

SECOND REGULAR SESSION  
[PERFECTED]  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1886**  
**91ST GENERAL ASSEMBLY**

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Reported from the Committee on Commerce and Economic Development, April 9, 2002, with recommendation that the House Committee Substitute for House Bill No. 1886 Do Pass.

Taken up for Perfection April 24, 2002.

Motion to reconsider Perfection and Adoption of House Committee Substitute for House Bill No. 1886, April 24, 2002.

Taken up for Perfection April 25, 2002. House Committee Substitute for House Bill No. 1886 ordered Perfected and printed, as amended.

TED WEDEL, Chief Clerk

4367L.06P

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**AN ACT**

To amend chapter 99, RSMo, by adding thereto twenty-four new sections relating to municipal economic authorities, with an expiration date.

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

Section A. Chapter 99, RSMo, is amended by adding thereto twenty-four new sections,  
2 to be known as sections 99.915, 99.918, 99.921, 99.924, 99.927, 99.930, 99.933, 99.936, 99.939,  
3 99.944, 99.945, 99.948, 99.951, 99.954, 99.957, 99.960, 99.963, 99.966, 99.969, 99.972, 99.975,  
4 99.978, 99.981, and 99.984, to read as follows:

**99.915. 1. Sections 99.915 to 99.984 shall be known and may be cited as the**  
2 **"Missouri Downtown Economic Stimulus Act".**

3 **2. Nothing in sections 99.915 to 99.984 shall be construed to provide any funding**  
4 **for the construction, maintenance, or operation of any sports stadium or related facility.**

**99.918. There is hereby created in each municipality an authority to be known as**  
2 **a "Downtown Economic Stimulus Authority"; provided, however:**

3 **(1) No such authority shall transact any business or exercise its powers under**  
4 **sections 99.915 to 99.984 until and unless the governing body of such municipality shall,**  
5 **in accordance with subsection 1 of section 99.954, approve, by ordinance, the exercise of**  
6 **the powers, functions, and duties of an authority under sections 99.915 to 99.984;**

7 **(2) No governing body of a municipality shall adopt an ordinance pursuant to**

8 subdivision (1) of this section unless it finds:

9 (a) That it would be in the interest of the public to consider the establishment of a  
10 development area in accordance with sections 99.915 to 99.984;

11 (b) That the development of such a development area would be in the interest of the  
12 public health, safety, morals, or welfare of the residents of such municipality; and

13 (c) That it is anticipated that such a development area can be renovated through  
14 a series of one or more development projects.

99.921. 1. Each authority shall be governed by a board of commissioners. The  
2 number of commissioners serving on the board of each authority shall be no less than five  
3 and no more than thirteen, which number shall be established by ordinance of the  
4 municipality of which one shall be a member of any local community development  
5 corporation, and one shall be an owner of a minority business and one member shall be  
6 appointed by the school boards whose districts are included within the development plan  
7 or development area. In addition to the members of the board of commissioners  
8 established pursuant to this subsection, in all municipalities, two advisory members shall  
9 be appointed by the school boards whose districts are included within the development  
10 plan or development area. Such members shall be appointed in any manner agreed upon  
11 by the affected districts. In addition to the members of the board of commissioners and the  
12 advisory members established pursuant to this subsection, one advisory member shall be  
13 appointed, in any manner agreed upon by the affected districts, to represent all other  
14 districts levying ad valorem taxes or sales taxes within the area selected for a development  
15 project or the development area, excluding representatives of the governing body of the  
16 municipality. At the option of the remaining members, the members who are appointed  
17 by the school boards and other taxing districts may serve on the authority for a term to  
18 coincide with the length of time a development project, development plan, or designation  
19 of a development area, is considered for approval by the commission, or for a definite term  
20 pursuant to this subdivision. If the members representing school districts and other taxing  
21 districts are appointed for a term coinciding with the length of time a development project,  
22 plan, or area is approved, such term shall terminate upon final approval of the project,  
23 plan, or designation of the area by the governing body of the municipality. Thereafter, the  
24 authority shall consist of the members appointed by the mayor or chief executive officer  
25 of the municipality, except that members representing school boards and other taxing  
26 districts shall be appointed as provided in this section before any amendments to any  
27 development plans, development projects, or designation of a development area. If any  
28 school district or other taxing jurisdiction fails to appoint members of the authority within  
29 thirty days of receipt of written notice of a proposed development plan, development

30 project, or designation of a development area, the remaining members may proceed to  
31 exercise the power of the authority.

32       **2. In addition to the commissioners appointed pursuant to subsection 1 of this**  
33 **section, the remaining commissioners of the authority shall be appointed by the mayor or**  
34 **chief executive officer of the municipality. The initial commissioners appointed pursuant**  
35 **to this subsection shall serve staggered terms of one, two, and three years as determined**  
36 **by the mayor or chief executive officer of the municipality at the time of their appointment.**  
37 **Thereafter, successor commissioners shall be appointed by the mayor or chief executive**  
38 **officer of the municipality for a term of three years. All vacancies shall be filled by**  
39 **appointment of the mayor or chief executive officer of the municipality for the unexpired**  
40 **term. Notwithstanding anything contained in this subsection to the contrary, in any county**  
41 **with a charter form of government and with more than one million inhabitants, three of**  
42 **the members shall be appointed by the cities in the county which have tax increment**  
43 **financing districts in a manner in which the cities shall agree.**

**99.924. 1. The powers of the authority shall be exercised by its board of**  
2 **commissioners. A majority of the commissioners shall constitute a quorum of such board**  
3 **for the purpose of conducting business and exercising the powers of the authority and for**  
4 **all other purposes. Action may be taken by the board upon a vote of a majority of the**  
5 **commissioners present in person or by teleconference, unless in any case the bylaws of the**  
6 **authority shall require a larger number. Meetings of the board of the authority may be**  
7 **held anywhere within the municipality.**

8       **2. The commissioners of the authority annually shall elect a chair and vice chair**  
9 **from among the commissioners; however, the first chair shall be designated by the mayor**  
10 **for a term of one year. The mayor or chief executive officer of the municipality shall serve**  
11 **as the co-chair of the authority. The authority may employ an executive director, technical**  
12 **experts, and such other officers, agents, and employees, permanent and temporary, as it**  
13 **may require, and shall determine their qualifications, duties, and compensation. For such**  
14 **legal services as it may require, an authority may call upon the chief law officer of the**  
15 **communities within the development area or may employ its own counsel and legal staff.**

**99.927. A commissioner of an authority shall receive no compensation for his or her**  
2 **services, but shall be entitled to the necessary expenses, including traveling expenses,**  
3 **incurred in the discharge of his or her duties. Each commissioner shall hold office until**  
4 **a successor has been appointed.**

**99.930. For inefficiency or neglect of duty or misconduct in office, a commissioner**  
2 **of an authority may be removed by the mayor or chief executive officer of the municipality.**

**99.933. 1. In any suit, action, or proceeding involving the validity or enforcement**

2 of or relating to any contract of an authority entered into pursuant to sections 99.915 to  
3 99.984, such authority shall be conclusively deemed to have become established and  
4 authorized to transact business and exercise its powers under sections 99.915 to 99.984  
5 upon proof of the adoption of the appropriate ordinance prescribed in section 99.918.  
6 Each such ordinance shall be deemed sufficient if it authorizes the exercise of powers under  
7 sections 99.915 to 99.984 by the authority and sets forth the findings of the municipality as  
8 required in subdivision (2) of section 99.918, but is not required to expressly state the  
9 details supporting such findings.

