection 1 of this section unless
128 and until development financing for such expanded
129 development project area is terminated in accordance with
130 sections 99.915 to 99.980, seventy percent, or at the option
131 of the municipality a higher percentage, of the municipal
132 residential earnings tax increment from such expanded
133 development project area shall be allocated to, and paid by
134 the collecting officer of any such municipal residential
135 earnings tax to, the treasurer or other designated financial
136 officer of the municipality, who shall deposit such funds in
137 a separate segregated account for municipal residential
138 earnings taxes within the special allocation fund. This
139 section shall not apply to a municipality that, in the
140 determination of the department, has adopted an ordinance
141 that allocates a sufficient amount of the additional
142 economic activity taxes to the expanded development project
143 for the period for which other net new revenues are sought
144 from the state to substitute for the municipal residential
145 earnings tax amount in this section. For purposes of this
146 subsection, "additional economic activity taxes" means
147 economic activity taxes above the percentage required in
148 subsection 4 of this section but is limited to taxes the

149 municipality has determined are legally permissible to be
150 used for the expanded development project costs including,
151 but not limited to, taxes imposed under sections 92.111 to
152 92.200, 94.510, 94.577, and 144.032.

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

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

20 (1) [An estimate] **A certification that for a minimum**
21 **of twenty-five years** one hundred percent of the payments in
22 lieu of taxes and economic activity taxes **and, for expanded**
23 **development projects, if applicable under subsection 6 of**

24 **section 99.957, one hundred percent of the municipal**
25 **residential earnings tax increment** deposited to the special
26 allocation fund must and will be used to pay development
27 project costs **or expanded development project costs, as**
28 **applicable**, or obligations issued to finance development
29 project costs **or expanded development project costs, as**
30 **applicable**, to achieve the objectives of the development
31 plan **or expanded development plan, as applicable.**
32 Contributions to the development project **or expanded**
33 **development project, as applicable**, from any private not-for-
34 profit organization or local contributions from tax
35 abatement or other sources may be substituted on a dollar-
36 for-dollar basis for the local match of one hundred percent
37 of payments in lieu of taxes, [and] economic activity taxes,
38 **and the municipal residential earnings tax increment** from
39 the fund;

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

44 (3) The aggregate baseline year amount of state sales
45 tax revenues and the aggregate baseline year amount of state
46 income tax withheld on behalf of existing employees,
47 reported by existing businesses within the development
48 project area **or expanded development project area, as**
49 **applicable.** Provisions of section 32.057 notwithstanding,
50 municipalities will provide this information to the
51 department of revenue for verification. The department of
52 revenue will verify the information provided by the
53 municipalities within forty-five days of receiving a request
54 for such verification from a municipality;

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

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

64 (6) An estimate of the number of primarily residential
65 buildings and the number of residential units in such
66 buildings to be in the expanded development area and each
67 expanded development project area, regardless of the
68 inclusion of mixed uses within a portion of the building
69 after redevelopment;

70 (7) An estimate of the occupancy rate for each
71 residential building and total projected income for natural
72 persons residing in leased or occupied residential units in
73 the expanded development area and each expanded development
74 project area after redevelopment;

75 (8) An estimate of the state residential income tax
76 increment within the expanded development area and each
77 expanded development project area, after redevelopment;

78 (9) For an expanded development area, the identity of
79 the developer, and if an affiliate of the developer of the
80 development area, documentation substantiating the
81 relationship;

82 (10) An affidavit that is signed by the developer or
83 developers attesting that the provision of subdivision (2)
84 of subsection 3 of section 99.942 has been met and
85 specifying that the development area would not be reasonably
86 anticipated to be developed without the appropriation of the

87 other net new revenues. **For expanded development areas, the**
88 **affidavit shall apply to the development area and the**
89 **associated expanded development area together;**

90 [(6)] (11) The amounts and types of other net new
91 revenues sought by the applicant to be disbursed from **the**
92 state supplemental downtown development fund over the term
93 of the development plan **or expanded development plan, as**
94 **applicable;**

95 [(7)] (12) The methodologies and underlying
96 assumptions used in determining the estimate of the state
97 sales tax increment, **[and]** the state income tax increment,
98 **and the state residential income tax increment;** and

99 [(8)] (13) Any other information reasonably requested
100 by the department **[of economic development and the Missouri**
101 **development finance board]**.

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

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

119 development area shall be permitted to submit information to
120 the department [of economic development] for consideration
121 in its cost-benefit analysis. Upon approval of state
122 supplemental downtown development financing, a certificate
123 of approval shall be issued by the department [of economic
124 development] containing the terms and limitations of the
125 disbursement.

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

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

148 6. The municipality shall deposit payments received
149 from the state supplemental downtown development fund in a

150 separate segregated account for other net new revenues
151 within the special allocation fund.

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

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

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

180 10. Any rule or portion of a rule, as that term is
181 defined in section 536.010, that is created under the

182 authority delegated in this section and section 99.963 shall
183 become effective only if it complies with and is subject to
184 all of the provisions of chapter 536 and, if applicable,
185 section 536.028. This section, section 99.963, and chapter
186 536 are nonseverable and if any of the powers vested with
187 the general assembly pursuant to chapter 536 to review, to
188 delay the effective date, or to disapprove and annul a rule
189 are subsequently held unconstitutional, then the grant of
190 rulemaking authority and any rule proposed or adopted after
191 August 28, 2003, shall be invalid and void.

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

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

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

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

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

16 2. Notwithstanding the provisions of section 144.700
17 to the contrary, the department of revenue shall annually
18 submit the first one hundred fifty million of other net new

19 revenues generated by the development projects **and expanded**
20 **development projects** to the treasurer for deposit in the
21 state supplemental downtown development fund.

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

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

38 4. In no event shall the amounts distributed to a
39 project from the state supplemental downtown development
40 fund exceed the [**lessor**] **lesser** of the amount of the
41 certificates of approval for projects or the actual other
42 net new revenues generated by the projects, **except in the**
43 **event that the state personal income tax rate is reduced or**
44 **the tax eliminated and the department issues a certificate**
45 **of approval using the highest marginal state personal income**
46 **tax rate in effect at the time the certificate is issued, as**
47 **authorized under sections 99.914 to 99.980, in which case**
48 **the actual other net new revenues shall be calculated as set**
49 **forth in the certificate.**

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

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

59 7. No municipality shall obligate or commit the
60 expenditure of disbursements received from the state
61 supplemental downtown development fund prior to receiving a
62 certificate of approval for the development project **or**
63 **expanded development project, as applicable,** generating
64 other net new revenues.

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

79 9. Any rule or portion of a rule, as that term is
80 defined in section 536.010, that is created under the
81 authority delegated in this section shall become effective

82 only if it complies with and is subject to all of the
83 provisions of chapter 536 and, if applicable, section
84 536.028. This section and chapter 536 are nonseverable and
85 if any of the powers vested with the general assembly
86 pursuant to chapter 536 to review, to delay the effective
87 date, or to disapprove and annul a rule are subsequently
88 held unconstitutional, then the grant of rulemaking
89 authority and any rule proposed or adopted after August 28,
90 2003, shall be invalid and void.

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

24 **area, as applicable.** Surplus economic activity taxes shall
25 be paid to the taxing districts in the development area **or**
26 **expanded development area, as applicable,** in proportion to
27 the then current levy rates of such taxing districts that
28 are attributable to economic activity taxes. **Surplus**
29 **municipal residential earnings tax increment shall be paid**
30 **to the municipality.** Surplus other net new revenues shall
31 be paid to the state. Any other funds remaining in the
32 special allocation fund following the adoption of an
33 ordinance terminating development financing in accordance
34 with this section shall be deposited to the general fund of
35 the municipality.

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

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

99.968. In each of the twenty-five calendar years
2 following the adoption of an ordinance adopting development
3 financing for a development project area **or expanded**
4 **development project area, as applicable,** unless and until
5 development financing for such development project area **or**
6 **expanded development project area, as applicable,** is
7 terminated by ordinance of the municipality, then, in
8 respect to every taxing district containing such development

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

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

2. [No applications made pursuant to sections 99.915
6 to 99.980 shall be approved prior to August 28, 2003, except
7 for applications for projects that are located within a

8 county for which public and individual assistance has been
9 requested by the governor pursuant to section 401 of the
10 Robert T. Stafford Disaster Relief and Emergency Assistance
11 Act, 42 U.S.C. 5121 et seq., for an emergency proclaimed by
12 the governor pursuant to section 44.100 due to a natural
13 disaster of major proportions that occurred after May 1,
14 2003, but prior to May 10, 2003, and the development project
15 area is a central business district that sustained severe
16 damage as a result of such natural disaster, as determined
17 by the state emergency management agency.

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

36 3. No new applications for expanded development
37 projects made pursuant to sections 99.915 to 99.980 shall be
38 approved after January 1, 2037.

39 4. No later than December 31, 2030, a municipality
40 eligible to apply to the department for other net new
41 revenues for an expanded development area under section
42 99.960 must submit to the department a map or other
43 documentation identifying the bounds of the expanded
44 development area to which it will limit itself in its
45 application or applications to the department. The
46 submission shall include the projected locations of the
47 possible expanded development project areas and a list of
48 possible expanded development projects, along with any
49 potential amendments to a development area that may be
50 sought in conjunction with an expanded development project.
51 The municipality shall be limited to inclusion in any
52 application to the department under section 99.960 to the
53 expanded development area identified to the department no
54 later than December 31, 2030.

