

HOUSE SUBSTITUTE
FOR
HOUSE COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 856

AN ACT

2 To repeal sections 72.080 and 72.130, RSMo,
3 and to enact in lieu thereof twenty-three new
4 sections relating to property development.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
6 AS FOLLOWS:

7 Section A. Sections 72.080 and 72.130, RSMo, are repealed
8 and twenty-three new sections enacted in lieu thereof, to be
9 known as sections 68.200, 68.202, 68.204, 68.206, 68.208, 68.210,
10 68.212, 68.214, 68.218, 68.220, 68.222, 68.224, 68.226, 68.230,
11 68.232, 68.234, 68.236, 68.238, 68.240, 72.080, 72.130, 135.259,
12 and 1, to read as follows:

13 68.200. Sections 68.200 to 68.240 shall be known and may be
14 cited as the "Riverfront Development District Act".

15 68.202. For purposes of sections 68.200 to 68.240, unless
16 the context clearly requires otherwise, the following terms shall
17 mean:

18 (1) "Blighted area", an area which:

19 (a) The port authority has found that, such area on the
20 whole, by reason of the predominance of defective or inadequate

1 street layout, insanitary or unsafe conditions, deterioration of
2 site improvements, improper subdivision or obsolete platting, or
3 the existence of conditions which endanger life or property by
4 fire and other causes, or any combination of such factors,
5 retards the provision of housing accommodations or constitutes an
6 economic or social liability or a menace to the public health,
7 safety, morals, or welfare in its present condition and use; or

8 (b) Has been declared blighted or found to be a blighted
9 area pursuant to Missouri law including, but not limited to,
10 chapter 353, RSMo, sections 99.300 to 99.715, or sections 99.800
11 to 99.865, RSMo;

12 (2) "Development plan", the comprehensive program of the
13 port authority for the development of a riverfront development
14 district, which plan conforms to the requirements set forth in
15 section 68.206;

16 (3) "District" or "riverfront development district", a
17 contiguous area designated by the port authority, which at the
18 time it is established is located substantially in an enterprise
19 zone, constitutes a blighted area and contains three or four
20 contiguous census tracts, each of which census tracts must adjoin
21 the banks of the Missouri River and must contain, or be bounded
22 by, a minimum of two bridges crossing the Missouri River, at
23 least two of which census tracts must be included in a distressed
24 community as defined in section 135.530, RSMo, at least one of

1 which census tracts must contain a historic district, at least
2 one of which census tracts must contain property for which an
3 application for voluntary remediation has been approved by the
4 department of natural resources pursuant to sections 260.565 to
5 260.575, RSMo, and at least one of which census tracts must
6 contain a single family home at least fifty years old which is
7 located within three-fourths of one mile of the banks of the
8 Missouri River;

9 (4) "Economic activity taxes", the total additional revenue
10 from taxes which are imposed by the taxing districts and which
11 are generated by economic activities within each project area
12 over the amount of such taxes generated by economic activities
13 within such project area in the calendar year before the adoption
14 of the resolution designating such project area; provided such
15 revenues shall not include special assessments, taxes levied
16 pursuant to section 70.500, RSMo, and any such revenues to be
17 deposited to a special allocation fund pursuant to a
18 redevelopment plan originally adopted, before the establishment
19 of the riverfront development district, pursuant to sections
20 99.800 to 99.865, RSMo;

21 (5) "Local net new revenues", include payments in lieu of
22 taxes and economic activity taxes;

23 (6) "Municipality", the city or county which formed the
24 port authority pursuant to this chapter;

1 (7) "Net new revenue fund", the net new revenue fund of the
2 port authority required to be established pursuant to section
3 68.218, which fund shall contain at least four separate
4 segregated accounts into which payments in lieu of taxes are
5 deposited in one account, economic activity taxes are deposited
6 in a second account, state new revenues are deposited into a
7 third account, and other revenues, if any, received by the port
8 authority for the purpose of implementing the development plan or
9 a project are deposited in a fourth account; provided, however,
10 special assessments levied pursuant to section 68.230 shall not
11 be deposited to any account within the net new revenue fund;

12 (8) "Net new revenues", include payments in lieu of taxes
13 and economic activity, state sales tax increment, and state
14 income tax increment;

15 (9) "Obligations", bonds, loans, debentures, notes, special
16 certificates, or other evidences of indebtedness issued for the
17 purpose of financing qualified project costs;

18 (10) "Payments in lieu of taxes", those revenues from real
19 property in each project area, which taxing districts would have
20 received had the port authority not established such project
21 area, and which would result from levies made after the time of
22 the establishment of the project area during the time the current
23 total equalized assessed value of real property in such project
24 area exceeds the total initial equalized assessed value of real

1 property in such project area until the designation of such
2 project area is terminated pursuant to section 68.224; provided
3 such revenues shall not include any such revenues to be deposited
4 to a special allocation fund pursuant to a redevelopment plan
5 originally adopted, before the establishment of the riverfront
6 development district, pursuant to sections 99.800 to 99.865,
7 RSMo;