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

12 99.936. 1. The authority shall constitute a public body corporate and politic,  
2 exercising public and essential governmental functions and having all the powers necessary  
3 or convenient to carry out and effectuate the purposes and provisions of sections 99.915 to  
4 99.984, including the following powers in addition to others granted pursuant to sections  
5 99.915 to 99.984:

6 (1) To sue and to be sued; to have a seal and to alter the same at pleasure; to have  
7 perpetual succession; to make and execute contracts and other instruments necessary or  
8 convenient to the exercise of the powers of the authority; and to make and from time to  
9 time amend and repeal bylaws, rules, and regulations, not inconsistent with sections 99.915  
10 to 99.984, to carry out the provisions of sections 99.915 to 99.984;

11 (2) To prepare or cause to be prepared and approved development plans and  
12 development projects to be considered at public hearings in accordance with sections  
13 99.915 to 99.984 and to undertake and carry out development plans and development  
14 projects which have been adopted by ordinance;

15 (3) To arrange or contract for the furnishing or repair, by any person or agency,  
16 public or private, of services, privileges, streets, roads, public utilities, or other facilities for  
17 or in connection with any development project; and notwithstanding anything to the  
18 contrary contained in sections 99.915 to 99.984 or any other provision of law, to agree to  
19 any conditions that it may deem reasonable and appropriate attached to federal financial  
20 assistance and imposed pursuant to federal law relating to the determination of prevailing  
21 salaries or wages or compliance with labor standards, in the undertaking or carrying out  
22 of any development project, and to include in any contract let in connection with any such  
23 development project provisions to fulfill such of the conditions as it may deem reasonable  
24 and appropriate;

25 (4) Within a development area, to acquire by purchase, lease, gift, grant, bequest,  
26 devise, or otherwise, or obtain options upon, any real or personal property or any interest

27 therein, necessary or incidental to a development project, all in the manner and at such  
28 price as the authority determines is reasonably necessary to achieve the objectives of a  
29 development plan;

30 (5) Within a development area, subject to provisions of section 99.939 with regard  
31 to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide,  
32 retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose  
33 of any real or personal property or any interest therein, all in the manner and at such price  
34 and subject to any covenants, restrictions, and conditions as the authority determines is  
35 reasonably necessary to achieve the objectives of a development plan; to make any such  
36 covenants, restrictions, or conditions as covenants running with the land, and to provide  
37 appropriate remedies for any breach of any such covenants, restrictions, or conditions,  
38 including the right in the authority to terminate such contracts and any interest in the  
39 property created pursuant thereto;

40 (6) Within a development area, to clear any area by demolition or removal of  
41 existing buildings and structures;

42 (7) To install, repair, construct, reconstruct, or relocate streets, utilities, and site  
43 improvements as necessary or desirable for the preparation of a development area for use  
44 in accordance with a development plan;

45 (8) Within a development area, to fix, charge, and collect fees, rents, and other  
46 charges for the use of any real or personal property, or any portion thereof, in which the  
47 authority has any interest;

48 (9) To accept grants, guarantees, and donations of property, labor, or other things  
49 of value from any public or private source for purposes of implementing a development  
50 plan;

51 (10) In accordance with section 99.939, to select one or more developers to  
52 implement a development plan, or one or more development projects, or any portion  
53 thereof;

54 (11) To charge as a development project cost the reasonable costs incurred by the  
55 authority or the evaluation departments in evaluating, administering, or implementing the  
56 development plan or any development project;

57 (12) To borrow money and issue obligations in accordance with sections 99.915 to  
58 99.984 and provide security for any such loans or obligations;

59 (13) To insure or provide for the insurance of any real or personal property or  
60 operations of the authority against any risks or hazards, including the power to pay  
61 premiums on any such insurance; and to enter into any contracts necessary to effectuate  
62 the purposes of sections 99.915 to 99.984;

63           **(14) Within a development area, to renovate, rehabilitate, construct, repair, or**  
64 **improve any improvements, buildings, parking garages, fixtures, structures, and other**  
65 **facilities;**

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

71           **(16) To borrow money and to apply for and accept advances, loans, grants,**  
72 **contributions, and any other form of financial assistance from the federal government, the**  
73 **state, county, municipality, or other public body or from any sources, public or private, for**  
74 **the purposes of implementing a development plan, to give such security as may be required**  
75 **and to enter into and carry out contracts in connection therewith. An authority,**  
76 **notwithstanding the provisions of any other law, may include in any contract for financial**  
77 **assistance with the federal government for a project such conditions imposed pursuant to**  
78 **federal law as the authority may deem reasonable and appropriate and which are not**  
79 **inconsistent with the purposes of sections 99.915 to 99.984;**

80           **(17) To incur development project costs and make such expenditures as may be**  
81 **necessary to carry out the purposes of sections 99.915 to 99.984; and to make expenditures**  
82 **from funds obtained from the federal government without regard to any other laws**  
83 **pertaining to the making and approval of appropriations and expenditures;**

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

88           **(19) To receive and exercise powers, excluding powers of eminent domain,**  
89 **delegated by any authority, agency, or agent of a municipality created pursuant to this**  
90 **chapter or chapter 353, RSMo;**

91           **(20) To loan the proceeds of obligations issued pursuant to sections 99.915 to 99.984**  
92 **for the purpose of providing for the purchase, construction, extension, and improvement**  
93 **of public infrastructure related to a development project by a developer pursuant to a**  
94 **development contract approved by the authority in accordance with subdivision (2) of**  
95 **section 99.939;**

96           **(21) To declare any funds, or any portion thereof, in the special allocation fund to**  
97 **be excess funds, so long as such excess funds have not been pledged to the payment of**  
98 **outstanding obligations or outstanding development project costs, are not necessary for the**

99 payment of development project costs incurred or anticipated to be incurred, and are not  
100 required to pay baseline state sales taxes and baseline state withholding taxes to the  
101 director of revenue. Any such funds deemed to be excess shall be disbursed in the manner  
102 of surplus funds as provided in section 99.972;

103 (22) To pledge or otherwise expend funds deposited to the special allocation fund,  
104 or any portion thereof, except any portion that constitutes baseline state sales taxes or  
105 baseline state withholding taxes, for the payment or reimbursement of development project  
106 costs incurred by the authority, the municipality, a developer selected by the authority in  
107 accordance with the provisions of section 99.939, or any other entity with the consent of the  
108 authority; to pledge or otherwise expend funds deposited to the special allocation fund, or  
109 any portion thereof, except any portion that constitutes baseline state sales taxes or  
110 baseline state withholding taxes, or to mortgage or otherwise encumber its property, or any  
111 portion thereof, for the payment of obligations issued to finance development project costs;  
112 provided, however, any such pledge or expenditure of economic activity taxes or other net  
113 new revenues shall be subject to annual appropriation by the municipality; and

114 (23) To exercise all powers or parts or combinations of powers necessary,  
115 convenient, or appropriate to undertake and carry out development plans and any  
116 development projects and all the powers granted pursuant to sections 99.915 to 99.984,  
117 excluding powers of eminent domain.

118 2. If any member of the governing body of the municipality, a commissioner of the  
119 authority, or an employee or consultant of the municipality or authority, involved in the  
120 planning and preparation of a development project, owns or controls an interest, direct or  
121 indirect, in any property included in a development project area, the member shall disclose  
122 the same in writing to the clerk of the municipality, and shall also so disclose the dates,  
123 terms, and conditions of any disposition of any such interest, which disclosures shall be  
124 acknowledged by the governing body of the municipality and entered upon the minutes  
125 books of the governing body of the municipality. If an individual holds such an interest,  
126 then that individual shall refrain from any further official involvement in regard to a  
127 development project and from voting on any matter pertaining to such development  
128 project or communicating with other commissioners or members of the authority or the  
129 municipality concerning any matter pertaining to such development project. Furthermore,  
130 no such member, commissioner, employee, or consultant shall acquire any interest, direct  
131 or indirect, in any property in a development project area or proposed development  
132 project area, after either (a) such individual obtains knowledge of a development project,  
133 or (b) first public notice of such development project, or development project area  
134 pursuant to section 99.960, whichever first occurs.