55 5. The incremental increase for an existing facility
56 shall be the amount of all state sales taxes generated
57 pursuant to section 144.020 at the facility in excess of the
58 amount of all state sales taxes generated pursuant to
59 section 144.020 at the facility in the baseline year. The
60 incremental increase in development project areas **or**
61 **expanded development project areas, as applicable**, where the
62 baseline year is the year following the year in which the
63 development project **or expanded development project, as**
64 **applicable**, is approved by the municipality pursuant to
65 subdivision (2) of section 99.918 shall be the state sales
66 tax revenue generated by out-of-state businesses relocating
67 into a development project area **or expanded development**
68 **project area, as applicable**. The incremental increase for a
69 Missouri facility which relocates to a development project
70 area **or expanded development project area, as applicable**,

71 shall be the amount by which the state sales tax revenue of
72 the facility exceeds the state sales tax revenue for the
73 facility in the calendar year prior to relocation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

62 development projects developed in connection with community
63 development corporations and the amount of funds generated
64 pursuant to section 99.957 which are expended in connection
65 with such project;

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

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

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

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

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

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

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

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

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

106 6. Data contained in the report required pursuant to
107 the provisions of subsection 1 of this section and any
108 information regarding amounts disbursed to municipalities
109 pursuant to the provisions of sections 99.957 and 99.963
110 shall be deemed a public record, as defined in section
111 610.010.

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

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

120 9. The director of the department [of economic
121 development] shall submit a report to the governor, the
122 speaker of the house of representatives, and the president
123 pro tempore of the senate no later than April thirtieth of
124 each year. The report shall contain a summary of all

125 information received by the director [of economic
126 development] **the department** pursuant to subsection 2 of this
127 section.

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

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

157 development projects **or expanded development projects, as**
158 **applicable.** Notice of such public hearing shall be given in
159 a newspaper of general circulation in the area served by the
160 municipality or authority once each week for four weeks
161 immediately prior to the hearing.

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

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

10 (2) The qualified company will:

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

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

19 For the purposes of this section, "Missouri innovation zone"
20 shall have the same meaning as defined in section 620.6000.

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

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

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

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

59 new capital investment as required in subdivision (2) of
60 subsection 1 of this section.

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

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

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

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

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

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

80 (6) The percent of local incentives committed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 (9) "Missouri innovation zone", a locally designated
41 geographic area within a participating city that encompasses
42 the boundaries of the city's downtown or primary commercial
43 core, or, in the absence of a clearly defined downtown, the
44 central business district or a qualified Missouri main
45 street district, as applicable;

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

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

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

64 (13) "Participating city", a city that has voluntarily
65 elected to establish a Missouri innovation zone and is

66 eligible to participate in programs authorized under
67 sections 620.6000 to 620.6033;

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

620.6003. 1. There is hereby established a statewide
2 Missouri innovation zone program providing a coordinated
3 framework under which eligible cities may designate a
4 defined geographic area for participation in state-
5 authorized economic development incentives under sections
6 620.6000 to 620.6033.

7 2. (1) A city shall not be permitted more than one
8 Missouri innovation zone and the department shall not
9 consider multiple proposals from a single city.

10 (2) A Missouri innovation zone shall consist of a
11 defined geographic area overlaying the city's historic
12 downtown, central business district, qualified Missouri main
13 street, or comparable core commercial area.

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

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

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

25 (2) The master plan shall:

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

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

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

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

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

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

41 (a) Coordinate with the department regarding
42 compliance and implementation of sections 620.6000 to
43 620.6033;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

137 5. (1) Upon certification of a Missouri innovation
138 zone under this section, the incentives authorized under
139 sections 620.6000 to 620.6033 shall be available within the
140 certified geographic boundaries of the zone, subject to the
141 eligibility criteria, performance standards, and procedures
142 set forth in those sections.

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

146 (a) Move-to-Missouri resident incentive under section
147 620.6015;

148 (b) Employer retention and reinvestment incentive
149 under section 620.6018;

150 (c) Employer relocation incentive under section
151 620.6021;

152 (d) Office-to-residential incentive under section
153 620.6024;

154 (e) Missouri opportunity zone tax deferral and
155 exclusion under section 620.6027; and

156 (f) Missouri angel investment incentive under section
157 620.6033.

158 (3) Upon certification of a Missouri innovation zone,
159 the geographic area within the certified zone shall
160 constitute a redevelopment area for purposes of chapters 99
161 and 353, and for all other statutes authorizing property tax
162 abatement or tax increment financing, to the extent
163 permitted by Article X of the Constitution of Missouri.

164 (4) Property located within a certified Missouri
165 innovation zone shall be eligible for property tax abatement
166 and tax increment financing authorized under chapters 99 and
167 353, provided that:

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

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

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

178 (6) The duration, percentage, and structure of any
179 property tax abatement or tax increment financing awarded
180 within a certified Missouri innovation zone shall be
181 determined by the project's verified score under the master

182 scorecard, subject only to maximum limits authorized by
183 statute.

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

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

195 7. The rural Missouri development fund shall be
196 administered by the department in accordance with section
197 620.6009.

198 8. The public safety fund shall be administered by the
199 executive branch of the participating city in accordance
200 with the approved master plan under sections 620.6003,
201 620.6006, and 620.6012.

202 9. The move-to-Missouri resident incentive under
203 section 620.6015 and the Missouri opportunity zone incentive
204 under section 620.6027 shall be administered by the
205 department of revenue through tax filing, certification, and
206 reporting procedures.

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

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

215 12. The Missouri angel investment incentive under
216 section 620.6033 shall be administered by the department.

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

224 14. (1) The department shall adopt and promulgate
225 rules to establish and administer a master scorecard solely
226 for purposes of:

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

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

232 (2) The master scorecard shall:

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

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

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

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

243 (e) Establish proportional scaling between tiers;

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

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

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

253 (a) No single scoring category shall be weighed in a
254 manner that causes such category to constitute a mandatory
255 prerequisite to eligibility or to control a disproportionate
256 share of the total available points, except that the
257 department may assign enhanced weight to housing production
258 or residential activation categories consistent with the
259 purposes of this subsection, namely scoring categories
260 listed under paragraphs (a), (g), and (h) of subdivision (4)
261 of this subsection;

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

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

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

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

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

273 (b) Affordability;

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

275 (d) Community improvements and neighborhood
276 connectivity;
277 (e) Historic preservation;
278 (f) Access and mobility;
279 (g) Family-oriented design;
280 (h) Resident amenities and quality of life features;
281 (i) Timeline, stabilization, and assessed value; and
282 (j) Workforce practices, local participation, and
283 stewardship.

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

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

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

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

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

313 16. Nothing in this section shall prohibit a
314 participating city from awarding additional locally
315 administered incentives consistent with state law regardless
316 of a project's score under the master scorecard.

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

324 18. Nothing in sections 620.6000 to 620.6033 shall be
325 construed to waive, limit, supersede, or otherwise modify
326 any requirement, limitation, restriction, or prohibition
327 imposed by state or federal law applicable to an applicant
328 or to the use of funds including, but not limited to,
329 sections 135.810 and 280.025, any provision of sections
330 135.800 to 135.830, or any statutory limitation on
331 eligibility for, or use of, public funding. Compliance with
332 all applicable criminal, tax, labor, reporting, and funding
333 laws shall remain a condition of eligibility for, and
334 retention of, any economic development tools authorized
335 under sections 620.6000 to 620.6033, independent of the
336 master scorecard.

337 19. (1) Any state-administered economic development
338 tool authorized under sections 620.6000 to 620.6033 that
339 requires submission of an application to the department
340 shall be reviewed and determined in accordance with this
341 subsection.

342 (2) This subsection shall apply to:

343 (a) The rural Missouri development fund under section
344 620.6009;

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

347 (c) The employer relocation incentive under section
348 620.6021;

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

351 (e) The Missouri angel investment incentive under
352 section 620.6033.

353 (3) This subsection shall not apply to:

354 (a) The innovation zone public safety fund under
355 section 620.6012;

356 (b) The move-to-Missouri resident incentive under
357 section 620.6015; or

358 (c) The Missouri opportunity zone under section
359 620.6027.

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

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

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

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

378 (a) Be issued in writing; and

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

381 (6) (a) Applications for locally administered
382 economic development tools, including tax abatement and tax
383 increment financing authorized under sections 620.6003 to
384 620.6006, shall be reviewed and determined in accordance
385 with section 620.6006.

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

389 (c) For economic development tools subject to master
390 scorecard evaluation, the participating city shall apply the
391 master scorecard under section 620.6003 in accordance with
392 department rules, and the department shall retain
393 supervisory authority to ensure consistency, accuracy, and
394 compliance with statutory requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

66 6. Each participating city shall provide for
67 electronic submission of applications subject to this
68 section through a publicly accessible online filing system

69 capable of generating an automatic dated receipt upon
70 submission.

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

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

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

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

- 91 (a) Receiving and coordinating all development
92 applications;
- 93 (b) Receiving and coordinating applications for
94 locally administered development incentives;
- 95 (c) Receiving and coordinating business applications;
- 96 and
- 97 (d) Issuing consolidated determinations or
98 coordinating required approvals by relevant departments,
99 boards, commissions, or governing bodies.

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

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

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

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

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

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

126 (b) Issue a written notice of incompleteness.

127 (7) A notice of incompleteness shall:

128 (a) Identify each missing item;

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

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

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

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

142 (9) The applicable review period shall commence:

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

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

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

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

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

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

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

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

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

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

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

171 b. Stamped architectural drawings where required by
172 adopted code;

173 c. Stamped structural drawings where structural
174 modifications are proposed;

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

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

179 f. Any additional engineering plans required by
180 adopted code.

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

183 a. Required by ordinance adopted prior to submission;
184 or

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

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

191 a. New construction exceeding one hundred thousand
192 square feet;

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

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

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

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

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

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

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

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

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

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

222 (c) The one stop review authority shall verify the
223 accuracy of the applicant's score ministerially and shall

224 not alter scoring methodology or tier thresholds established
225 by the department by rule.

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

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

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

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

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

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

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

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

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

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

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

254 (19) (a) If the participating city fails to issue a
255 written approval or denial within the applicable review

256 period, the application shall be deemed approved by
257 operation of law, except as provided in subdivision (5) of
258 this subsection regarding affirmative legislative votes.