8 (11) "Port authority", a political subdivision established
9 pursuant to this chapter which has a port district located in any
10 home rule city with more than four hundred thousand inhabitants
11 and located in more than one county;

12 (12) "Project", any development project within a district
13 established by the port authority in furtherance of the
14 objectives of the development plan;

15 (13) "Project area", an area within the district
16 established by resolution of the port authority as the
17 geographical boundaries of a project, which area shall be legally
18 described in the resolution establishing such area;

19 (14) "Qualified project costs", include any and all
20 reasonable or necessary costs incurred or estimated to be
21 incurred by the port authority, or a person or entity authorized
22 by the port authority, in furtherance of the development of the
23 district. Such costs include, but are not limited to, the
24 following:

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

2 (b) Professional service costs, including, but not limited
3 to, architectural, engineering, legal, marketing, financial,
4 planning, and special services;

5 (c) Administrative fees and costs of the port authority in
6 carrying out the purposes of sections 68.200 to 68.240 in a total
7 amount not to exceed five percent of the net new revenues
8 deposited to the net new revenue fund;

9 (d) Property assembly costs, including, but not limited to,
10 acquisition of land and other property, real or personal, or
11 rights or interests therein, demolition of buildings, and the
12 clearing and grading of land;

13 (e) Costs of rehabilitating, reconstructing, maintaining,
14 repairing, and remodeling of existing buildings and fixtures;

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

16 (g) Financing costs, including, but not limited to, all
17 necessary and incidental expenses related to the issuance of
18 obligations, and which may include capitalized interest on any
19 such obligations and reasonable reserves related to any such
20 obligations;

21 (h) All or a portion of a taxing district's capital costs
22 resulting from the project necessarily incurred or to be incurred
23 in furtherance of the objectives of the project, to the extent
24 the port authority by written agreement accepts and approves such

1 costs; and

2 (i) Relocation costs to the extent that a port authority
3 determines that relocation costs shall be paid or are required to
4 be paid by federal or state law;

5 (15) "State income tax increment", the estimate of the
6 income tax due the state for salaries or wages paid to new
7 employees in new jobs:

8 (a) At a business located in the development project area;
9 and

10 (b) Created by the development project.

11 The estimate shall be a percentage of the gross payroll which
12 percentage shall be based upon an analysis by the department of
13 revenue of the practical tax rate on income, factoring in
14 deductions and exemptions.

15 (16) "State net new revenues", that percentage of state
16 sales tax increment or state income tax increment or some
17 combination of a percentage of each such increment as approved by
18 the department of economic development pursuant to section
19 68.220;

20 (17) "State sales tax increment", the incremental increase
21 in the state sales tax revenue generated within each project area
22 above the amount of such revenues received in the calendar year
23 before the establishment of such project area. In the event a

1 business relocates from a site within the state to any such
2 project area, for purposes of such business, state sales tax
3 increment shall mean the incremental increase in the state sales
4 tax revenue generated by such business above the amount of such
5 revenues generated by such business in the calendar year before
6 the year of the closing of such business at its previous
7 location;

8 (18) "State sales tax revenues", the general revenue
9 portion of state sales tax revenues received pursuant to section
10 144.020, RSMo, excluding sales taxes that are constitutionally
11 dedicated, taxes deposited to the school district trust fund in
12 accordance with section 144.701, RSMo, sales and use taxes on
13 motor vehicles, trailers, boats, and outboard motors, and future
14 sales taxes earmarked by law;

15 (19) "Taxing district", any political subdivision of this
16 state having the power to levy taxes, which political subdivision
17 is located wholly or partially within the riverfront development
18 district, as proposed or established;

19 (20) "Total equalized assessed value", in regard to a
20 project area, the most recently ascertained equalized assessed
21 value of each taxable lot, block, tract, or parcel of real
22 property within such project area; and

23 (21) "Total initial equalized assessed value", in regard to
24 a project area, that amount certified by the county assessor

1 which equals the total equalized assessed value of such project
2 area during the calendar year preceding the year of the adoption
3 of the resolution establishing such project area.

4 68.204. 1. A port authority may, by resolution, establish
5 a riverfront development district, approve a development plan,
6 approve one or more projects, and establish a project area for
7 each project.

8 2. No riverfront development district shall be established
9 without a finding by the port authority that such district has
10 not been subject to growth and development on the whole by
11 private enterprise except with the help of public assistance
12 pursuant to chapter 99, RSMo, or chapter 353, RSMo, and would not
13 reasonably be anticipated to be developed on the whole without
14 the adoption of the development plan and public assistance
15 pursuant to sections 68.200 to 68.240.