135           **3. Each municipality shall establish a minority business plan to ensure that**  
136 **minority-owned businesses are provided good faith opportunities to participate in the**  
137 **procurement of goods and services within the development project areas.**

**99.939. Real property in a development area may be disposed of as follows:**

2           **(1) Within a development area, the authority may sell, lease, exchange, or otherwise**  
3 **transfer real property, including land, improvements, and fixtures, or any interest therein,**  
4 **to any developer selected for a development project, or any portion thereof, in accordance**  
5 **with the development plan, subject to such covenants, conditions, and restrictions as may**  
6 **be deemed to be in the public interest or to carry out the purposes of sections 99.915 to**  
7 **99.984. Such real property shall be sold, leased, or transferred at its fair value for uses in**  
8 **accordance with the development plan; provided that such fair market value may be less**  
9 **than the cost of such property to the authority. In determining the fair market value of**  
10 **real property for uses in accordance with a development plan, the authority shall take into**  
11 **account and give consideration to the uses and purposes required by the development plan;**  
12 **the restrictions upon, and the covenants, conditions, and obligations assumed by the**  
13 **developer of such property; the objectives of the development plan; and such other matters**  
14 **as the authority shall specify as being appropriate. In fixing rental and sale prices, an**  
15 **authority shall give consideration to appraisals of the property for such uses made by**  
16 **experts employed by the authority;**

17           **(2) The authority shall, by public notice published in a newspaper having a general**  
18 **circulation in a development area, prior to selecting one or more developers for any**  
19 **development project, or any portion thereof, invite proposals from, and make available all**  
20 **pertinent information to, private developers or any persons interested in undertaking the**  
21 **development of such development project, or any portion thereof. Such notice shall be**  
22 **published at least once each week during the two weeks preceding the selection of a**  
23 **developer, shall identify the area of the development project or development projects, or**  
24 **any portion thereof, for which one or more developers are to be selected, and shall state**  
25 **that such further information as is available and may be obtained at the office of the**  
26 **authority. The authority shall consider all proposals and the financial and legal ability of**  
27 **the prospective developers to carry out their proposals. The authority may negotiate and**  
28 **enter into one or more contracts with any developer selected for the development of any**  
29 **such area for the development of such area by such developer in accordance with a**  
30 **development plan or for the sale or lease of any real property to any such developer in any**  
31 **such area for the purpose of developing such property in accordance with the development**  
32 **plan. The authority may enter into any such contract as it deems to be in the public**  
33 **interest and in furtherance of the purposes of sections 99.915 to 99.984; provided that the**

34 authority has, not less than ten days prior thereto, notified the governing body in writing  
35 of its intention to enter into such contract. Thereafter, the authority may execute such  
36 contract in accordance with the provisions of subdivision (1) of this section and deliver  
37 deeds, leases, and other instruments and take all steps necessary to effectuate such  
38 contract. In its discretion, the authority may, in accordance with the provisions of this  
39 subdivision, dispose of any real property in an area selected for a development project, or  
40 any portion thereof, to private developers for development under such reasonable  
41 competitive bidding procedures as it shall prescribe, subject to the provisions of  
42 subdivision (1) of this section;

43 (3) In carrying out a development project, the authority may:

44 (a) Convey to the municipality such real property as, in accordance with the  
45 development plan, is to be dedicated as public right-of-way for streets, sidewalks, alleys,  
46 or other public ways, this power being additional to and not limiting any and all other  
47 powers of conveyance of property to municipalities expressed, generally or otherwise, in  
48 sections 99.915 to 99.984;

49 (b) Grant servitudes, easements, and rights-of-way for public utilities, sewers,  
50 streets, and other similar facilities, in accordance with the development plan; and

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

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

99.944. 1. Any home rule city with more than four hundred thousand inhabitants  
2 and located in more than one county, any county with a charter form of government and  
3 with more than one million inhabitants, and any city not within a county may by ordinance  
4 establish a fund for the purpose of providing funds to community development  
5 corporations in such city for comprehensive programs within such city to stimulate  
6 economic development, housing, and other public benefits leading to the development of  
7 economically sustainable neighborhoods or communities, such fund to be known as the  
8 "Community Development Corporation Revolving Fund".

9 2. The community development corporation revolving fund shall be administered  
10 by a community development corporation revolving fund board, which shall consist of  
11 thirteen members appointed by the chief elected official of such municipality or county, of

12 which one shall be a member of the local regional community development association, and  
13 one shall be an owner of a minority business. The initial members shall serve staggered  
14 terms of one, two, and three years as determined by the mayor of such city at the time of  
15 appointment. Thereafter, successor members shall be appointed by the mayor for a term  
16 of three years, and shall hold office until a successor is appointed. Any member may be  
17 removed by the mayor for inefficiency, neglect of duty, or misconduct. All vacancies shall  
18 be filled by appointment of the mayor for the unexpired term. No member shall receive  
19 compensation for the member's services, but shall be entitled to necessary and reasonable  
20 expenses, including travel expenses, incurred in the discharge of the member's duties.

21 3. Beginning January 1, 2003, up to five percent of the new state revenues, as  
22 defined in subsection 8 of section 99.845, from the estimated sales and business income  
23 taxes generated from developments funded pursuant to sections 99.915 to 99.984 may be  
24 available for appropriation by the general assembly to the department of economic  
25 development supplemental tax increment financing fund, from the general revenue fund,  
26 for distribution to the community development corporation revolving fund but at no time  
27 shall the amount received from the sales or business income taxes and deposited in the fund  
28 exceed one million five hundred thousand dollars annually.

29 4. From moneys in the community development corporation revolving fund, the  
30 community development corporation revolving fund board shall provide grants and  
31 forgivable loans to community development corporations in such city for community  
32 economic development activities implemented by such corporations. The board shall give  
33 special funding consideration to collaborations on community development projects  
34 between developers organized for profit and nonprofit developers. All expenses for such  
35 projects shall be paid for out of the community development corporation revolving fund.  
36 Any moneys appropriated, all payments in lieu of taxes, as defined in section 99.945, and  
37 any other moneys made available by gift, grant, bequest, contribution, or otherwise to  
38 carry out the purposes of this section, and all interest earned on, and income generated  
39 from, moneys in the fund shall be paid to, and deposited in, the community development  
40 corporation revolving fund.

99.945. As used in sections 99.915 to 99.984, unless the context clearly requires  
2 otherwise, the following terms shall mean:

3 (1) "Baseline state sales taxes", the total general revenue portion of state sales taxes  
4 received by the department of revenue pursuant to section 144.020, RSMo, for sales within  
5 each development project area in the calendar year before the adoption of the ordinance  
6 designating such development project area, excluding sales taxes that are constitutionally  
7 dedicated, taxes deposited to the school district trust fund in accordance with section

8 **144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats, and outboard motors,**  
9 **and future sales taxes earmarked by law. If a business relocates all or a part of its**  
10 **operations within one year from one facility to another facility within the state and the**  
11 **authority finds that the business is a direct beneficiary of development financing at the**  
12 **facility to which operations are relocated, then the incremental increase in the general**  
13 **revenue portion of state sales tax revenues shall be the amount by which state general**  
14 **revenue sales tax revenue collected for sales in the development project area for each**  
15 **calendar year after the year of the adoption of the ordinance designating the development**  
16 **project area exceeds the general revenue portion of state sales taxes collected for sales in**  
17 **the development project area in the year before the adoption of the ordinance designating**  
18 **the development project area, plus the general revenue portion of the state sales taxes**  
19 **collected from sales at the former location of the relocated facility in the calendar year**  
20 **before the adoption of the ordinance designating such development project area;**

21 (2) **"Baseline state withholding taxes", two percent of the gross wages from which**  
22 **state income tax is withheld by any employer for employees working within each**  
23 **development project area in the calendar year before the adoption of the ordinance**  
24 **designating such development project area. If a business relocates all or a part of its**  
25 **operations within one year from one facility to another facility within the state and the**  
26 **authority finds that the business is a direct beneficiary of development financing at the**  
27 **facility to which operations are relocated, then two percent of the gross wages from which**  
28 **state income tax was withheld in the calendar year before the adoption of the ordinance**  
29 **designating such development project area on account of jobs relocated to a new facility**  
30 **within a development project area shall be added to baseline state withholding taxes;**