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

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

265 (d) Deemed approval shall not:

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

268 b. Authorize violation of zoning limitations;

269 c. Supersede state or federal approval requirements; or

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

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

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

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

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

287 (21) Nothing in this section shall:

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

291 (b) Limit inspection authority;

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

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

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

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

307 10. (1) A participating city shall adopt and
308 implement a policy providing that any permit, plan review,
309 inspection, or development-related fee applicable to
310 projects located within a Missouri innovation zone:

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

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

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

325 (3) A participating city may distinguish between:

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

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

329 11. (1) Any property subject to an existing tax
330 increment financing plan or tax abatement agreement at the
331 time of Missouri innovation zone certification shall
332 continue to be governed by the terms of such existing
333 agreement, and nothing in sections 620.6000 to 620.6033
334 shall be construed to impair, modify, or terminate such
335 agreement.

336 (2) (a) For properties within a Missouri innovation
337 zone that are not subject to an existing project-specific
338 tax increment financing plan or property tax abatement
339 agreement, twenty-five percent of the net-new incremental
340 real local property tax revenue generated after
341 certification shall be treated as tax increment for purposes
342 of deposit into the applicable innovation zone public safety
343 fund, established under section 620.6012. The reallocation
344 of such funds shall be determined by the executive branch
345 under sections 620.6000 to 620.6033.

346 (b) For purposes of this subdivision, local property
347 tax revenue means real property taxes levied by political
348 subdivisions within the Missouri innovation zone and shall
349 not include any real property taxes levied by the state of

350 Missouri including, but not limited to, taxes levied under
351 section 209.130.

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

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

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

366 (c) Proceed without either incentive.

367 12. (1) A participating city shall provide building
368 code flexibility for adaptive reuse projects within the
369 zone. Such flexibility shall:

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

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

379 (c) Maintain compliance with applicable structural
380 requirements, fire safety codes, life-safety standards, and

381 applicable building codes containing feasible alternative
382 compliance pathways.

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

386 13. (1) If the department determines that a
387 participating city has failed to maintain one or more
388 requirements of this section, the department shall provide
389 written notice of such noncompliance.

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

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

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

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

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

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

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

413 14. (1) The department shall prepare and submit a
414 biennial written report to the general assembly summarizing
415 the status, performance, and outcomes of the Missouri
416 innovation zone program. The purpose of the report is to
417 provide transparency, accountability, and aggregate
418 information regarding the implementation and performance of
419 Missouri innovation zones and the incentives authorized
420 under sections 620.6000 to 620.6033. The report shall be
421 informational in nature and shall not be used to impose
422 additional approval requirements, conditions, or penalties
423 on any Missouri innovation zone or approved projects.

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

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

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

433 (b) The number and types of projects approved and the
434 distribution of incentive tiers authorized under sections
435 620.6000 to 620.6033;

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

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

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

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

445 15. The department may retain, subject to
446 appropriation, a limited portion of net-new state revenue
447 generated under sections 620.6000 to 620.6033 solely for the
448 administration of the Missouri innovation zone program.
449 Such retained amounts shall be derived exclusively from net-
450 new state revenue attributable to Missouri innovation zones
451 and shall not reduce or impair any existing state or local
452 revenues. No application, participation, or administrative
453 fees shall be imposed under sections 620.6000 to 620.6033.

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

463 17. Notwithstanding any provisions of section 32.057,
464 or any other law to the contrary, the department of revenue
465 shall disclose to the department, the state treasurer, and
466 any other state agency or local governments administering
467 economic development tools under sections 620.6000 to
468 620.6033 such state tax information as is necessary to
469 verify eligibility for, calculate, administer, audit, or
470 enforce any economic development tool authorized under
471 sections 620.6000 to 620.6033. Any information disclosed
472 under this subsection shall otherwise remain confidential
473 and shall be used solely for purposes of administering
474 sections 620.6000 to 620.6033.

475 18. The department shall promulgate such rules and
476 regulations as are necessary to implement and administer

477 sections 620.6000 to 620.6033, provided that such rules are
478 consistent with and reasonably necessary to carry out the
479 purposes, structure, and operative provisions of sections
480 620.6000 to 620.6033. Any rule or portion of a rule, as
481 that term is defined in section 536.010, that is created
482 under the authority delegated in sections 620.6000 to
483 620.6033 shall become effective only if it complies with and
484 is subject to all of the provisions of chapter 536 and, if
485 applicable, section 536.028. This section and chapter 536
486 are nonseverable and if any of the powers vested with the
487 general assembly pursuant to chapter 536 to review, to delay
488 the effective date, or to disapprove and annul a rule are
489 subsequently held unconstitutional, then the grant of
490 rulemaking authority and any rule proposed or adopted after
491 August 28, 2026, shall be invalid and void.

492 19. Notwithstanding section 23.253 to the contrary:

493 (1) The provisions of the new program authorized under
494 sections 620.6000 to 620.6033 shall sunset ten years after
495 the effective date of sections 620.6000 to 620.6033 unless
496 reauthorized by an act of the general assembly; and

497 (2) Sections 620.6000 to 620.6033 shall terminate on
498 September first of the calendar year immediately following
499 the calendar year in which the program authorized under
500 sections 620.6000 to 620.6033 is sunset.

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

7 2. (1) For purposes of this section, a "contributing
8 city" means a city that:

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

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

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

18 3. (1) Each contributing city shall annually
19 contribute to the rural Missouri development fund an amount
20 equal to ten percent of net-new property tax revenue by such
21 communities that are generated within its Missouri
22 innovation zone above the applicable baseline.

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

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

30 (a) Any property tax revenues abated, exempted, or
31 otherwise forgone under a property tax abatement agreement;
32 or

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

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

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

41 (b) Net-new property tax revenue actually collected
42 within the Missouri innovation zone exceeds the applicable
43 certified baseline for property tax collections within such
44 zone.

45 4. (1) Moneys in the rural Missouri development fund
46 shall be awarded to:

47 (a) Rural cities;

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

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

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

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

58 (1) Rural education;

59 (2) Public infrastructure improvements or public
60 safety;

61 (3) Housing development, rehabilitation, or
62 stabilization;

63 (4) Workforce development or training;

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

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

67 6. (1) The department shall administer the rural
68 Missouri development fund and shall establish an application
69 process for eligible recipients.

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

72 (a) Project readiness;

- 73 (b) Demonstrated community need;
- 74 (c) Alignment with the purposes of this section; and
- 75 (d) Written input from contributing cities.
- 76 (3) The department shall annually submit to the budget
- 77 committee of the house of representatives a report
- 78 indicating the process used to determine disbursements of
- 79 moneys from the fund, including the amount of each award,
- 80 the identity of each awardee, and the purpose of each award.

81 7. The department shall promulgate such rules and

82 regulations as are necessary to implement and administer

83 this section. Any rule or portion of a rule, as that term

84 is defined in section 536.010, that is created under the

85 authority delegated in this section shall become effective

86 only if it complies with and is subject to all of the

87 provisions of chapter 536 and, if applicable, section

88 536.028. This section and chapter 536 are nonseverable and

89 if any of the powers vested with the general assembly

90 pursuant to chapter 536 to review, to delay the effective

91 date, or to disapprove and annul a rule are subsequently

92 held unconstitutional, then the grant of rulemaking

93 authority and any rule proposed or adopted after August 28,

94 2026, shall be invalid and void.

620.6012. 1. There is hereby established the

2 "Innovation Zone Public Safety Fund" for the purpose of

3 reinvesting a portion of net-new state economic activity

4 generated within a Missouri innovation zone into public

5 safety, public infrastructure, and related improvements that

6 support sustained vitality.

7 2. (1) Subject to the exclusions set forth in this

8 section, the innovation zone public safety fund shall

9 receive fifty percent of net-new state revenue generated

10 within a Missouri innovation zone that would otherwise be
11 deposited into the state general revenue fund.

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

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

20 3. The baseline for determining incremental state tax
21 receipts shall be established by the department based on
22 actual state sales tax and state withholding tax collections
23 within the Missouri innovation zone during the twelve months
24 immediately preceding certification of the zone. The
25 baseline shall remain fixed for the purposes of calculating
26 incremental receipts under this section.

27 4. (1) This section shall not apply to any geographic
28 area located within:

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

33 (b) A district designated under the Missouri Downtown
34 Economic Stimulus Authority Act (MODESA), whether such a
35 district exists at the time of Missouri innovation zone
36 certification or is created thereafter.

37 (2) Incremental state tax receipts generated within
38 excluded geographic areas shall not be subject to recapture
39 under this section.

40 (3) Excluded geographic areas shall not receive
41 moneys, directly or indirectly, or benefit from moneys

42 remitted to or expended from the innovation zone public
43 safety fund, including funding for public safety,
44 infrastructure, or public realm improvements.

45 5. (1) Moneys remitted under this section shall be
46 deposited into a dedicated local fund or account established
47 by the participating city for the applicable Missouri
48 innovation zone.

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

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

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

59 6. (1) Moneys remitted from the innovation zone
60 public safety fund shall be used for capital or operating
61 expenditures related to public safety and public realm
62 improvements within the Missouri innovation zone including,
63 but not limited to:

64 (a) Police services and law enforcement staffing;

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

66 (c) Wayfinding and signage;

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

69 (e) Landscaping, trees, and plazas;

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

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

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

76 (2) The use of innovation zone public safety fund
77 moneys for police services shall be limited to sworn law
78 enforcement officers or duly authorized law enforcement
79 agencies and shall not include private security or non-law-
80 enforcement personnel acting in a public safety capacity.
81 Moneys remitted under this section shall supplement and not
82 supplant existing public safety funding obligations of the
83 Missouri innovation zone.

84 7. (1) A project sponsor may apply to the department
85 for a construction-phase withholding for a project located
86 within a Missouri innovation zone, provided that:

87 (a) The project has received all required local
88 approvals; and

89 (b) The project has total hard construction costs of
90 not less than five million dollars.

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

95 (3) The department shall authorize a construction-
96 phase withholding advance upon demonstration by the project
97 sponsor that:

98 (a) The project is located within a Missouri
99 innovation zone;

100 (b) The project will generate construction-phase
101 employment occurring within the zone; and

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

105 (4) The department's review shall be limited to
106 verification of eligibility and projected withholding
107 amounts and shall not include discretionary policy
108 evaluation.