16 3. Upon the adoption of a resolution establishing a
17 riverfront development district, the port authority shall submit
18 such resolution to the clerk of the municipality. The
19 municipality may, by ordinance introduced within ninety days from
20 the adoption of such resolution, authorize the establishment of
21 such district. No resolution establishing a riverfront
22 development district shall become effective unless and until the
23 municipality by ordinance authorizes the establishment of such
24 district.

1 4. No development plan shall be approved without the
2 establishment of a riverfront development district, and no
3 project shall be approved without the establishment of a project
4 area for such project and the approval of the development plan;
5 provided, however, the establishment of a riverfront development
6 district, approval of the development plan, approval of one or
7 more projects, and the establishment of project areas may occur
8 simultaneously. No project shall be approved more than fifteen
9 years following the approval of the development plan.

10 5. No riverfront development district shall be established
11 and no development plan shall be approved until after a public
12 hearing is held in accordance with section 68.210.

13 68.206. The development plan shall set forth in writing its
14 objectives, a general description of the program to be undertaken
15 to accomplish such objectives, and shall include, but not
16 necessarily be limited to, a general description of the
17 anticipated types of projects that may be approved to implement
18 the development plan, a general description of the public
19 improvements anticipated to be completed to meet the objectives
20 of the development plan, an estimate of the anticipated qualified
21 project costs, an estimate of the net new revenues to be
22 generated within the riverfront development district, a plan for
23 assisting the relocation, if any, of businesses or residences
24 located in the district as may be necessary to implement the

1 development plan, and an analysis showing the economic impact on
2 each affected taxing district if the development plan is
3 implemented and if it is not implemented.

4 68.208. The plan for each project shall set forth in
5 writing a general description of the private and public
6 improvements to be completed, the estimated qualified project
7 costs, the anticipated sources of funds to pay such qualified
8 project costs, the anticipated type and term of the obligations,
9 if any, to be issued to finance such qualified project costs, an
10 estimate of the net new revenues to be generated within the
11 project area for such project, the estimated total initial
12 equalized assessed value of such project area, an estimate as to
13 the equalized assessed valuation of such project area after the
14 improvements within such project area are completed, a legal
15 description of such project area, and the general land uses to
16 apply in such project area.

17 68.210. 1. Before the adoption of a resolution
18 establishing a riverfront development district or approving a
19 development plan or project, the port authority shall fix a time
20 and place for a public hearing and notify each taxing district.
21 Such notice shall comply with the provisions of section 68.212.

22 2. At the public hearing any interested person or affected
23 taxing district may file with the port authority written
24 objections to, or comments on, and may be heard orally in respect

1 to, any issues embodied in the notice. The port authority shall
2 hear and consider all protests, objections, comments, and other
3 evidence presented at the hearing. The hearing may be continued
4 to another date without further notice other than a motion to be
5 entered upon the minutes fixing the time and place of the
6 subsequent hearing.

7 3. Before the conclusion of the hearing, changes may be
8 made in the development plan, a project, or riverfront
9 development district, provided that such changes are available in
10 writing at the public hearing. After the public hearing but
11 before the adoption of a resolution establishing the riverfront
12 development district or approving the development plan or a
13 project, whichever the case may be, changes may be made to any
14 such proposed development plan, project, or district without a
15 further hearing, if such changes do not enlarge the exterior
16 boundaries of the district, or do not substantially affect the
17 general land uses, or substantially change the nature of the
18 projects described in the development plan, provided that notice
19 of such changes shall be given by mail to each affected taxing
20 district and by publication in a newspaper of general circulation
21 in the district, not less than ten days before the adoption of
22 the changes by resolution. After the adoption of a resolution
23 designating the district or approving the development plan or
24 project, no resolution shall be adopted altering the exterior

1 boundaries of the district, substantially affecting the general
2 land uses, or substantially changing the nature of the projects
3 described in the development plan without holding a public
4 hearing in accordance with this section.

5 4. One public hearing may be held for the simultaneous
6 consideration of the district, the development plan, and any one
7 or more projects.

8 68.212. 1. Notice of a public hearing required by section
9 68.210 shall be given by publication. Notice by publication
10 shall be given by publication at least twice, the first
11 publication to be not more than thirty days and the second
12 publication to be not more than ten days before the hearing, in a
13 newspaper of general circulation in the proposed district.

14 2. Not less than forty-five days before the date set for a
15 public hearing required by section 68.210, the port authority
16 shall give notice by certified mail to each taxing district, and
17 in addition to the other requirements pursuant to subsection 4 of
18 this section, the notice shall include an invitation to each
19 taxing district to submit comments to the port authority
20 concerning the subject matter of the hearing before the date of
21 the hearing.

22 3. Not less than thirty days before the date set for a
23 public hearing required by section 68.210 for the establishment
24 of a project area, the port authority shall give notice by mail

1 to the person or persons in whose name the general taxes for the
2 last preceding year were paid on each lot, block, tract, or
3 parcel of land lying wholly or partially within the proposed
4 project area. In the event taxes for the last preceding year
5 were not paid, the notice shall also be sent to the persons last
6 listed on the tax rolls within the preceding three years as the
7 owners of such property.