31 (3) **"Blighted area", an area which has previously been found by the municipality**  
32 **to be a blighted area pursuant to any other provision of law or which, by reason of the**  
33 **predominance of defective or inadequate street layout, unsanitary or unsafe conditions,**  
34 **deterioration of site improvements, improper subdivision or obsolete platting, or the**  
35 **existence of conditions which endanger life or property by fire and other causes, or any**  
36 **combination of such factors, retards the provision of housing accommodations or**  
37 **constitutes an economic or social liability or a menace to the public health, safety, morals,**  
38 **or welfare in its present condition and use;**

39 (4) **"Collecting officer", the officer of the municipality responsible for receiving and**  
40 **processing payments in lieu of taxes, economic activity taxes, and other net new revenues**  
41 **from taxpayers and, as to local sales taxes, the department of revenue;**

42 (5) **"Conservation area", any improved area within the boundaries of a**  
43 **redevelopment area located within the territorial limits of a municipality in which fifty**

44 percent or more of the structures in the area have an age of thirty-five years or more, and  
45 such an area is not yet a blighted area but is detrimental to the public health, safety,  
46 morals, or welfare and may become a blighted area because of any one or more of the  
47 following factors: dilapidation; obsolescence; deterioration; illegal use of individual  
48 structures; presence of structures below minimum code standards; abandonment; excessive  
49 vacancies; overcrowding of structures and community facilities; lack of ventilation, light  
50 or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or  
51 layout; depreciation of physical maintenance; and lack of community planning;

52 (6) "Development area", an area designated by a municipality in respect to which  
53 the municipality has made a finding that there exist conditions which cause the area to be  
54 classified as a blighted area or a conservation area, which area shall have the following  
55 characteristics: (i) it includes only those parcels of real property directly and substantially  
56 benefited by the proposed development plan; (ii) it can be renovated through one or more  
57 development projects; (iii) it shall be located in the central business districts or urban core  
58 areas of a city; (iv) it has generally suffered from declining population or property taxes  
59 for the twenty-year period immediately preceding the area's designation as a development  
60 area; and (v) it shall be contiguous, provided, however that a development plan may  
61 include up to an additional three areas selected for development projects which are not  
62 within the development area; provided, further, that the total area within the development  
63 area, together with the three additional areas, shall not exceed ten percent of the entire  
64 area of the municipality. Subject to the limitation set forth in this subdivision, the  
65 development area can be enlarged or modified as provided in section 99.957;

66 (7) "Development plan", the comprehensive program of a municipality to reduce  
67 or eliminate those conditions which qualified a development area as a blighted area or a  
68 conservation area, and to thereby enhance the tax bases of the taxing districts which extend  
69 into the development area through the reimbursement, payment, or otherwise financing  
70 of development project costs in accordance with sections 99.915 to 99.984 and through the  
71 exercise of the powers set forth in sections 99.915 to 99.984. The development plan shall  
72 conform to the requirements of section 99.948;

73 (8) "Development project", any development project within a development area  
74 which constitutes a major initiative in furtherance of the objectives of the development  
75 plan, and any such development project shall include a legal description of the area  
76 selected for such development project;

77 (9) "Development project area", the area located within a development area  
78 selected for a development project;

79 (10) "Development project costs" include the sum total of all reasonable or

80 necessary costs incurred or estimated to be incurred, and any such costs incidental to the  
81 development plan or a development project, as applicable, which are expended on public  
82 property, buildings, or rights-of-way for public purposes or for public institutions in  
83 furtherance of a development project. Such costs include, but are not limited to, the  
84 following:

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

86 (b) Professional service costs, including, but not limited to, architectural,  
87 engineering, legal, marketing, financial, planning, or special services. Except the  
88 reasonable costs incurred by the authority for the administration of sections 99.915 to  
89 99.984, such costs shall be allowed only as an initial expense which, to be recoverable, shall  
90 be included in the costs of a development plan or development project;

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

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

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

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

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

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

107 (i) Payments in lieu of taxes; and

108 (j) Endowment of governmental or public institutions of research or higher  
109 education;

110 (11) "Economic activity taxes", the total additional revenue from taxes which are  
111 imposed by the municipality and other taxing districts, and which are generated by  
112 economic activities within each development project area over the amount of such taxes  
113 generated by economic activities within such development project area in the calendar year  
114 prior to the adoption of the ordinance designating such development project area, but  
115 excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms

116 paid by transient guests of hotels and motels, licenses, fees, or special assessments. If a  
 117 retail establishment relocates within one year from one facility to another facility within  
 118 the same county and the authority finds that the retail establishment is a direct beneficiary  
 119 of development financing, then for purposes of this definition, the economic activity taxes  
 120 generated by the retail establishment shall equal the total additional revenues from  
 121 economic activity taxes which are imposed by the municipality and other taxing district  
 122 over the amount of economic activity taxes generated by the retail establishment in the  
 123 calendar year prior to its relocation to such development project area;

124 (12) "Evaluation departments", the department of revenue, the department of  
 125 economic development, and the office of administration;

126 (13) "Gambling establishment", an excursion gambling boat as defined in section  
 127 313.800, RSMo, and any related business facility including any real property  
 128 improvements which are directly and solely related to such business facility, whose sole  
 129 purpose is to provide goods or services to an excursion gambling boat and whose majority  
 130 ownership interest is held by a person licensed to conduct gambling games on an excursion  
 131 gambling boat or licensed to operate an excursion gambling boat as provided in sections  
 132 313.800 to 313.850, RSMo;

133 (14) "Major initiative", a development project, the estimated cost of which is in  
 134 excess of the amount set forth below for the municipality, as applicable, which promotes  
 135 tourism, cultural activities, arts, entertainment, education, research, arenas, multipurpose  
 136 facilities, libraries, ports, mass transit, museums, or conventions, or which promotes  
 137 business locations or expansions that are estimated to create at least as many new jobs as  
 138 set forth below within three years of such location or expansion, as described in the  
 139 development plan and are in furtherance of the revitalization of the development area:

| 140 Population of           | Estimated    | New Jobs     |
|-----------------------------|--------------|--------------|
| 141 Municipality            | Project Cost | Created      |
| 142 300,000 or more         | \$10,000,000 | at least 100 |
| 143 From 100,000 to 299,999 | \$5,000,000  | at least 50  |
| 144 99,999 or less          | \$1,000,000  | at least 10; |

145 (15) "Municipality", any city, village, incorporated town, or any county of this state  
 146 established on or prior to January 1, 2001;

147 (16) "Obligations", bonds, loans, debentures, notes, special certificates, or other  
 148 evidences of indebtedness issued by the authority or other public entity authorized to issue  
 149 such obligations pursuant to sections 99.915 to 99.984 to carry out a development project  
 150 or to refund outstanding obligations;

151 (17) "Ordinance", an ordinance enacted by the governing body of any municipality

152 or an order of the governing body of such a municipal entity whose governing body is not  
153 authorized to enact ordinances;

154 (18) "Other net new revenues":

155 (a) An amount equal to the general revenue portion of state sales tax revenues that  
156 would be received by the department of revenue pursuant to section 144.020, RSMo, but  
157 for the adoption of development financing and the authorization of the tax credits in  
158 subdivision (1) of subsection 7 of section 99.969, excluding sales taxes that are  
159 constitutionally dedicated, taxes deposited to the school district trust fund in accordance  
160 with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and  
161 outboard motors and future sales taxes earmarked by law, within each development  
162 project area; and

163 (b) An amount equal to two percent of the gross wages from which state income tax  
164 is withheld, by any employer for employees working within each development project area;

165 (19) "Payment in lieu of taxes", those revenues from real property in each  
166 development project area, which taxing districts would have received had the municipality  
167 not adopted a development plan and the authority not adopted development financing, and  
168 which would result from levies made after the time of the adoption of development  
169 financing during the time the current equalized value of real property in such development  
170 project area exceeds the total equalized value of real property in such development project  
171 area during the calendar year preceding the adoption of the ordinance designating the  
172 development project area until the designation is terminated pursuant to subsection 2 of  
173 section 99.972 or twenty-five years thereafter, whichever is first;

174 (20) "Special allocation fund", the fund of the municipality or its authority  
175 required to be established pursuant to section 99.954 which special allocation fund shall  
176 contain at least four separate segregated accounts into which payments in lieu of taxes are  
177 deposited in one account, economic activity taxes are deposited in a second account, other  
178 net new revenues are deposited into a third account, and other revenues, if any, received  
179 by the authority or the municipality for the purpose of implementing a development plan  
180 or a development project are deposited in a fourth account;

181 (21) "Taxing districts", any political subdivision of this state having the power to  
182 levy taxes; and

183 (22) "Taxing districts' capital costs", those costs of taxing districts for capital  
184 improvements that are found by the municipal governing bodies to be necessary and to  
185 directly result from a development project.