109 (5) The amount of a construction-phase withholding
110 advance authorized under this section shall not exceed
111 twenty-five percent of the projected state income tax
112 withholdings attributable to construction-phase employment
113 generated by the project above the applicable baseline. In
114 no event shall a project sponsor receive construction-phase
115 withholding advances exceeding twenty-five percent of actual
116 construction-phase withholdings generated by the project.
117 Construction-phase withholding advances shall not be
118 eligible for use as qualifying reinvestment expenditures
119 under section 620.6018.

120 8. (1) An authorized construction-phase withholding
121 advance shall not be disbursed until the project sponsor
122 demonstrates to the department that:

123 (a) Construction has commenced; and

124 (b) Not less than ten percent of the total hard
125 construction costs have been incurred.

126 (2) Upon satisfaction of such requirements, the
127 department shall authorize payment to the project sponsor an
128 amount not to exceed twenty-five percent of the incremental
129 state income tax withholdings actually received and
130 attributable to construction-phase employment within the
131 certified Missouri innovation zone, which amount would
132 otherwise be allocable to the innovation zone public safety
133 fund.

134 9. The department shall approve or deny an application
135 for a construction-phase withholding advance within forty-
136 five calendar days of receipt of a complete application.

137 Failure to act within such period shall result in deemed
138 approval of the application as submitted.

139 10. For purposes of this section, "construction-phase
140 employment" means employment primarily engaged in
141 construction, demolition, rehabilitation, or related
142 activities associated with an approved development project
143 and occurring prior to project stabilization. Construction-
144 phase employment shall not include permanent or stabilized
145 employment.

146 11. (1) Following completion of construction, the
147 department shall verify the actual amount of state income
148 tax withholdings attributable to construction-phase
149 employment generated by the project above the applicable
150 baseline.

151 (2) Notwithstanding the provisions of section 32.057
152 to the contrary, the department of revenue shall disclose to
153 the department such state income tax withholding information
154 as is necessary to verify the amount required under
155 subdivision (1) of this subsection.

156 (3) Any information disclosed pursuant to this
157 subsection:

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

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

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

164 (4) If twenty-five percent of the actual construction-
165 phase withholdings equals or exceeds the amount of the
166 construction-phase withholding advance disbursed to the
167 project, no further action shall be required.

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

175 12. All incremental state tax receipts attributable to
176 construction-phase employment not subject to an approved
177 construction-phase withholding advance shall be allocated
178 for the benefit of the applicable Missouri innovation zone
179 and controlled by the executive branch in accordance with
180 sections 620.6000 to 620.6033.

181 13. (1) The department of revenue shall, within one
182 hundred twenty calendar days following the close of each
183 fiscal year, calculate the amount of net-new state revenue
184 attributable to each certified Missouri innovation zone
185 established.

186 (2) Upon such calculation, the state treasurer shall
187 transfer the applicable funds to the innovation zone public
188 safety fund subaccount designated for the participating
189 city. Such transfer shall occur by operation of law and
190 shall not require further legislative appropriation.

191 (3) Participating cities shall not be required to
192 submit an application for receipt of funds under this
193 section. Receipt of funds shall occur automatically upon
194 certification and verification of net-new revenues as
195 provided herein.

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

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

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

206 14. The department shall promulgate all rules
207 necessary to implement this section, provided that such
208 rules are consistent with and reasonably necessary to carry
209 out the purposes, structure, and operative provisions of
210 sections 620.6000 to 620.6033. In promulgating such rules,
211 the department shall consult with the department of revenue
212 to the extent necessary for the administration of this
213 section. Any rule or portion of a rule, as that term is
214 defined in section 536.010, that is created under the
215 authority delegated in this section shall become effective
216 only if it complies with and is subject to all of the
217 provisions of chapter 536 and, if applicable, section
218 536.028. This section and chapter 536 are nonseverable and
219 if any of the powers vested with the general assembly
220 pursuant to chapter 536 to review, to delay the effective
221 date, or to disapprove and annul a rule are subsequently
222 held unconstitutional, then the grant of rulemaking
223 authority and any rule proposed or adopted after August 28,
224 2026, shall be invalid and void.

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

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

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

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

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

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

24 (b) Establishes a primary residence within a Missouri
25 innovation zone and is a resident of the state of Missouri
26 for state income tax purposes during the tax year for which
27 the exclusion is claimed; and

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

31 3. For all tax years beginning on or after January 1,
32 2027, the income tax exclusion authorized by this section
33 shall apply beginning with the first tax year for which the
34 individual qualifies as a qualified resident and for each
35 subsequent tax year in which the individual remains a
36 resident of the state of Missouri for income tax purposes
37 and maintains a primary residence within a Missouri

38 innovation zone. The exclusion shall not apply for any tax
39 year in which either condition is not satisfied.

40 4. Nothing in this section shall be construed to
41 require that a qualified resident occupy a primary residence
42 within a Missouri innovation zone for any minimum number of
43 days or months during a tax year, provided the individual
44 otherwise qualifies as a Missouri resident for income tax
45 purposes and maintains such residence as the individual's
46 primary residence.

47 5. Any reduction in tax as a result of such exclusion
48 shall be fully recaptured by the department of revenue for
49 the tax year in which eligibility is lost if the qualified
50 resident no longer meets the requirements provided under
51 this section. The amount required to be recaptured shall be
52 deemed an underpayment of tax and shall be due and payable
53 on the tax return that is due immediately following the loss
54 of residency. If no Missouri income tax return is otherwise
55 required to be filed for such tax year and, in the same
56 year, the individual subsequently no longer meets the
57 qualifications for the incentive under this section, the
58 individual shall file a return for the sole purpose of
59 reporting and remitting the recaptured amount, and the
60 department of revenue may assess and collect such amount in
61 the same manner as any other tax due under chapter 143.

62 6. Notwithstanding any other provision of law to the
63 contrary, the department of revenue may collect any taxes
64 deemed to be an underpayment under this section within three
65 years following the due date of the recaptured taxes.
66 Nothing in this subsection shall be construed to limit or
67 supersede any longer period for assessment or collection
68 otherwise provided by law.

69 7. The exclusion authorized under this section shall
70 apply only to income earned during tax years in which the
71 individual satisfies the definition of a qualified resident
72 and maintains a primary residence within a Missouri
73 innovation zone.

74 8. The department shall promulgate all rules necessary
75 to implement this section, provided that such rules are
76 consistent with and reasonably necessary to carry out the
77 purposes, structure, and operative provisions of sections
78 620.6000 to 620.6033. In promulgating such rules, the
79 department of economic development shall consult with the
80 department of revenue to the extent necessary for the
81 administration of this section. Any rule or portion of a
82 rule, as that term is defined in section 536.010, that is
83 created under the authority delegated in this section shall
84 become effective only if it complies with and is subject to
85 all of the provisions of chapter 536 and, if applicable,
86 section 536.028. This section and chapter 536 are
87 nonseverable and if any of the powers vested with the
88 general assembly pursuant to chapter 536 to review, to delay
89 the effective date, or to disapprove and annul a rule are
90 subsequently held unconstitutional, then the grant of
91 rulemaking authority and any rule proposed or adopted after
92 August 28, 2026, shall be invalid and void.

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

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

7 (1) "Baseline payroll", the employer's average
8 quarterly gross payroll attributable to the Missouri

9 innovation zone location for the four consecutive calendar
10 quarters immediately preceding approval of a withholding
11 agreement under this section, or such alternative baseline
12 as may be established for a newly locating or expanding
13 employer under a withholding agreement;

14 (2) "Eligible employee", an employee:

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

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

20 (3) "Eligible employer", an employer that:

21 (a) Operates or establishes a business location within
22 a Missouri innovation zone; and

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

28 An employer shall not receive withholding benefits under
29 this section for wages or payroll amounts used to calculate
30 benefits under section 620.6021. The department shall
31 ensure that no payroll is used to generate benefits under
32 both sections;

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

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

37 (b) Has no delinquent tax liability, penalty, or
38 interest outstanding unless such liability is subject to an

39 approved payment agreement and the employer is in compliance
40 with such agreement; and

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

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

47 (6) "Qualifying reinvestment expenditures", documented
48 expenditures incurred by an eligible employer for capital
49 improvements or other investments at or for the benefit of
50 the Missouri innovation zone location including, but not
51 limited to, security and safety improvements such as law
52 enforcement, as defined in section 620.6012; lighting,
53 cameras, and access control; building systems improvements;
54 tenant improvements; public infrastructure improvements;
55 life-safety systems; code compliance; accessibility
56 improvements; or other expenditures approved by the
57 department that are consistent with the purposes of this
58 section, provided that such expenditures supplement and do
59 not supplant ordinary operating expenses;

60 (7) "Withholding agreement", an agreement entered into
61 between an eligible employer and the department under this
62 section that specifies:

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

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

67 (c) The qualifying reinvestment expenditures to be
68 undertaken by the employer, demonstrating that the
69 qualifying rehabilitation expenditures are new investments
70 that supplement and do not supplant the employer's ordinary

71 operating or capital expenditures within the Missouri
72 innovation zone;

73 (d) Payroll baseline and maintenance requirements;

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

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

78 (8) "Withholding benefit", the state income tax
79 withholdings attributable to eligible employees that an
80 eligible employer is authorized to receive, either through a
81 credit or through authorized retention of such withholdings,
82 which may be carried forward under a withholding agreement
83 under this section;

84 (9) "Withholding incentive", a nonrefundable credit
85 against the employer's liability otherwise due under chapter
86 143, equal to all or a portion of the withholding benefit
87 authorized under a withholding agreement under this section,
88 which may be carried forward in accordance with this
89 section. Such credit shall not be applied against the
90 employer's obligation to withhold or remit income tax under
91 chapter 143.

92 3. An eligible employer may, but shall not be required
93 to, apply to enter into a withholding agreement with the
94 department under this section. For all tax years beginning
95 on or after January 1, 2027, an eligible employer that
96 enters into a withholding agreement shall receive a
97 withholding benefit attributable to eligible employees. The
98 withholding benefit may be delivered either as a withholding
99 tax credit or as authorized retention of state income tax
100 withholdings, as specified in the withholding agreement.
101 The method of delivery shall not affect the amount of the
102 withholding benefit authorized under this section.