8 4. The notices published or issued pursuant to this section
9 shall include the following:

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

11 (2) The general boundaries of the riverfront development
12 district by street location, where possible;

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

15 (4) A description of the development plan or project, as
16 applicable, and a location and time where the entire development
17 plan or project, as applicable, may be reviewed by any interested
18 party; and

19 (5) Such other matters as the port authority may deem
20 appropriate.

21 5. A copy of any and all hearing notices required by
22 section 68.210 shall be submitted by the port authority to the
23 director of the department of economic development and the time
24 such notices are mailed or published, as applicable.

1 68.214. In addition to and without limiting the powers of
2 the port authority set forth in this chapter, the port authority
3 shall have all the powers necessary to carry out and effectuate
4 the purposes and provisions of sections 68.200 to 68.240,
5 including, but not limited to, the following:

6 (1) To exercise any of its powers set forth in this chapter
7 as necessary or desirable to carry out and effectuate the
8 purposes of sections 68.200 to 68.240;

9 (2) To fix, charge, and collect fees, rents, and other
10 charges for use of any of the port authority's real or personal
11 property, or any interest therein;

12 (3) To loan the proceeds of obligations or other funds it
13 receives;

14 (4) To make expenditures, create reserve funds, and use all
15 or any portion of any funds it receives to pay for qualified
16 project costs or reimburse qualified project costs incurred, or
17 otherwise as necessary to carry out and effectuate the purposes
18 of sections 68.200 to 68.240;

19 (5) To pledge all or any part or any combination of net new
20 revenues, or mortgage all or any part of any project to secure
21 obligations;

22 (6) To enter into one or more agreements with the
23 municipality for the purpose of abating any public nuisance
24 within the boundaries of the district including, but not limited

1 to, the stabilization, repair or maintenance, or demolition and
2 removal of buildings or structures;

3 (7) Within the district, to provide assistance to or to
4 construct, reconstruct, install, repair, maintain, operate, and
5 equip any of the following improvements:

6 (a) Historical exhibits, arenas, aquariums, aviaries,
7 educational attractions, cultural attractions, and any other
8 facilities supporting or attracting tourism;

9 (b) Recreational parks and facilities, sidewalks,
10 pedestrian paths, streets, alleys, bridges, ramps, tunnels,
11 overpasses, underpasses, and other transportation improvements,
12 traffic signs and signals, utilities, drainage, water, storm and
13 sewer systems, and other site improvements, including any such
14 improvements located outside the district as necessary to support
15 development within the district;

16 (c) Industrial parks, terminals, terminal facilities,
17 warehouses, office parks, and mixed-use facilities;

18 (d) Parking lots, garages, and other facilities;

19 (e) Telephone and information booths, bus stops and other
20 shelters, restrooms, and kiosks;

21 (f) Streetscape, lighting, benches or other seating
22 furniture, trash receptacles, marquees, awnings, canopies, walls,
23 and barriers;

24 (g) Parks, green space, trees, and any other landscape;

1 (h) Lakes, dams, waterways, wetlands, and other water
2 features;

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

5 (j) Convention centers and meeting facilities;

6 (k) Residential and commercial developments;

7 (l) Pedestrian or shopping malls and plazas;

8 (m) Music, news, and child-care facilities; and

9 (n) Any other useful, necessary, or desired improvement;

10 (8) Within the district, to prohibit or restrict vehicular
11 and pedestrian traffic and vendors on streets, alleys, malls,
12 bridges, ramps, sidewalks, and tunnels and to provide the means
13 for access by emergency vehicles to or in such areas;

14 (9) Within the district, to operate or to contract for the
15 provision of music, news, child-care or parking facilities, and
16 buses, minibuses, or other modes of transportation;

17 (10) Within the district, to lease space for sidewalk café
18 tables and chairs;

19 (11) Within the district, to provide or contract for the
20 provision of security personnel, equipment, or facilities for the
21 protection of property and persons;

22 (12) Within the district, to provide or contract for
23 cleaning, maintenance, and other services to public and private
24 property;

1 (13) To produce and promote any tourism, recreational, or
2 cultural activity or special event in the district by, but not
3 limited to, advertising, decorating of any public place in the
4 district, promoting of such activity and special events, and
5 furnishing music in any public place;

6 (14) To establish an endowment fund, with proceeds from
7 obligations or any other funds received by the port authority,
8 for the purpose of maintaining or operating any improvements
9 located within the district which are owned, leased, or operated
10 by the port authority;

11 (15) To support business activity and economic development
12 within the district including, but not limited to, the promotion
13 of business activity, development, and retention, and the
14 recruitment of developers and businesses;

15 (16) To levy special assessments pursuant to section
16 68.230;

17 (17) To appoint one or more advisory committees to the port
18 authority; and

19 (18) To contract for or conduct economic, planning,
20 marketing, or other studies.