99.948. A development plan shall set forth in writing a general description of the  
2 program to be undertaken to accomplish the development projects and related objectives

3 and shall include, but need not be limited to, the estimated development project costs, the  
4 anticipated sources of funds to pay such development project costs, evidence of the  
5 commitments to finance such development project costs, the anticipated type and term of  
6 the sources of funds to pay such development project costs, the anticipated type and terms  
7 of the obligations to be issued, the most recent equalized assessed valuation of the property  
8 within the development area which is to be subjected to payments in lieu of taxes and  
9 economic activity taxes pursuant to section 99.969, an estimate as to the equalized assessed  
10 valuation after the development area is developed in accordance with a development plan,  
11 and the general land uses to apply in the development area. For municipalities with more  
12 than four hundred thousand inhabitants, for any county with a charter form of  
13 government and with more than one million inhabitants, and for any city not within a  
14 county, the authority shall be required in connection with the designation of the  
15 development area, development projects, and development project areas, to work with  
16 local community development corporations, as defined in subsection 3 of section 135.400,  
17 RSMo, with a goal that over the term of the development plan five percent of the funds  
18 generated pursuant to section 99.969 will be expended in connection with such projects.  
19 The development plan shall be adopted by a municipality in reliance on findings that:

20 (1) The development area on the whole is a blighted area or a conservation area,  
21 and has not been subject to growth and development through investment by private  
22 enterprise and would not reasonably be anticipated to be developed without the  
23 implementation of one or more development projects and the adoption of development  
24 financing. Such a finding shall include, but not be limited to, a description of the  
25 development projects which are proposed to implement the development plan and the  
26 factors that qualify the development area pursuant to this subdivision;

27 (2) The development plan conforms to the comprehensive plan for the development  
28 of the municipality;

29 (3) The estimated dates, which shall not be more than thirty-five years from the  
30 adoption of the ordinance approving the development area, of completion of any  
31 development project and retirement of obligations incurred to finance development project  
32 costs have been stated, provided that no ordinance approving a development project shall  
33 be adopted later than fifteen years from the adoption of the ordinance approving the  
34 development plan and provided that no property for a development project shall be  
35 acquired by eminent domain later than ten years from the adoption of the ordinance  
36 approving such development plan;

37 (4) In the event any business or residence is to be relocated as a direct result of the  
38 implementation of the development plan, a plan has been developed for relocation

39 assistance for businesses and residences;

40 (5) A cost-benefit analysis prepared by or under the supervision of the department  
41 of economic development showing the economic impact of the development plan on the  
42 state and each municipality, county, and school district which is at least partially within  
43 the boundaries of the development area. The analysis shall show the impact on the  
44 economy if the development projects are not built pursuant to the development plan under  
45 consideration. The cost-benefit analysis shall include a fiscal impact study on the state and  
46 each municipality, county, and school district which is at least partially within the  
47 boundaries of the development area, and sufficient information from the authority to  
48 evaluate whether each development project as proposed is financially feasible. The  
49 authority shall pay the department of economic development a fee for the preparation or  
50 supervision of services delivered pursuant to this subdivision; and

51 (6) A finding that the development plan does not include the initial development  
52 or redevelopment of any gambling establishment.

99.951. In the event a county of this state desires to designate a development area  
2 located in whole or in part within the boundaries of another municipality, such county  
3 shall first obtain the permission of the governing body of such other municipality.

99.954. 1. A municipality may:

2 (1) Approve by ordinance the exercise by the authority of the powers, functions,  
3 and duties of the authority under sections 99.915 to 99.984;

4 (2) After adopting an ordinance in accordance with subdivision (1) of this  
5 subsection and after receipt of recommendations from the authority in accordance with  
6 subsection 2 of this section, by ordinance, designate development areas and adopt the  
7 development plans, development projects, designate a development project area for each  
8 development project adopted, and adopt development financing for each such development  
9 project area. No development plan may be adopted until the development area is  
10 designated. No development project shall be adopted until the development plan is  
11 adopted and the development project area for each development project shall be  
12 designated at the time of adopting the development project; and

13 (3) Exercise the powers, duties, or functions of the authority under sections 99.915  
14 to 99.984.

15 2. The authority shall hold public hearings and provide notice pursuant to sections  
16 99.957 and 99.960. Within ten days following the completion of any such public hearing,  
17 the authority shall vote on, and shall make recommendation to the governing body of the  
18 municipality with regard to, any development plan, development projects, designation of  
19 a development area or amendments thereto which were proposed at such public hearing.

20           **3. Before or after the development plan is adopted by ordinance in accordance with**  
21 **this section, a municipality may submit the development plan to the Missouri development**  
22 **finance board for approval of the use of other net new revenues to fund one or more**  
23 **development projects. If submitted to the Missouri development finance board for**  
24 **approval of the use of other net new revenues, the development plan shall include the**  
25 **following items in addition to the items set forth in section 99.948:**

26           **(1) An estimate that: (a) one hundred percent of the payments in lieu of taxes and**  
27 **economic activity taxes deposited to the special allocation fund will be necessary to pay**  
28 **development project costs or obligations issued to finance development project costs to**  
29 **achieve the objectives of the development plan; or (b) if one hundred percent of payments**  
30 **in lieu of taxes and economic activity taxes are not used to pay or finance development**  
31 **costs, the amount of contributions from private sources or the value of tax abatement, tax**  
32 **increment financing, or other development assistance from the state, the municipality, or**  
33 **other taxing districts will equal or exceed the amount of payments in lieu of taxes and**  
34 **economic activity taxes which will be returned to taxing districts or otherwise not used to**  
35 **pay or finance development project costs;**

36           **(2) Identification of the existing businesses located within the development area;**

37           **(3) The amount of the state sales tax revenues reported by existing businesses**  
38 **within the development area in the calendar year prior to the designation or proposed**  
39 **designation of the development area;**

40           **(4) The estimate of other net new revenues within the development area for the**  
41 **years in which development financing are proposed to be in effect;**

42           **(5) The amount of the baseline state sales taxes and the baseline state withholding**  
43 **taxes;**

44           **(6) A copy of a written request submitted by the municipality to the department of**  
45 **revenue, requesting that the department of revenue, provide to the department of economic**  
46 **development and the municipality the amount of the state income tax withheld on behalf**  
47 **of existing employees reported by existing businesses located within the development area**  
48 **in the calendar year prior to the designation or proposed designation of the development**  
49 **area; and**

50           **(7) Such other materials as are required by guidelines adopted by the Missouri**  
51 **development finance board in order to demonstrate that the development project involves**  
52 **a major initiative and is financially feasible, including commitments to finance or occupy**  
53 **the development project, and that the amount of other net new revenues is reasonably**  
54 **predictable.**

55           **4. The methodologies used in determining the estimate of the other net new**

56 revenues within the development area as required in subsection 3 of this section and the  
57 compliance with any such guidelines shall be subject to the approval of the Missouri  
58 development finance board and upon approval of the same the director shall issue a  
59 certificate of approval. If the estimate of the other net new revenues is in excess of other  
60 net new revenues requested to be committed to the payment of development project costs  
61 or obligations issued to finance development project costs, and so long as the amount of  
62 other net new revenues to be deposited to the special allocation fund does not exceed the  
63 limit set forth under subsection 5 of section 99.969, the conditions under this section shall  
64 be deemed satisfied and a certificate setting forth the approval required by this subsection  
65 shall be issued.