103 4. (1) Applications for a withholding agreement may
104 be submitted at any time. The department shall approve or
105 deny any application for a withholding agreement within
106 forty-five calendar days of receipt of a complete
107 application. The department shall approve a withholding
108 agreement unless it determines that:

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

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

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

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

129 5. The withholding benefit authorized under this
130 section shall not exceed three percent of the aggregate
131 gross wages paid to eligible employees at the Missouri
132 innovation zone location during a tax year. The withholding
133 benefit may be authorized for a period not to exceed ten
134 years, as specified in the withholding agreement. A

135 withholding incentive issued under this section shall be
136 nonrefundable and may be carried forward in accordance with
137 the terms of the withholding agreement.

138 6. A withholding agreement shall provide that the
139 withholding benefit is requested and authorized on a
140 quarterly basis, based on state income tax withholdings
141 attributable to covered employees during the applicable
142 calendar quarter. The department may authorize a
143 withholding agreement to permit requests on a semi-annual
144 basis if determined appropriate based on the size or nature
145 of the employer and provided that such authorization does
146 not impact verification or compliance. For purposes of this
147 subsection, the "applicable request period" means the
148 calendar quarter or, if authorized by the department, the
149 semi-annual period specified in the withholding agreement.
150 In no event shall a withholding agreement authorize
151 automatic retention or crediting of withholdings beyond the
152 applicable request period without review and verification as
153 required by this section.

154 7. Any withholding benefit received under this section
155 shall be used solely for qualifying reinvestment
156 expenditures. In no event shall the total amount of
157 withholding benefit received by an eligible employer exceed
158 the total amount of qualifying reinvestment expenditures
159 actually incurred and paid under the withholding agreement.

160 8. To receive and retain a withholding benefit under
161 this section, an eligible employer shall:

- 162 (1) Operate within a Missouri innovation zone;
- 163 (2) Demonstrate a commitment to remain at the Missouri
164 innovation zone location for not less than five years;
- 165 (3) Complete qualifying reinvestment expenditures
166 under the withholding agreement;

167 (4) Maintain not less than ninety-five percent of
168 baseline payroll, subject to notice and cure; and
169 (5) Submit any other information reasonably requested
170 by the department.

171 9. (1) An employer receiving a withholding benefit
172 shall submit to the department, on a quarterly basis, a
173 certification of:

174 (a) State income tax withholdings attributable to
175 eligible employees;
176 (b) Compliance with payroll maintenance requirements;
177 and
178 (c) Qualifying reinvestment expenditures incurred to
179 date.

180 (2) If the department determines that an employer is
181 not in compliance, the department shall provide written
182 notice of noncompliance. The employer shall have thirty
183 calendar days from receipt of such notice to cure the
184 noncompliance or submit a cure plan acceptable to the
185 department. If the employer fails to cure within the
186 applicable period, the withholding agreement shall be
187 suspended or terminated, and any excess withholding benefit
188 shall be subject to recapture as provided in the agreement.

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

196 11. The department may audit qualifying rehabilitation
197 expenditures and withholding benefit usage. Any amount
198 determined to have been improperly claimed or retained shall

199 be repaid to the state or offset against future withholding
200 benefits, as provided in the withholding agreement.

201 12. An employer may participate in the incentive
202 authorized under this section concurrently with
203 participation in the Missouri one-start program under
204 sections 620.800 to 620.809, the Missouri quality jobs act
205 under sections 620.1875 to 620.1890, or the state economic
206 development programs, provided that each program's statutory
207 requirements are independently satisfied. Participation
208 under this subsection shall not disqualify an employer from
209 other incentives, nor shall benefits under this section be
210 aggregated for purposes of determining eligibility or
211 leverage under other programs expressly required by law.
212 The withholding tax credit under the Missouri one start
213 program under sections 620.800 to 620.809 or the Missouri
214 quality jobs act under sections 620.1875 to 620.1890 shall
215 be collected and disbursed prior to the collection and
216 disbursement of the withholding benefits under the
217 provisions of this section. In no event shall the same
218 state income tax withholdings, or projected withholdings, be
219 used to calculate, authorize, or support benefits under more
220 than one program referenced in this subsection.

221 13. Tax credits issued under the provisions of this
222 section shall be nonrefundable. No tax credit claimed under
223 this section shall be assigned, transferred, sold, or
224 otherwise conveyed.

225 14. The department, in coordination with the
226 department of revenue, shall promulgate all necessary rules
227 and regulations, solely for administrative purposes of this
228 section. Any rule or portion of a rule, as that term is
229 defined in section 536.010, that is created under the
230 authority delegated in this section shall become effective

231 only if it complies with and is subject to all of the
232 provisions of chapter 536 and, if applicable, section
233 536.028. This section and chapter 536 are nonseverable and
234 if any of the powers vested with the general assembly
235 pursuant to chapter 536 to review, to delay the effective
236 date, or to disapprove and annul a rule are subsequently
237 held unconstitutional, then the grant of rulemaking
238 authority and any rule proposed or adopted after August 28,
239 2026, shall be invalid and void.

620.6021. 1. This section establishes an employer
2 relocation withholding 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
6 Missouri to accept employment with an eligible employer;

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

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

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

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

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

25 (3) "Eligible relocation expenses", includes
26 reasonable and necessary one-time costs incurred in
27 connection with an eligible employee's relocation to or
28 within the state of Missouri that are paid directly by the
29 eligible employer or reimbursed by the eligible employer to
30 the eligible employee, which may include:

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

33 (b) Travel expenses associated with the relocation;

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

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

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

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

49 3. An employer shall not receive withholding retention
50 benefits under this section for wages or payroll amounts
51 used to calculate benefits under this section. The
52 department shall ensure that no payroll is used to generate
53 benefits under both sections.

54 4. For all tax years beginning on or after January 1,
55 2027, an eligible employer shall be allowed to claim a tax

56 credit against the employer's state tax liability in an
57 amount equal to the eligible relocation expenses actually
58 incurred and paid by the employer on behalf of an eligible
59 employee during the tax year in which the employee relocated
60 to a Missouri innovation zone, not to exceed five thousand
61 dollars per tax year per eligible employee.

62 5. An eligible employer applying for a state tax
63 credit under the provisions of this section shall submit an
64 application to the department in such form and manner as
65 prescribed by rule and shall be subject to the application
66 completeness, review, and approval timelines set forth by
67 rule. If the employer meets all criteria required under the
68 provisions of this section and section 620.6000, and
69 approval is granted by the department, the department shall
70 issue a tax credit certificate in the appropriate amount.

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

76 7. If an eligible employee fails to maintain the
77 primary residence requirement for twelve consecutive months
78 following relocation, any state tax credit attributable to
79 such employee shall be subject to recapture from the
80 eligible employer. The amount subject to recapture shall be
81 added to the employer's tax liability for the tax year in
82 which the failure occurs and shall be due and payable on the
83 employer's next tax return. If no Missouri income tax
84 return is otherwise required to be filed for such tax year,
85 the department of revenue may assess and collect such amount
86 in the same manner as any other tax due under chapter 143 or
87 148.

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

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

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

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

4 (1) "Qualified conversion expenditures", any amount
5 properly chargeable to a capital account for federal income
6 tax purposes that is incurred in connection with the
7 conversion of a qualified converted building, consistent
8 with the definition of "qualified rehabilitation
9 expenditures" under 26 U.S.C. Section 47 and applicable
10 United States Treasury regulations, as in effect on January
11 1, 2027, and shall include only costs incurred for
12 rehabilitation, reconstruction, or adaptive reuse of an
13 existing structure. The term "qualified conversion
14 expenditures" shall not include:

- 15 (a) The cost of acquisition;
- 16 (b) Any expenditure attributable to the enlargement of
17 an existing building; or
- 18 (c) Tax-exempt properties;
- 19 (2) "Qualified converted building", any building and
20 its structural components if:
- 21 (a) Prior to conversion, such building was
22 nonresidential real property, as defined in 26 U.S.C.
23 Section 168(e)(2)(B), as amended, that was leased, or
24 available for lease, to office tenants, or utilized for
25 office purposes by the owner-occupant;
- 26 (b) Such building has been substantially converted
27 from an office use to a predominantly residential use,
28 defined as more than fifty percent of the gross square
29 footage of the building, and may also include retail, or
30 other commercial use, and may also include accessory on-site
31 or required off-site parking; and
- 32 (c) Such building was initially placed in service at
33 least twenty-five years before the beginning of the
34 conversion;
- 35 (3) "Substantially converted", qualified conversion
36 expenditures incurred during the twenty-four-month period
37 preceding final approval of tax credits that in total are
38 greater than the higher of either:
- 39 (a) The adjusted basis of such building and its
40 structural components, as determined as of the beginning of
41 the first day of such twenty-four-month period, or of the
42 holding period of the building, whichever is later; or
- 43 (b) Fifteen thousand dollars if the property is
44 located in a qualified Missouri main street district, or
45 five hundred thousand dollars if the property is not located
46 in a qualified Missouri main street district. In the case

47 of any conversion that may reasonably be expected to be
48 completed in phases set forth in architectural plans and
49 specifications completed before the conversion begins,
50 qualified conversion expenditures shall be totaled for the
51 sixty-month period preceding final approval of tax credits
52 rather than the twenty-four-month period preceding such
53 final approval;

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

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

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

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

69 (6) "State tax liability", any liability incurred by a
70 taxpayer pursuant to chapter 143 or chapter 148, exclusive
71 of the provisions relating to the withholding of taxes
72 provided for in sections 143.191 to 143.265 and related
73 provisions;

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

78 3. (1) For all tax years beginning on or after
79 January 1, 2027, the department shall issue a taxpayer a tax
80 credit of up to twenty-five percent of qualified conversion
81 expenditures incurred on or after January 1, 2027, with
82 respect to a qualified converted building or upper-floor
83 housing located either incurred on or after January 1, 2027:

84 (a) Within a Missouri innovation zone; or

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

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

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

103 (4) Tax credits authorized under this section may be
104 transferred, sold, or assigned, and shall retain the same
105 attributes as in the hands of the assignor. Tax credits may
106 be transferred multiple times. In order to transfer a tax
107 credit authorized under this section, the assignor and
108 assignee shall complete and submit a tax credit transfer
109 form provided by the department of revenue. Such transfers

110 may be facilitated through an intermediary entity as
111 permitted by law without affecting the nature or attributes
112 of the tax credit.