21 68.218. 1. The port authority, after establishing a
22 riverfront development district, shall establish a net new
23 revenue fund for the district.

24 2. Immediately upon the adoption of a resolution

1 establishing a project area pursuant to sections 68.200 to
2 68.240, the county assessor shall determine the total initial
3 equalized assessed value of such project area and shall provide
4 to the port authority written certification of such amount.

5 3. Upon the adoption of a resolution establishing a project
6 area pursuant to sections 68.200 to 68.240, during a period not
7 exceeding twenty-five calendar years as specified in such
8 resolution, unless and until the establishment of such project
9 area is terminated by resolution of the port authority, the ad
10 valorem taxes and payments in lieu of taxes, if any, arising from
11 the levies upon taxable real property in such project area by
12 taxing districts at the tax rates determined in the manner
13 provided in section 68.226 shall be divided as follows:

14 (1) That portion of taxes, penalties, and interest levied
15 upon each taxable lot, block, tract, or parcel of real property
16 in such project area which is attributable to the total initial
17 equalized assessed value of real property in such project area
18 shall be allocated to and, when collected, shall be paid by the
19 collecting authority to the respective affected taxing districts
20 in the manner required by law in the absence of the establishment
21 of such project area;

22 (2) Payments in lieu of taxes attributable to the increase
23 in the current total equalized assessed value of real property in
24 such project area and any applicable penalty and interest over

1 and above the total initial equalized assessed value of real
2 property in such project area shall be allocated to and, when
3 collected, shall be paid by the collecting officer to the port
4 authority and the port authority shall deposit such payments in
5 lieu of taxes into a separate segregated account for payments in
6 lieu of taxes in the net new revenue fund; provided, however, in
7 the event the resolution approving the project for such project
8 area specifies a percentage limit of payments in lieu of taxes
9 from such project area to be deposited to the net new revenue
10 fund, then only such percentage of any such payment in lieu of
11 tax shall be allocated to, and paid by the collecting officer to
12 the port authority. Payments in lieu of taxes which are due and
13 owing shall constitute a lien against the real property from
14 which such payments in lieu of taxes are derived and shall be
15 collected in the same manner as real property taxes, including
16 the assessment of penalties and interest where applicable. The
17 lien of payments in lieu of taxes may be foreclosed in the same
18 manner as the lien of real property taxes. No part of the
19 current total equalized assessed value of real property in any
20 such project area attributable to any increase above the total
21 initial equalized assessed value of real property in such project
22 area shall be used in calculating the general state school aid
23 formula provided for in section 163.031, RSMo, in each of the
24 calendar years following the adoption of the resolution

1 establishing such project area pursuant to sections 68.200 to
2 68.240, and for which payments in lieu of taxes are being made,
3 unless and until the establishment of such project area is
4 terminated by resolution of the port authority; and

5 (3) For purposes of this section, "levies upon taxable real
6 property in such project area by taxing districts" shall not
7 include the blind pension fund tax levied pursuant to the
8 authority of article III, section 38(b) of the Missouri
9 Constitution, or the merchants' and manufacturers' inventory
10 replacement tax levied pursuant to the authority of subsection 2
11 of section 6 of article X, of the Missouri Constitution.

12 4. Upon the adoption of a resolution establishing a project
13 area pursuant to sections 68.200 to 68.240, during a period not
14 exceeding twenty-five calendar years as specified in such
15 resolution, unless and until the establishment of such project
16 area is terminated by resolution of the port authority, all of
17 the economic activity taxes from such project area shall be
18 allocated to and, when collected, shall be paid by the collecting
19 officer to the port authority and the port authority shall
20 deposit such funds in a separate segregated account for economic
21 activity taxes within the net new revenue fund; provided,
22 however, in the event the resolution approving the project for
23 such project area specifies a percentage limit of economic
24 activity taxes from such project area to be deposited to the net

1 new revenue fund, then only such percentage of any such economic
2 activity tax shall be allocated to, and paid by the collecting
3 officer to the port authority. The expenditure or pledge of
4 economic activity taxes deposited to the net new revenue fund
5 shall be subject to annual appropriation by the port authority.