2 99.957. Prior to the adoption of the ordinance designating a development area,  
3 adopting a development plan, or adopting a development project, the authority shall fix  
4 a time and place for a public hearing and notify each taxing district located wholly or  
5 partially within the boundaries of the proposed development area or development project  
6 area affected. Such notice shall comply with the provisions of section 99.960. At the public  
7 hearing any interested person or affected taxing district may file with the authority written  
8 objections to, or comments on, and may be heard orally in respect to, any issues embodied  
9 in the notice. The authority shall hear and consider all protests, objections, comments, and  
10 other evidence presented at the hearing. The hearing may be continued to another date  
11 without further notice other than a motion to be entered upon the minutes fixing the time  
12 and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may  
13 be made in the development plan or development area, provided that written notice of such  
14 changes is available at the public hearing. After the public hearing but prior to the  
15 adoption of an ordinance designating a development area, adopting a development plan  
16 or adopting a development project, whichever the case may be, changes may be made to  
17 any such proposed development plan, development project, or development area without  
18 a further hearing, if such changes do not enlarge the exterior boundaries of the  
19 development area, and do not substantially affect the general land uses established in a  
20 development plan or development project, provided that notice of such changes shall be  
21 given by mail to each affected taxing district and by publication in a newspaper of general  
22 circulation in the development area or development project area, as applicable, not less  
23 than ten days prior to the adoption of the changes by ordinance. After the adoption of an  
24 ordinance designating the development area, adopting a development plan or a  
25 development project, no ordinance shall be adopted altering the exterior boundaries of the  
26 development area or a development project area, affecting the general land uses  
established pursuant to the development plan or the general nature of a development

27 project without holding a public hearing in accordance with this section. One public  
28 hearing may be held for the simultaneous consideration of a development area,  
29 development plan, or development project.

99.960. 1. Notice of the public hearing required by section 99.957 shall be given by  
2 publication and mailing. Notice by publication shall be given by publication at least twice,  
3 the first publication to be not more than thirty days and the second publication to be not  
4 more than ten days prior to the hearing, in a newspaper of general circulation in the  
5 proposed development area or development project area, as applicable, and in two  
6 minority newspapers, of which one shall be published in the Spanish language. Notice by  
7 mailing shall be given by depositing such notice in the United States mail by certified mail  
8 addressed to the person or persons in whose name the general taxes for the last preceding  
9 year were paid on each lot, block, tract, or parcel of land lying within the proposed  
10 development area or development project area, as applicable, which is to be subjected to  
11 the payment or payments in lieu of taxes and economic activity taxes pursuant to section  
12 99.969. Such notice shall be mailed not less than ten days prior to the date set for the  
13 public hearing. In the event taxes for the last preceding year were not paid, the notice shall  
14 also be sent to the persons last listed on the tax rolls within the preceding three years as the  
15 owners of such property.

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

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

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

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

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

25 (5) An estimate of other net new revenues; and

26 (6) Such other matters as the authority may deem appropriate.

27 3. Not less than forty-five days prior to the date set for the public hearing, the  
28 authority shall give notice by mail as provided in subsection 1 of this section to all taxing  
29 districts from which taxable property is included in the development area or development  
30 project area, as applicable, and in addition to the other requirements pursuant to  
31 subsection 2 of this section, the notice shall include an invitation to each taxing district to  
32 submit comments to the authority concerning the subject matter of the hearing prior to the  
33 date of the hearing.

34           **4. A copy of any and all hearing notices required by section 99.957 shall be**  
35 **submitted by the authority to the director of the department of economic development and**  
36 **the time such notices are mailed or published, as applicable.**

**99.963. 1. For the purpose of financing development project costs, obligations may**  
2 **be issued by the municipality, by the authority, by any other public entity at the request**  
3 **of the municipality, or by the Missouri development finance board pursuant to sections**  
4 **100.250 to 100.297, RSMo, at the request of the municipality to pay or reimburse**  
5 **development costs. Such obligations, when so issued, shall be retired in the manner**  
6 **provided in the ordinance or resolution authorizing the issuance of such obligations.**

7           **2. Obligations issued pursuant to sections 99.915 to 99.984 may be issued in one or**  
8 **more series bearing interest at such rate or rates as the issuing entity shall determine by**  
9 **ordinance or resolution. Such obligations shall bear such date or dates, be in such**  
10 **denomination, carry such registration privileges, be executed in such manner, be payable**  
11 **in such medium of payment at such place or places, contain such covenants, terms, and**  
12 **conditions, and be subject to redemption as such ordinance or resolution shall provide.**  
13 **Obligations issued pursuant to sections 99.915 to 99.984 may be sold at public or private**  
14 **sale at such price as shall be determined by the issuing entity and shall state that**  
15 **obligations issued pursuant to sections 99.915 to 99.984 are special obligations payable**  
16 **solely from the funds specifically pledged. No referendum approval of the electors shall**  
17 **be required as a condition to the issuance of obligations pursuant to sections 99.915 to**  
18 **99.984.**

19           **3. In the event the obligations contain a recital that they are issued pursuant to**  
20 **sections 99.915 to 99.984, such recital shall be conclusive evidence of their validity and of**  
21 **the regularity of their issuance.**

22           **4. Neither the state, the municipality, the authority, the Missouri development**  
23 **finance board, or any other entity issuing such obligations, or the members, commissioners,**  
24 **directors, or the officers of any such entities nor any person executing any obligation shall**  
25 **be personally liable for such obligation by reason of the issuance thereof. The obligations**  
26 **issued pursuant to sections 99.915 to 99.984 shall not be a general obligation of the**  
27 **municipality, county, the Missouri development finance board, state of Missouri, or any**  
28 **political subdivision thereof, nor in any event shall such obligation be payable out of any**  
29 **funds or properties other than those specifically pledged as security for such obligations.**  
30 **The obligations shall not constitute indebtedness within the meaning of any constitutional,**  
31 **statutory, or charter debt limitation or restriction.**

**99.966. 1. Obligations issued pursuant to sections 99.915 to 99.984 may be issued**  
2 **to refund, in whole or in part, obligations theretofore issued by such entity under the**

3 authority of sections 99.915 to 99.984, whether at or prior to maturity; provided, however,  
4 that the last maturity of the refunding obligations shall not be expressed to mature later  
5 than the last maturity date of the obligations to be refunded.

6 2. In the event a municipality or authority issues obligations under home rule  
7 powers or other legislative authority, the proceeds of which are pledged to pay for  
8 development project costs, the municipality may retire such obligations from funds in the  
9 special allocation fund in amounts and in such manner as if such obligations had been  
10 issued pursuant to the provisions of sections 99.915 to 99.984.

99.969. 1. A municipality, after designating a development area, adopting a  
2 development plan, and adopting any development project in conformance with the  
3 procedures of sections 99.915 to 99.984, may adopt development financing for the  
4 development project area selected for any such development project by passing an  
5 ordinance and determine that it is appropriate to collect other net revenue within the  
6 development project area or areas and to submit the collection of other net revenue to  
7 voters within the municipality for approval. Upon the adoption of the first of any such  
8 ordinances, the municipality shall establish, or shall direct the authority to establish, a  
9 special allocation fund for the development area.

10 2. Before a municipality may levy and collect other net new revenue, the levy and  
11 collection of other net new revenues by the municipality from taxpayers in accordance with  
12 the approved development plan must be approved by a majority of the qualified voters of  
13 the municipality voting thereon.