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

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

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

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

134 4. (1) For all tax years beginning on or after
135 January 1, 2027, the department shall issue a taxpayer a tax
136 credit of up to thirty percent of qualified conversion
137 expenditures incurred on or after January 1, 2027, with
138 respect to upper-floor housing located in a qualified
139 Missouri main street district. If the amount of such tax
140 credit exceeds the taxpayer's state tax liability for the
141 year in which tax credits are issued, the amount that

142 exceeds the state tax liability may be carried forward for
143 credit against state tax liability for the succeeding ten
144 tax years, or until the full credit is used, whichever
145 occurs first.

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

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

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

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

172 (6) Nothing in this section shall be construed to
173 permit a taxpayer to reduce, offset, or eliminate any tax

174 liability by an amount greater than the amount of tax credit
175 properly issued, transferred, or otherwise allowed to such
176 taxpayer under this section.

177 5. (1) The tax credits authorized under this section
178 shall constitute a single tax credit program. Qualified
179 conversion expenditures with respect to any building,
180 project, or portion thereof may be used to claim a tax
181 credit under only one subdivision or subsection of this
182 section, and in no event shall the same qualified conversion
183 expenditures be counted, allocated, transferred, sold,
184 assigned, or otherwise used more than once for purposes of
185 claiming or supporting a tax credit under this section. A
186 taxpayer shall not receive both the credit authorized for a
187 qualified converted building or upper-floor housing under
188 subsection 3 of this section and the credit authorized for
189 upper-floor housing under subsection 4 of this section with
190 respect to the same qualified conversion expenditures,
191 building, project, or portion thereof. If a project could
192 qualify under more than one provision of this section, the
193 taxpayer may elect only one such provision with respect to
194 the same qualified conversion expenditures.

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

198 (3) Fifty percent of the maximum amount of tax credits
199 available to be authorized to taxpayers in a fiscal year
200 under this subsection shall be authorized solely for
201 structures of more than seven hundred fifty thousand gross
202 square feet. If the total amount of such reserved tax
203 credits has been authorized, structures of more than seven
204 hundred fifty thousand gross square feet may receive tax
205 credits from the remaining unreserved amount of tax

206 credits. If the total amount of reserved tax credits has
207 not been authorized by the department, structures of less
208 than seven hundred fifty thousand gross square feet may be
209 authorized to receive tax credits from such reserved
210 amount. The total amount of tax credits for a structure of
211 more than seven hundred fifty thousand gross square feet may
212 be allocated to the annual limits provided in this section
213 over a period of up to ten years if:

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

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

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

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

235 6. In the event the department authorizes tax credits
236 equal to the total amount available under this section, or
237 sufficient that when totaled with all other approvals, the

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

250 7. (1) To obtain approval for tax credits under this
251 section, a taxpayer shall submit to the department for
252 preliminary approval, an application for tax credits
253 authorization to the department. The department shall have
254 forty-five calendar days to review the application and shall
255 notify the applicant in writing within forty-five calendar
256 days of the decision of whether the application has been
257 authorized for tax credits. Each application for approval,
258 including any applications received for supplemental
259 allocations of tax credits, as provided under this section,
260 shall be authorized for tax credits in the order of
261 submission.

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

265 (a) Proof of ownership or site control, which shall
266 include evidence that the taxpayer is the fee simple owner
267 of the eligible property, such as a warranty deed or a
268 closing statement. Proof of site control may be evidenced
269 by a leasehold interest or an option to acquire such an

270 interest. If the taxpayer is in the process of acquiring
271 fee simple ownership, proof of site control shall include an
272 executed sales contract or an executed option to purchase
273 the eligible property;

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

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

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

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

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

290 8. Only the property for which a property address is
291 provided in the application shall be reviewed for approval.
292 Once selected for review, a taxpayer shall not be permitted
293 to request the review of another property for approval in
294 the place of the property contained in such application.
295 The department shall notify the applicant of incomplete
296 applications and the applicant shall have a thirty-day
297 period from the date of such notice to submit missing
298 information or documentation to remedy the failure. Any
299 application that is not complete after this opportunity to
300 cure shall be disapproved by the department. Any
301 disapproved application shall be removed from the review

302 process. If an application is removed from the review
303 process, the department shall notify the taxpayer in writing
304 of the decision to remove such application. The taxpayer
305 may subsequently submit a revised application. For the
306 purposes of determining the order of submission and
307 authorization of credits, the revised application shall be
308 considered a new application.

309 9. The department shall use the innovation zone master
310 scorecard under sections 620.6000 to 620.6033 to determine
311 the credit amount.

312 10. If the department determines that the application
313 meets the requirements of this section and section 620.6003
314 to receive an authorization of tax credits, the taxpayer
315 shall be notified in writing within forty-five days of the
316 approval for an amount of tax credits equal to the amounts
317 provided in this section, subject to the provisions of
318 section 620.6003, unless approval of such credits would
319 cause the total aggregate amount of tax credits approved
320 under this section for all projects in the applicable tax
321 year to exceed the annual limitation established herein.
322 Tax credits approved under this section shall be approved
323 and administered independently of any other state tax credit
324 program and shall not be aggregated or evaluated in
325 combination with other state tax credits for purposes of
326 determining eligibility, scoring, leverage ratios, or
327 maximum award limitations under such other programs. Such
328 approvals shall be granted to applications in the order of
329 priority established under this section and shall require
330 full compliance thereafter with all other requirements of
331 law as a condition to any claim for such tax credits.

332 11. Following approval of an application, the identity
333 of the taxpayer contained in such application shall not be
334 modified except:

335 (1) The taxpayer may add partners, members, or
336 shareholders as part of the ownership structure, so long as
337 the principal remains the same; provided, however, that
338 subsequent to the commencement of renovation and the
339 expenditure of at least ten percent of the proposed
340 rehabilitation budget, removal of the principal for failure
341 to perform duties and the appointment of a new principal
342 thereafter shall not constitute a change of the principal; or

343 (2) Where the ownership of the project is changed due
344 to a foreclosure, deed in lieu of a foreclosure or voluntary
345 conveyance, to avoid foreclosure, or a transfer in
346 bankruptcy.

347 12. Upon approval of a tax credit application, a
348 taxpayer shall:

349 (1) Submit within one hundred twenty days from the
350 date of the award of such credits, evidence of the capacity
351 of the applicant to finance the costs and expenses for the
352 conversion of the eligible property in the form of a line of
353 credit or letter of commitment subject to the lender's
354 termination for a material adverse change impacting the
355 extension of credit. If the department determines that a
356 taxpayer has failed to comply with the requirements of this
357 subdivision, the department shall notify the applicant of
358 such failure and the applicant shall have a thirty-day
359 period from the date of such notice to submit additional
360 evidence to remedy the failure; and

361 (2) Commence conversion within twelve months of the
362 date of issuance of the letter from the department granting
363 the approval for tax credits. For the purposes of this

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

390 13. To claim a tax credit authorized under this
391 section, a taxpayer with approval shall apply for final
392 approval and issuance of tax credits from the department,
393 which shall determine the final amount of qualified
394 conversion expenditures and whether the project meets the

395 requirements of this section. A taxpayer shall submit to
396 the department a final application demonstrating:

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

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

402 (3) Any other information reasonably requested by the
403 department to verify qualified conversion expenditures or
404 compliance with the requirements of this section or section
405 620.6000.

406 14. Tax credits authorized under this section shall be
407 deemed to be redevelopment tax credits for the purposes of
408 sections 135.800 to 135.830. The approval of all
409 applications and the issuing of certificates of tax credits
410 to taxpayers shall be performed by the department. The
411 department shall inform a taxpayer of final approval by
412 letter and shall issue to the taxpayer tax credit
413 certificates. The taxpayer shall attach the certificate to
414 all Missouri tax returns on which the credit is claimed.

415 15. (1) The department shall issue seventy-five
416 percent of the approved tax credits under this section
417 within forty-five calendar days of receiving all required
418 final application materials. Within ninety calendar days of
419 receiving all required final application materials, the
420 department shall make a final determination of qualified
421 conversion expenditures and issue the remaining twenty-five
422 percent of approved tax credits, or request repayment from
423 the applicant if the final determination results in an over-
424 issuance of tax credits. In the event the amount of
425 qualified conversion expenditures incurred by a taxpayer
426 would result in the issuance of an amount of tax credits in

427 excess of the amount authorized under this section, such
428 taxpayer may apply to the department for issuance of tax
429 credits in an amount equal to such excess. Applications for
430 issuance of tax credits in excess of the amount provided
431 under a taxpayer's authorization shall be made on a form
432 prescribed by the department. Such applications shall be
433 subject to all provisions regarding priority provided under
434 this section.

435 (2) For tax credits authorized under this section, the
436 applicant may submit to the department an application for
437 the issuance of tax credits annually prior to final
438 completion of the project. Upon approval of the annual
439 application for issuance, the department shall issue eighty
440 percent of the amount of tax credits that would result from
441 the qualified conversion expenditures, provided the total
442 amount of credits issued to date does not exceed the total
443 amount of credits authorized for the project to date. Any
444 remaining authorized tax credits shall be issued upon the
445 final approval of the project. The department shall issue
446 eighty percent of the approved credits within forty-five
447 calendar days of receiving all required application
448 materials. Within ninety calendar days of receiving all
449 required application materials, the department shall make a
450 final determination of qualified conversion expenditures and
451 issue any remaining authorized tax credits upon the final
452 completion of the phased project, or request repayment if an
453 over-issuance of credits is determined.