6 68.220. 1. Before or after the adoption of a resolution
7 establishing each project area, a port authority may submit an
8 application to the department of economic development for
9 approval of the use of state net new revenues, or any portion
10 thereof, to fund the project for any such project area. An
11 application submitted to the department of economic development
12 shall contain the following, in addition to a copy of the
13 development plan meeting the requirements of section 68.206:

14 (1) The approved percentage or proposed percentage, as
15 applicable, of economic activity taxes and payments in lieu of
16 taxes and the estimated amount of each such tax to be deposited
17 to the net new revenue fund; provided that such amounts must be
18 estimated to be necessary to pay all or a portion of the
19 estimated qualified project costs for such project and provided
20 that the percentages of each such tax shall be one of the
21 following:

22 (a) One hundred percent of the payments in lieu of taxes
23 and fifty percent of the economic activity taxes deposited to the
24 net new revenue fund;

1 (b) Fifty percent of the payments in lieu of taxes and one
2 hundred percent of the economic activity taxes deposited to the
3 net new revenue fund;

4 (c) Seventy-five percent of the payments in lieu of taxes
5 and seventy-five percent of the economic activity taxes deposited
6 to the net new revenue fund; or

7 (d) Some substantially similar percentage combination of
8 each such tax provided that the sum total of such percentages
9 equals one hundred fifty;

10 (2) A statement that the estimated total amount of local
11 net new revenues to be deposited to the net new revenue fund is
12 equal to or more than the estimated amount of state net new
13 revenues to be deposited to the net new revenue fund;

14 (3) Identification of the existing businesses located
15 within each such project area;

16 (4) The amount of state sales tax revenues generated in
17 each such project area in the calendar year before the year in
18 which each such project area is established or is to be
19 established and the estimated amount of state income tax withheld
20 on behalf of existing employees, reported by existing businesses
21 within each such project area, for the calendar year before the
22 year in which each such project area is established or is to be
23 established;

24 (5) An estimate of the state sales tax increment to be

1 generated within each such project area and an estimate of the
2 state income tax increment to be generated within each such
3 project area;

4 (6) An affidavit that is signed by the developer or
5 developers designated by the port authority, if any, attesting
6 that the provisions of subsection 2 of section 68.204 have been
7 met and specifying that the district would not be reasonably
8 anticipated to be developed without the appropriation of the
9 state net new revenues;

10 (7) The cost-benefit analysis required by section 68.206
11 includes a study of the fiscal impact on the state of Missouri;

12 (8) The number of years, amounts and types of state net new
13 revenues sought by the port authority for deposit to the net new
14 revenue fund to pay qualified project costs;

15 (9) The underlying assumptions used in the application for
16 determining the estimated amounts to be included in the
17 application; and

18 (10) Any other information reasonably requested by the
19 department of economic development.

20 2. Within thirty days of receipt of the application, the
21 department of economic development shall advise the port
22 authority as to whether it has provided all required information
23 to the department of economic development and such additional
24 information, if any, that the port authority is required to

1 submit to the department of economic development. Within thirty
2 days following receipt of all such information, the department of
3 economic development shall make all reasonable efforts to process
4 such application.

5 3. Upon completion of processing each such application, the
6 director of the department of economic development and the
7 commissioner of the office of administration shall issue a
8 certificate of approval of such application or shall issue a
9 certificate stating the reasons such application is denied. In
10 the event of the approval of such application, the certificate of
11 approval shall set forth the percentage of and number of years
12 each type of state net new revenue that shall be available for
13 appropriation for deposit to the state riverfront development
14 financing fund, and the department of economic development shall
15 immediately and each year thereafter request appropriation
16 authority when the general assembly is in session, or if not in
17 session, the department of economic development shall include
18 such an appropriation request in its next appropriation cycle and
19 each year thereafter, in accordance with the certificate of
20 approval.

21 4. At no time shall the aggregate annual amount of state
22 net new revenues appropriated pursuant to sections 68.200 to
23 68.240 exceed fifteen million dollars.

24 5. No state net new revenues for any one project area shall

1 be appropriated pursuant to sections 68.200 to 68.240 for more
2 than fifteen years, unless prior approval for a longer term is
3 given by the director of the department of economic development
4 and the commissioner of the office of administration; except
5 that, in no case shall the duration exceed twenty-five years and
6 no such appropriation of state net new revenues for any project
7 area shall be made following the termination of the designation
8 of such project area pursuant to section 68.224.

9 6. The port authority shall deposit such state sales tax
10 increment and state income tax increment in a separate segregated
11 account for each such increment within the net new revenue fund.

12 7. The department of economic development may charge a
13 reasonable fee to be submitted with an application submitted by a
14 port authority pursuant to this section, the amount of which
15 shall be an estimate of the amount needed to recover the costs
16 for personnel and other expenses incurred by the department of
17 economic development in processing the application. Such fees
18 shall be deposited into the state riverfront development
19 financing fund created in section 68.222.

20 8. Qualified project costs may include, at the prerogative
21 of the department of economic development, the portion of
22 salaries and expenses of the department of economic development
23 allocable to each project area of an application approved
24 pursuant to this section for the ongoing administrative functions

1 associated with such project. Such amounts shall be deposited
2 into the state riverfront development financing fund created in
3 section 68.222.

4 68.222. 1. There is hereby created in the state treasury
5 the "State Riverfront Development Financing Fund", to be
6 administered by the department of economic development. The
7 department of economic development shall annually distribute to
8 the port authority the state net new revenues appropriated and
9 deposited to the state riverfront development financing fund
10 provided that the requirements set forth in sections 68.200 to
11 68.240 are met.