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

23 4. In each of the twenty-five calendar years following the adoption of an ordinance  
24 adopting development financing for a development project area pursuant to subsection 1  
25 of this section unless and until development financing for such development project area  
26 is terminated by ordinance of the municipality, the ad valorem taxes, and payments in lieu  
27 of taxes, if any, arising from the levies upon taxable real property in such development  
28 project area by taxing districts at the tax rates determined in the manner provided in

29 section 99.975 shall be divided as follows:

30 (1) That portion of taxes, penalties, and interest levied upon each taxable lot, block,  
31 tract, or parcel of real property in such development project area which is attributable to  
32 the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real  
33 property in such development project area as certified by the county assessor in  
34 accordance with subsection 3 of this section shall be allocated to and, when collected, shall  
35 be paid by the collecting authority to the respective affected taxing districts in the manner  
36 required by law in the absence of the adoption of development financing;

37 (2) Payments in lieu of taxes attributable to the increase in the current equalized  
38 assessed valuation of each taxable lot, block, tract, or parcel of real property in the  
39 development project area and any applicable penalty and interest over and above the  
40 initial equalized assessed value of each such taxable lot, block, tract, or parcel of real  
41 property in such development project area as certified by the county assessor in  
42 accordance with subsection 3 of this section shall be allocated to and, when collected, shall  
43 be paid to the treasurer of the municipality who shall deposit such payment in lieu of taxes  
44 into a separate segregated account for payments in lieu of taxes of the special fund  
45 established in accordance with subsection 1 of this section. Payments in lieu of taxes which  
46 are due and owing shall constitute a lien against the real property from which such  
47 payments in lieu of taxes are derived and shall be collected in the same manner as real  
48 property taxes, including the assessment of penalties and interest where applicable. The  
49 lien of payments in lieu of taxes may be foreclosed in the same manner as the lien of real  
50 property taxes. No part of the current equalized assessed valuation of each lot, block, tract,  
51 or parcel of property in any such development project area attributable to any increase  
52 above the initial equalized assessed value of each such taxable lot, block, tract, or parcel  
53 of real property in such development project area as certified by the county assessor in  
54 accordance with subsection 3 of this section shall be used in calculating the general state  
55 school aid formula provided for in section 163.031, RSMo, until development financing for  
56 such development project area expires or is terminated in accordance with sections 99.915  
57 to 99.984;

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

64 5. In each of the thirty-five calendar years following the adoption of an ordinance

65 or resolution adopting development financing for a development project area pursuant to  
 66 subsection 1 of this section unless and until development financing for such development  
 67 project area is terminated by ordinance of the municipality, fifty percent of the economic  
 68 activity taxes from such development project area shall be allocated to, and paid by the  
 69 collecting officer of any such economic activity tax to, the treasurer or other designated  
 70 financial officer of the municipality, who shall deposit such funds in a separate segregated  
 71 account for economic activity taxes within the special allocation fund.

72 6. Provided that the municipality has complied with subsection 3 of section 99.954  
 73 and with subsection 2 of this section and the Missouri development finance board has  
 74 issued the certificate of approval as provided in such section, in each of the thirty-five  
 75 calendar years following the adoption of an ordinance adopting development financing for  
 76 a development project area pursuant to subsection 1 of this section, unless and until  
 77 development financing for such development project area is terminated by ordinance of  
 78 the municipality, each taxpayer collecting other net new revenue within such development  
 79 project area shall pay to the municipality the other net new revenues collected, and each  
 80 individual taxpayer owing other net new revenue on gross income earned within such  
 81 development project area shall pay or cause to be paid to the municipality such other net  
 82 new revenues which are due. Other net new revenues shall be paid to the municipality on  
 83 the same date the responsible taxpayer or employer pays sales tax or withholding taxes  
 84 which are not other net new revenues to the department of revenue for the period for  
 85 which the other net new revenues were collected or withheld. The municipality shall  
 86 deposit such other net new revenues in a separate segregated account for such other net  
 87 new revenues within the special allocation fund; provided, however, that if such other net  
 88 new revenues collected by the municipality exceed the following applicable dollar amounts  
 89 in any one calendar year the municipality will remit the excess to the director of revenue  
 90 in accordance with subsection 9 of this section:

| 91 Population of Municipality | New State Revenues |
|-------------------------------|--------------------|
| 92 300,000 or more            | \$40,000,000       |
| 93 From 100,000 to 299,999    | \$20,000,000       |
| 94 99,999 or less             | \$10,000,000       |

95 7. Taxpayers impacted by subsection 6 of this section shall be entitled to the  
 96 following tax credits:

97 (1) Any taxpayer within a development project area shall be entitled to a credit  
 98 against the taxpayer's general fund sales tax liability in an amount equivalent to one  
 99 hundred percent of that portion of the other net new revenues paid to a municipality by  
 100 the taxpayer, pursuant to subsection 6 of this section, which were calculated based on the

101 general revenue portion of state sales taxes which would have been paid to the director of  
102 revenue had development financing not been adopted in one or more development project  
103 areas pursuant to sections 99.915 to 99.984; and

104 (2) Any individual income taxpayer who is an employee within a development  
105 project area shall be entitled to a tax credit against such taxpayer's individual income tax  
106 liability in an amount equivalent to one hundred percent of that portion of the other net  
107 new revenues paid to a municipality by the taxpayer's employer, pursuant to subsection  
108 6 of this section, which were calculated based on the state income tax which would have  
109 been withheld by the taxpayer's employer and paid to the director of revenue had  
110 development financing not been adopted in one or more development project areas  
111 pursuant to sections 99.915 to 99.984. Each employer, paying other net new revenues to  
112 a municipality calculated based upon withholding taxes which would have been paid to the  
113 director of revenue had development financing not been adopted in a development project  
114 area, shall certify the amount of other net new revenues paid to each such municipality on  
115 behalf of each individual income taxpayer on the same date the employer certifies the  
116 amount of state income tax withheld and remitted to the director of revenue for such  
117 employee. Each such employee shall provide the employer's certificate to the department  
118 of revenue and credit the amount shown on such certificate against individual income tax  
119 due.

120 8. Within thirty days of the end of each calendar year, each municipality collecting  
121 other net new revenues shall pay the baseline state sales taxes and the baseline state  
122 withholding taxes from the other net new revenues deposited in the special allocation fund  
123 to the director of revenue for each development project for which such funds were  
124 collected during such calendar year.

125 9. By December thirty-first of each year after the designation of development  
126 financing within a development project area, each municipality with one or more  
127 development project areas shall submit to the department of revenue a report setting forth  
128 the amount of the other net new revenues received by the municipality for the prior  
129 calendar year. If the amount of the other net new revenues received by the municipality  
130 exceeds the dollar limit set forth in subsection 5 of this section, the municipality shall remit  
131 such excess amount from the special allocation fund for the appropriate development plan  
132 to the director of revenue within forty-five days of the submission of the report.

133 10. If all or part of a development project area is or becomes subject to tax  
134 increment financing pursuant to the real property tax increment allocation redevelopment  
135 act, sections 99.800 to 99.865, payments in lieu of taxes, economic activity taxes and other  
136 net new revenues which are subject to allocation pursuant to sections 99.915 to 99.984 may

137 be apportioned or diverted to be used pursuant to the real property tax increment  
138 allocation redevelopment act, by the authority acting pursuant to subdivision (20) of  
139 section 99.936, or otherwise, if the development plan so provides.