454 16. No taxpayer shall be issued tax credits for
455 qualified conversion expenditures on a qualified converted
456 building within twenty-seven years of a previous issuance of
457 tax credits under this section on such qualified converted
458 buildings.

459 17. A taxpayer may be authorized and issued tax
460 credits under this section in addition to tax credits
461 authorized and issued under sections 253.544 to 253.559 for
462 the same building.

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

478 19. The provisions of this subsection shall not be
479 construed to limit or in any way impair:

480 (1) A taxpayer's ability to complete a project and be
481 issued tax credits under this section for any project for
482 which the taxpayer has received an authorization of tax
483 credits under this section from the department on or before
484 the date this section expires;

485 (2) The department's ability to issue and the
486 department of revenue's ability to redeem tax credits
487 authorized by the department on or before the date the
488 program authorized under this section expires, or a
489 taxpayer's ability to redeem such credits.

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

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

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

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

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

(4) "Missouri income tax liability", the taxpayer's net Missouri income tax due for the taxable year under chapter 143 after application of all credits, but before

32 reduction by withholding, estimated payments, or other
33 remittances;

34 (5) "Missouri opportunity zone", any Missouri
35 innovation zone under sections 620.6000 to 620.6033 within
36 which private capital investment is encouraged through the
37 deferral and potential exclusion of Missouri income tax
38 liabilities when such liabilities are reinvested into
39 qualifying property or operating businesses located within
40 such zone;

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

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

43 (b) Either:

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

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

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

60 (7) "Qualified Missouri opportunity zone fund", an
61 entity organized for the purpose of investing in one or more
62 qualified Missouri opportunity zone investments, ninety

63 percent of the assets of which consist of such investments,
64 as measured on the last day of the first six-month period of
65 the fund's tax year and the last day of the fund's tax year,
66 and that is certified or otherwise approved by the
67 department in accordance with rules promulgated under this
68 section;

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

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

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

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

81 3. (1) A taxpayer may elect to defer payment of
82 Missouri income tax otherwise due for a tax year if the
83 amount of such Missouri income tax liability is invested, in
84 the manner prescribed by this section, in:

85 (a) A qualified Missouri opportunity zone investment;
86 or

87 (b) A qualified Missouri opportunity zone fund that
88 invests in one or more qualified Missouri opportunity zone
89 investments.

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

92 (3) Eligibility under this section shall not be
93 conditioned on the residency of the taxpayer, provided that
94 the deferral authorized by this section shall apply only for

95 tax years in which the taxpayer remains subject to Missouri
96 income tax under chapter 143.

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

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

106 5. The deferral of Missouri income tax under this
107 section shall continue until the earliest occurrence of an
108 inclusion event, including:

109 (1) The sale, exchange, or other disposition of the
110 qualified Missouri opportunity zone investment;

111 (2) When the investment ceases to qualify as a
112 qualified Missouri opportunity zone investment;

113 (3) Ten years from the date of the qualified Missouri
114 opportunity zone investment;

115 (4) In the case of an operating business, the failure
116 to commence active trade or business operations, including
117 employment of personnel or generation of revenue from goods
118 or services within the zone, within twenty-four months of
119 the initial qualified Missouri opportunity zone investment,
120 as determined by the department; or

121 (5) (a) In the case of investment property, failure
122 to satisfy the requirements of paragraph (b) of this
123 subdivision.

124 (b) A qualified Missouri opportunity zone investment
125 in investment property shall continue to qualify for

126 deferral under this section so long as one or more of the
127 following conditions is satisfied:

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

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

147 6. In the case of a qualified Missouri opportunity
148 zone investment, if such operating business or investment
149 property generates net income attributable to the investment
150 during any tax year prior to the expiration of the deferral
151 period, the amount of Missouri income tax previously
152 deferred under this section shall be included in Missouri
153 taxable income for such tax year in an amount equal to the
154 net income so generated, and shall be due and payable with
155 the return for such tax year, and any remaining deferred
156 amount shall continue to be deferred in accordance with this
157 section.

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

163 8. Eligibility for, or participation in, any federal
164 opportunity zone program shall not be required to qualify
165 for benefits under this section, nor shall federal
166 designation be construed to limit or expand eligibility
167 under Missouri law.

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

173 10. Notwithstanding the repeal, expiration, or
174 nonrenewal of this section, any taxpayer that has made a
175 qualified Missouri opportunity zone investment prior to such
176 repeal, expiration, or nonrenewal shall remain eligible for
177 the deferral and exclusion benefits provided under this
178 section with respect to such investment, subject to the
179 terms and conditions in effect at the time the investment
180 was made.

181 11. The department of revenue, in consultation with
182 the department of economic development, shall administer
183 this section and may require reasonable documentation to
184 verify:

- 185 (1) The amount of Missouri income tax deferred;
186 (2) The nature and location of the qualified Missouri
187 opportunity zone investment; and

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

191 12. The department shall promulgate rules to implement
192 this section. Such rules shall be consistent with and
193 reasonably necessary to carry out the purposes, structure,
194 and operative provisions of this section, including the
195 encouragement of long-term, productive investment within
196 Missouri opportunity zones and the prevention of tax
197 deferral without meaningful economic activity. Rules
198 promulgated under this subsection shall not expand or
199 restrict eligibility, alter the nature of qualifying
200 investments, or modify the deferral, inclusion, or exclusion
201 mechanics established by this section. Any rule or portion
202 of a rule, as that term is defined in section 536.010, that
203 is created under the authority delegated in this section
204 shall become effective only if it complies with and is
205 subject to all of the provisions of chapter 536 and, if
206 applicable, section 536.028. This section and chapter 536
207 are nonseverable and if any of the powers vested with the
208 general assembly pursuant to chapter 536 to review, to delay
209 the effective date, or to disapprove and annul a rule are
210 subsequently held unconstitutional, then the grant of
211 rulemaking authority and any rule proposed or adopted after
212 August 28, 2026, shall be invalid and void.

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

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

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

7 (2) "Designated geographic regions", the following
8 five regions:

9 (a) Region 1: Counties of Andrew, Bates, Benton,
10 Buchanan, Cass, Clay, Clinton, DeKalb, Gentry, Henry, Holt,
11 Jackson, Johnson, Lafayette, Platte, Ray, and Worth,
12 excluding areas within innovation zones located in such
13 counties;

14 (b) Region 2: Counties of Franklin, Jefferson,
15 Lincoln, St. Charles, Warren, and St. Louis, and the City of
16 St. Louis, excluding areas within innovation zones located
17 in such counties and cities;

18 (c) Region 3: Counties geographically north of the
19 Missouri River, excluding any counties in region 1 or region
20 2, and excluding areas within innovation zones located in
21 such counties;

22 (d) Region 4: Counties geographically south of the
23 Missouri River, excluding any counties in region 1 or region
24 2, and excluding areas within innovation zones located in
25 such counties;

26 (e) Innovation zones: areas that have been approved as
27 a Missouri innovation zone;

28 (3) "Investor", one of the following persons or
29 entities:

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

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

36 (c) A natural person or permitted entity investor
37 making an investment who qualifies under the federal

38 Jumpstart Our Business Startups (JOBS) Act, Pub. L. 112-106
39 as in effect on April 5, 2012.

40 The term "investor" shall not include any person who serves
41 as an executive, officer, or employee of the business in
42 which an otherwise qualified cash investment is made, and
43 such person shall not qualify for the issuance of tax
44 credits for such investment. However, an investor who
45 serves solely as a director may qualify for the issuance of
46 tax credits;

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

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

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

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

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

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

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

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

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

79 a. A general or limited partnership interest;

80 b. Common stock;

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

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

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

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

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

101 3. (1) For all tax years beginning on or after
102 January 1, 2027, a tax credit shall be allowed for an
103 investor's cash investment in the qualified securities of a
104 qualified Missouri business. The credit shall be in a total
105 amount equal to forty percent of such investor's cash
106 investment in any qualified Missouri business, subject to
107 the limitations set forth in this subsection. The credit
108 shall be in a total amount equal to fifty percent where the
109 investor's cash investment in the qualified securities of a
110 qualified Missouri business are in a rural county. The
111 credit shall be in a total amount equal to sixty percent
112 where the investor's cash investment in the qualified
113 securities of a qualified Missouri business are in a
114 Missouri innovation zone. If the amount of the credit
115 allowed by this section exceeds the investor's tax liability
116 in any one tax year, the remaining portion of the credit may
117 be carried forward two years or until the total amount of
118 the credit is used, whichever occurs first. If the investor
119 is a permitted entity investor, the credit provided by this
120 section shall be claimed by the permitted entity investor in
121 proportion to such owner's equity investment in the
122 permitted entity investor.

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

128 (3) The department and the MTC shall not allow tax
129 credits of more than seventy-five thousand dollars for a

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

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

158 (5) During the last six months of the calendar year,
159 any unissued tax credits previously allocated to any
160 designated geographic region may be awarded at the

161 discretion of the MTC to a qualified Missouri business in
162 any designated geographic region throughout the state.

163 (6) Notwithstanding any provisions of sections
164 620.6000 to 620.6033 or any other law to the contrary, the
165 tax credits under this subsection for qualified investments
166 made in qualified Missouri businesses located outside of the
167 innovation districts shall expire on August 28, 2032.

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

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

180 (a) The name of the business and certified copies of
181 the organizational documents of the business;

182 (b) A business plan, including a description of the
183 business and the management, product, market, and financial
184 plan of the business;

185 (c) A statement of the potential economic impact of
186 the business, including the number, location, and types of
187 jobs expected to be created;

188 (d) A description of the qualified securities to be
189 issued, the consideration to be paid for the qualified
190 securities, and the amount of any tax credits requested;

191 (e) A statement of the amount, timing, and projected
192 use of the proceeds to be raised from the proposed sale of
193 qualified securities; and

194 (f) Such other information as may be reasonably
195 requested.