12 2. In no event shall the state net new revenues approved
13 for a project, in addition to any other state funding or
14 incentives, exceed the projected state economic benefit of a
15 project, as determined by the department of economic development.

16 3. Notwithstanding the provisions of section 33.080, RSMo,
17 to the contrary, any moneys remaining in the fund at the end of
18 the biennium shall not revert to the credit of the general
19 revenue fund.

20 4. The state treasurer shall invest moneys in the fund in
21 the same manner as other funds are invested. Any interest and
22 moneys earned on such investments shall be credited to the fund.

23 68.224. 1. When all qualified project costs and all
24 obligations have been paid in full, the port authority shall

1 adopt a resolution terminating the establishment of all project
2 areas, or the port authority may at any earlier time adopt a
3 resolution terminating the establishment of any project area
4 provided the port authority determines that net new revenues
5 generated within such project area are no longer needed for the
6 payment or reimbursement of qualified project costs or the
7 payment of obligations. Immediately upon the adoption of a
8 resolution terminating the establishment of all project areas,
9 all payments in lieu of taxes, all economic activity taxes, and
10 other net new revenues then remaining in the net new revenue fund
11 shall be deemed to be surplus funds; and thereafter, the rates of
12 the taxing districts shall be extended and taxes levied,
13 collected, and distributed in the manner applicable in the
14 absence of the establishment of any such project area. Surplus
15 payments in lieu of taxes shall be paid to the county collector
16 who shall immediately thereafter pay such funds to the affected
17 taxing districts in the same manner and proportion as the most
18 recent distribution by the collector to the affected districts of
19 real property taxes from real property in the district. Surplus
20 economic activity taxes shall be paid to the affected taxing
21 districts in proportion to the then current levy rates of such
22 taxing districts that are attributable to economic activity
23 taxes. Surplus state sales tax increment and state income tax
24 increment shall be paid to the state. Any other funds remaining

1 in the net new revenue fund following the adoption of a
2 resolution terminating the establishment of all project areas in
3 accordance with this section shall be deposited to the general
4 fund of the port authority.

5 2. Upon the payment of all qualified project costs,
6 retirement of obligations, and the distribution of any surplus
7 funds pursuant to this section, the port authority shall adopt a
8 resolution dissolving the net new revenue fund and terminating
9 the establishment of the riverfront development district as a
10 riverfront development district.

11 3. Nothing in sections 68.200 to 68.240 shall be construed
12 as relieving property in such district from paying a uniform rate
13 of taxes, as required by article X, section 3 of the Missouri
14 Constitution.

15 68.226. During the period specified in the resolution
16 establishing a project area pursuant to sections 68.200 to
17 68.240, unless and until the establishment of such project area
18 is terminated by resolution of the port authority, then, in
19 respect to every affected taxing district, the county clerk, or
20 any other official required by law to ascertain the amount of the
21 equalized assessed value of all taxable property within such
22 project area for the purpose of computing any debt service levies
23 to be extended upon taxable property within such project area,
24 shall ascertain the amount of value of taxable property in such

1 project area by including in such amount the certified total
2 initial equalized assessed value of all taxable real property in
3 such project area in lieu of the equalized assessed value of all
4 taxable real property in such project area. For the purpose of
5 measuring the size of payments in lieu of taxes pursuant to
6 sections 68.200 to 68.240, all tax levies shall then be extended
7 to the current equalized assessed value of all property in such
8 project area in the same manner as the tax rate percentage is
9 extended to all other taxable property in the taxing district.

10 68.230. 1. In furtherance of the objectives of the
11 development plan, the port authority may levy by resolution one
12 or more special assessments against any portion of real property
13 within the district, upon receipt of and in accordance with a
14 petition signed by a majority of the owners of all real property
15 to be subject to such special assessment.

16 2. The special assessment petition shall be in
17 substantially the following form:

18 The port authority shall be authorized to levy a special
19 assessment against real property legally described on the
20 attached Exhibit A for the purpose of providing revenue for
21 (insert general description of specific service
22 or projects), such real property, such special assessment to be
23 levied against each tract, lot, or parcel of such real property

1 which receives special benefit as a result of such service or
2 projects, the cost of which shall be allocated among this
3 property by (insert method of
4 allocation, such as per square foot of property per square foot
5 on each square foot of improvement; by abutting foot of property
6 abutting streets, roads, highways, parks, or other improvements;
7 or any other reasonable method) in an amount not to exceed
8 dollars per (insert unit of measure). Such
9 authorization to levy the special assessment shall expire on
10 (insert date).

11 3. The method for allocating such special assessments set
12 forth in the petition may be any reasonable method which results
13 in imposing assessments upon real property benefited in relation
14 to the benefit conferred upon each respective tract, lot, or
15 parcel of real property and the cost to provide such benefit.
16 Such special assessment may be levied annually or in one lump sum
17 to be paid in one lump sum or in substantially equal annual
18 installments.