140 **11. The director of revenue shall issue regulations and publish forms to implement**  
141 **the provisions of this section.**

142 **12. All personnel and other costs incurred by the department of revenue and the**  
143 **department of economic development for the evaluation, administration, operation of, and**  
144 **reporting pursuant to this section shall be paid from the fund pursuant to subdivision (11)**  
145 **of subsection 1 of section 99.936.**

**99.972. 1. When all development project costs and all obligations issued to finance**  
2 **development project costs have been paid in full, the municipality shall adopt an ordinance**  
3 **terminating development financing for all development project areas. Immediately upon**  
4 **the adoption of such ordinance, all payments in lieu of taxes, all economic activity taxes,**  
5 **and other net new revenues then remaining in the special allocation fund shall be deemed**  
6 **to be surplus funds; and thereafter, the rates of the taxing districts shall be extended and**  
7 **taxes levied, collected, and distributed in the manner applicable in the absence of the**  
8 **adoption of development financing. Surplus payments in lieu of taxes shall be paid to the**  
9 **county collector who shall immediately thereafter pay such funds to the taxing districts in**  
10 **the development area selected in the same manner and proportion as the most recent**  
11 **distribution by the collector to the affected districts of real property taxes from real**  
12 **property in the development area. Surplus economic activity taxes shall be paid to the**  
13 **taxing districts in the development area in proportion to the then current levy rates of such**  
14 **taxing districts that are attributable to economic activity taxes. Surplus other net new**  
15 **revenues shall be paid to the state. Any other funds remaining in the special allocation**  
16 **fund following the adoption of an ordinance terminating development financing in**  
17 **accordance with this section shall be deposited to the general fund of the municipality.**

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

22 **3. Nothing in sections 99.915 to 99.984 shall be construed as relieving property in**  
23 **such areas from paying a uniform rate of taxes, as required by article X, section 3 of the**  
24 **Missouri Constitution.**

**99.975. In each of the thirty-five calendar years following the adoption of an**  
2 **ordinance or resolution adopting development financing for a development project area**  
3 **pursuant to subsection 1 of section 99.954 unless and until development financing for such**

4 development project area is terminated by ordinance of the municipality, then, in respect  
5 to every taxing district containing such development project area, the county clerk, or any  
6 other official required by law to ascertain the amount of the equalized assessed value of all  
7 taxable property within such development project area for the purpose of computing any  
8 debt service levies to be extended upon taxable property within such development project  
9 area, shall in every year that development financing is in effect ascertain the amount of  
10 value of taxable property in such development project area by including in such amount  
11 the certified total initial equalized assessed value of all taxable real property in such  
12 development project area in lieu of the equalized assessed value of all taxable real property  
13 in such development project area. For the purpose of measuring the size of payments in  
14 lieu of taxes under sections 99.915 to 99.984, all tax levies shall then be extended to the  
15 current equalized assessed value of all property in the development project area in the  
16 same manner as the tax rate percentage is extended to all other taxable property in the  
17 taxing district.

99.978. 1. If any section, subsection, subdivision, paragraph, sentence or clause of  
2 sections 99.915 to 99.984 is, for any reason, held to be invalid or unconstitutional, such  
3 decision shall not affect any remaining portion, section, or part thereof which can be given  
4 effect without the invalid provision.

5 2. Sections 99.915 to 99.984 shall be construed liberally to effectuate the purposes  
6 hereof. Insofar as the provisions of sections 99.915 to 99.984 are inconsistent with the  
7 provisions of any other law, the provisions of sections 99.915 to 99.984 shall be controlling.

8 3. The powers conferred by sections 99.915 to 99.984 shall be in addition and  
9 supplemental to the powers conferred by any other law.

99.981. Beginning in 2004, and every five years thereafter, a joint committee of the  
2 general assembly, comprised of five members appointed by the speaker of the house of  
3 representatives and five members appointed by the president pro tempore of the senate,  
4 shall review sections 99.915 to 99.984. A report based on such review, with any  
5 recommended legislative changes, shall be submitted to the speaker of the house of  
6 representatives and the president pro tempore of the senate no later than February first  
7 following the year in which the review is conducted.

99.984. 1. By the last day of February each year, the authority shall report to the  
2 director of the department of economic development the name, address, phone number,  
3 and primary line of business of any business which relocates to the development area. The  
4 director of the department of economic development shall compile and report the same to  
5 the governor, the speaker of the house of representatives and the president pro tempore  
6 of the senate on the last day of April each year.

7           **2. Each year the governing body of the municipality, or its designee, shall prepare**  
8 **a report concerning the status of the development plan, the development area, and the**  
9 **included development projects, and shall submit a copy of such report to the director of**  
10 **the department of economic development. The report shall include the following:**

11           **(1) The amount and source of revenue in the special allocation fund;**

12           **(2) The amount and purpose of expenditures from the special allocation fund;**

13           **(3) The amount of any pledge of revenues, including principal and interest on any**  
14 **outstanding bonded indebtedness;**

15           **(4) The original assessed value of the development area;**

16           **(5) The assessed valuation added to the development area;**

17           **(6) Payments made in lieu of taxes received and expended;**

18           **(7) The economic activity taxes generated within the development area in the**  
19 **calendar year prior to the designation of the development area, the amount of the state**  
20 **sales tax revenue generated within the development area in the calendar year prior to the**  
21 **designation of the development area, and the amount of the state income tax withheld by**  
22 **employers on behalf of existing employees in the development area in the calendar year**  
23 **prior to the designation of the development area;**

24           **(8) The economic activity taxes generated within the development area after the**  
25 **designation of the development area, the amount of the state sales tax revenue generated**  
26 **within the development area after the designation of the development area, and the amount**  
27 **of the state income tax withheld by employers on behalf of new employees in the**  
28 **development area after the designation of the development area;**

29           **(9) Reports on contracts made incident to the implementation and furtherance of**  
30 **a development area, the development plan, and the included development projects;**

31           **(10) A copy of the development plan, which shall include the required findings and**  
32 **cost-benefit analysis pursuant to subdivisions (1) to (6) of section 99.948;**

33           **(11) The cost of any property acquired, disposed of, rehabilitated, reconstructed,**  
34 **repaired, or remodeled;**

35           **(12) The number of parcels acquired by or through initiation of eminent domain**  
36 **proceedings;**

37           **(13) For municipalities with more than four hundred thousand inhabitants, the**  
38 **number of development projects developed in connection with community development**  
39 **corporations and the amount of funds generated pursuant to section 99.969 which are**  
40 **expended in connection with such project; and**

41           **(14) Any additional information the municipality deems necessary.**

42           **3. Data contained in the report mandated pursuant to the provisions of subsection**

43 **1 of this section and any information regarding amounts disbursed to municipalities**  
44 **pursuant to the provisions of section 99.969 shall be deemed a public record, as defined in**  
45 **section 610.010, RSMo. An annual statement showing the payments made in lieu of taxes**  
46 **received and expended in that year, the status of the development area, the development**  
47 **plan, and the included development projects therein, amount of outstanding obligations,**  
48 **and any additional information the municipality deems necessary shall be published in a**  
49 **newspaper of general circulation in the municipality.**

50 **4. Five years after the establishment of the development area and the development**  
51 **plan and every five years thereafter the governing body of the authority shall hold a public**  
52 **hearing regarding the development area and the development plan and the development**  
53 **projects adopted pursuant to sections 99.915 to 99.984. The purpose of the hearing shall**  
54 **be to determine if the development area, development plan, and the included development**  
55 **projects are making satisfactory progress under the proposed time schedule contained**  
56 **within the approved development plan for completion of such development projects.**  
57 **Notice of such public hearing shall be given in a newspaper of general circulation in the**  
58 **area served by the authority once each week for four weeks immediately prior to the**  
59 **hearing.**

60 **5. The director of the department of economic development shall submit a report**  
61 **to the speaker of the house of representatives and the president pro tempore of the senate**  
62 **no later than February first of each year. The report shall contain a summary of all**  
63 **information received by the director pursuant to this section.**

64 **6. The department of economic development shall provide information and**  
65 **technical assistance, as requested by any municipality, on the requirements of sections**  
66 **99.915 to 99.984. Such information and technical assistance shall be provided in the form**  
67 **of a manual, written in an easy-to-follow manner, and through consultations with**  
68 **departmental staff.**

Section B. Section A of this act shall expire on August 28, 2009.