196 (3) The designation of a business as a qualified
197 Missouri business shall be made by the MTC, and each
198 qualified Missouri business shall annually apply to renew
199 such designation, to be approved by the MTC. A business
200 shall be so designated if the MTC determines, based upon the
201 application submitted by the business and any additional
202 information provided in connection with such application or
203 as reasonably requested by the MTC, that such business meets
204 established criteria, including at least the following:

205 (a) The business shall not have had annual gross
206 revenues of more than five million dollars in the most
207 recent tax year of the business;

208 (b) Businesses that are not bioscience businesses
209 shall have been in operation for less than five years, and
210 bioscience businesses shall have been in operation for less
211 than ten years;

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

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

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

- 222 a. The business of banking, savings and loan or
223 lending institutions, credit or finance, or financial
224 brokerage or investments;
- 225 b. The provision of professional services, such as
226 legal, accounting, or engineering services; however,
227 contract research or manufacturing organizations, sometimes
228 referred to as CROs or CMOs, shall not be subject to this
229 exclusion;
- 230 c. Governmental, charitable, religious, or trade
231 organizations;
- 232 d. The ownership, development, brokerage, sales, or
233 leasing of real estate;
- 234 e. Insurance;
- 235 f. Construction, construction management, or
236 contracting;
- 237 g. Business consulting or brokerage;
- 238 h. Any business engaged primarily as a passive
239 business, having irregular or noncontiguous operations, or
240 deriving substantially all of the income of the business
241 from passive investments that generate interest, dividends,
242 royalties, or capital gains or any business arrangements the
243 effect of which is to immunize an investor from risk of loss;
- 244 i. Any activity that is in violation of the law;
- 245 j. Any business raising moneys primarily to purchase
246 real estate, land, or fixtures; and
- 247 k. Any gambling-related business;
- 248 (f) The business has a reasonable chance of success;
- 249 (g) The business has the reasonable potential to
250 create measurable employment within the certified Missouri
251 innovation zone, this state, or both;

252 (h) The business is based on an innovative technology,
253 product, or service designed to be used in the commercial
254 marketplace;

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

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

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

263 (l) The business has made binding commitments to the
264 MTC for adequate reporting of financial data, including a
265 requirement for an annual report or, if required, an annual
266 audit of the financial and operational records of the
267 business; the right of access to the financial records of
268 the business; the right of the department and the MTC to
269 record and publish normal and customary data and information
270 related to the issuance of tax credits that are not
271 otherwise determined to be trade or business secrets; and
272 other such protections as may be in the best interest of
273 Missouri taxpayers to achieve the goals of this section and
274 section 620.6033; and

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

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

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

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

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

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

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

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

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

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

48 (3) The director of the department, in cooperation
49 with the MTC, shall provide the information specified under
50 subdivision (3) of subsection 4 of this section to the
51 director of the department of revenue on an annual basis.
52 The MTC shall conduct an annual review of the activities
53 undertaken under this section and section 620.6030 to ensure
54 that tax credits issued under this section and section
55 620.6030 are issued in compliance with the provisions of
56 this section and section 620.6030 and rules and regulations
57 promulgated by the MTC or the department with respect to
58 this section and section 620.6030. The reasonable costs of
59 the annual review shall be paid to the MTC according to a
60 reasonable fee schedule adopted by the MTC in cooperation
61 with the department by and through its service on the MTC
62 board of directors.

63 (4) If the MTC determines that a business is not in
64 substantial compliance with the requirements under this
65 section and section 620.6030 to maintain its designation,
66 the department or MTC, by written notice, may inform the
67 business that such business will lose its designation as a
68 qualified Missouri business one hundred twenty days from the
69 date of mailing of the notice unless such business corrects
70 the deficiencies and is once again in compliance with the
71 requirements for designation and provides the MTC with
72 evidence of correcting the deficiencies as the MTC
73 reasonably requests.

74 (5) At the end of the one-hundred-twenty-day period,
75 if the qualified Missouri business is still not in
76 substantial compliance, the department or MTC may send a
77 notice of loss of designation to the business, the director
78 of the department of revenue, and to all known investors in
79 the business.

80 (6) A business may lose its designation as a qualified
81 Missouri business under this section and section 620.6030 by
82 moving either its headquarters outside of Missouri or a
83 substantial number of the jobs created in Missouri to a
84 location outside Missouri within ten years after receiving
85 financial assistance under this section and section
86 620.6030, provided that no business may lose its designation
87 as a qualified Missouri business under this section and
88 section 620.6030 if such move is in connection with the
89 acquisition of the business by sale of all or substantially
90 all of its business, whether by merger, sale of stock, sale
91 of assets, or otherwise.

92 (7) In the event that a business loses its designation
93 as a qualified Missouri business, such business shall be
94 precluded from being issued any additional tax credits

95 available under this section and section 620.6030 with
96 respect to the business, shall be precluded from being
97 approved as a qualified Missouri business, and shall be
98 subject to an appropriate clawback provision that the MTC,
99 in cooperation with the department by and through its
100 service on the MTC board of directors, may institute.

101 (8) Investors who lawfully make an investment in a
102 qualified Missouri business shall not have issued tax
103 credits disallowed solely due to the business subsequently
104 losing its designation as a qualified Missouri business. In
105 the event such qualified business loses its designation as a
106 qualified Missouri business, the amount of tax credits
107 issued under this section and section 620.6030 shall be
108 subject to clawback provisions from the qualified Missouri
109 business, to be determined by the department and the MTC
110 board of directors.

111 (9) The portions of documents and other materials
112 submitted to the department or MTC that contain confidential
113 information shall be kept confidential and shall be
114 maintained in a secured environment. For the purposes of
115 this section and section 620.6030, confidential information
116 shall include, but not be limited to, such portions of trade
117 secrets, documents, any customer lists, and other materials;
118 any formula, compound, production data, or compilation of
119 information that will allow certain individuals within a
120 commercial concern using such portions of documents and
121 other material the means to fabricate, produce, or compound
122 an article of trade; or any service having commercial value
123 that gives the user an opportunity to obtain a business
124 advantage over competitors who do not know or use such
125 service.

126 (10) The department and the MTC may prepare and adopt
127 procedures, rules, and published guidance concerning the
128 performance of the duties placed upon each respective entity
129 by this section and section 620.6030.

130 3. Any investor who makes a cash investment in a
131 qualified security of a qualified Missouri business may
132 transfer the tax credits such investor may receive under
133 subsection 3 of section 620.6030 to any natural person. So
134 long as the investor has not claimed the tax credit against
135 the investor's Missouri income tax liability, such
136 transferee may claim the tax credit against the transferee's
137 Missouri income tax liability as provided in subdivision (1)
138 of subsection 3 of section 620.6030, subject to all
139 restrictions and limitations set forth in this section and
140 section 620.6030. Documentation of any tax credit transfer
141 under this section shall be provided by the investor in the
142 manner established by the MTC and the department by and
143 through its service on the MTC board of directors.

144 4. (1) Each qualified Missouri business for which tax
145 credits were issued under this section and section 620.6030
146 shall report to the MTC annually on or before February
147 first. The MTC shall provide copies of the reports to the
148 department under appropriate confidentiality agreements as
149 may be necessary under the circumstances. Such reports
150 shall include the following:

151 (a) The name, address, and taxpayer identification
152 number of each investor who has made a cash investment in
153 the qualified securities of the qualified Missouri business
154 and has received tax credits for this investment during the
155 preceding year;

156 (b) The amounts of cash investments by each investor
157 and a description of the qualified securities issued in
158 consideration of such cash investments; and

159 (c) Such other information as may be reasonably
160 required under this section and section 620.6030.

161 (2) The MTC shall report quarterly to the director of
162 the department on the allocation of the tax credits in the
163 preceding calendar quarter. Such reports shall include:

164 (a) The number of applications received;

165 (b) The number and ratio of successful applications to
166 unsuccessful applications;

167 (c) The amount of tax credits allocated but not issued
168 in the previous quarter, including what percentage was
169 allocated to individuals and what percentage was allocated
170 to investment firms; and

171 (d) Such other information as reasonably agreed upon
172 from time to time.

173 (3) The MTC and the department, as applicable, shall
174 also report annually to the governor, the director of the
175 department of economic development, the president pro
176 tempore of the senate, and the speaker of the house of
177 representatives, on or before April first, on the allocation
178 and issuance of the tax credits. Such reports shall include:

179 (a) The amount of tax credits issued in the previous
180 fiscal year, including what percentage was issued to
181 individuals and what percentage was issued to investment
182 firms;

183 (b) The types of businesses that benefited from the
184 tax credits;

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

188 (d) Any aggregate job creation or capital investment
189 that resulted from the use of the tax credits for a period
190 of five years beginning from the date on which the tax
191 credits were awarded;

192 (e) The total cash investments made for the purchase
193 of qualified securities of qualified Missouri businesses
194 within the state during the preceding year and cumulatively
195 since the effective date of this section and section
196 620.6030;

197 (f) An estimate of jobs created and jobs preserved by
198 cash investments made in qualified Missouri businesses
199 within the state;

200 (g) An estimate of the multiplier effect on the
201 economy of the cash investments made under this section and
202 section 620.6030; and

203 (h) Information regarding what businesses deriving
204 benefits from the tax credits remained in the certified
205 Missouri innovation zone, what businesses ceased business,
206 what businesses were purchased, and what businesses may have
207 moved out of a Missouri innovation zone or the state.

208 (4) Any violation of the reporting requirements of
209 this subsection by a qualified Missouri business may be
210 grounds for the loss of designation as a qualified Missouri
211 business, and any such business that loses its designation
212 as a qualified Missouri business shall be subject to the
213 restrictions upon loss of designation set forth in
214 subsection 2 of this section.

215 5. Notwithstanding any provision of section 105.1500
216 to the contrary, any requirement to provide information,
217 documents, or records under section 620.6030 or this
218 section, and any requirement established by the MTC or any
219 state agency to provide information, documents, or records

220 for the purpose of administering section 620.6030 or this
221 section, shall be exempt from section 105.1500 of the
222 personal privacy protection act.

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

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