19 4. By resolution, the port authority may annually levy a
20 special assessment rate lower than the rate ceiling set forth in
21 the petition authorizing the special assessment and may annually
22 increase such lowered special assessment rate to a level not
23 exceeding the special assessment rate ceiling set forth in the
24 petition without further approval of the real property owners;

1 provided that a district imposing a special assessment pursuant
2 to this section may not repeal or amend such special assessment
3 or lower the rate of such special assessment if such repeal,
4 amendment, or lower rate will impair the district's ability to
5 pay any liabilities that it has incurred, money that it has
6 borrowed, or obligations that it has issued.

7 5. Each special assessment which is due and owing shall
8 constitute a perpetual lien against each tract, lot, or parcel of
9 property from which it is derived. Such lien may be foreclosed
10 in the same manner as any other special assessment lien as
11 provided in section 88.861, RSMo.

12 6. No special assessment levied by the port authority shall
13 be levied on any property exempt from taxation pursuant to
14 subdivision (5) of section 137.100, RSMo. Those owners of
15 property exempt pursuant to subdivision (5) of section 137.100,
16 RSMo, may voluntarily subject such property to a special
17 assessment by executing the petition authorizing such special
18 assessment.

19 7. A separate fund or account shall be created by the port
20 authority for each special assessment levied and each such fund
21 or account shall be identifiable by a suitable title. The
22 proceeds of such assessments shall be credited to such fund or
23 account. Such fund or account shall be used solely to pay the
24 costs incurred in undertaking the specified service or project.

1 8. Upon completion of the specified service or project or
2 both, the balance remaining in such fund or account established
3 for such specified service or project or both shall be returned
4 or credited against the amount of the original assessment of each
5 parcel of property pro rata based on the method of assessment of
6 such special assessment.

7 9. The authority of the port authority to levy special
8 assessments shall be independent of the limitations and
9 authorities of the municipality; specifically, section 88.812,
10 RSMo, shall not apply to the port authority.

11 10. The county collector of each county in which the
12 district is located shall collect the special assessments made
13 upon all real property within the district, in the same manner as
14 real property taxes are collected. If the special assessment is
15 based on something other than the assessed value of real
16 property, the district shall provide the information on which
17 such special assessment is based for all applicable real
18 property. Such county collector shall, on or before the
19 fifteenth day of each month and after deducting the reasonable
20 and actual cost of such collection but not to exceed one percent
21 of the total amount collected, remit to the port authority the
22 amount such special assessment collected before the first day of
23 such month. Upon receipt of such amount, the port authority
24 shall execute a receipt for such amount and forward such receipt

1 to such county collector.

2 68.232. 1. By the last day of March of each year, the port
3 authority shall report to the municipality concerning the status
4 of the development plan and the approved projects, and shall
5 submit a copy of such report to the director of the department of
6 economic development. The report shall include the following:

7 (1) The amount and source of revenue in the net new revenue
8 fund;

9 (2) The amount and purpose of expenditures from the net new
10 revenue fund;

11 (3) The amount of any pledge of net new revenues to secure
12 and the amount of any outstanding principal and interest on any
13 outstanding obligations;

14 (4) The initial equalized assessed value of each project
15 area, as applicable;

16 (5) The current equalized assessed value of each project
17 area, as applicable;

18 (6) Payments in lieu of taxes received and expended during
19 the prior calendar year;

20 (7) The economic activity taxes, state sales tax revenue
21 and state income tax generated within each project area in the
22 calendar year before the establishment of such project area;

23 (8) The economic activity taxes deposited to the net new
24 revenue fund during the prior calendar year, and the state sales

1 tax increment and the state income tax increment deposited to the
2 net new revenue fund during the prior calendar year;

3 (9) Reports on contracts entered into by the port authority
4 which are incident to the implementation and furtherance of a
5 development plan, and the included projects;

6 (10) A copy of the development plan;

7 (11) The cost of any property acquired, disposed of,
8 rehabilitated, reconstructed, repaired, or remodeled pursuant to
9 a project during the prior calendar year; and

10 (12) Any additional information the department of economic
11 development deems reasonably necessary.

12 3. Data contained in the report mandated pursuant to this
13 section and any information regarding amounts disbursed to port
14 authorities pursuant to sections 68.200 to 68.240 shall be deemed
15 a public record, as defined in section 610.010, RSMo.

16 4. The director of the department of economic development
17 shall submit a report to the speaker of the house of
18 representatives and the president pro tempore of the senate no
19 later than the last day of April of each year. The report shall
20 contain a summary of all information received by the director
21 pursuant to this section.

22 68.234. 1. An annual statement showing the payments in
23 lieu of taxes received and expended in that year, the status of
24 the development plan and the included projects therein, amount of

1 outstanding obligations, and any additional information the port
2 authority deems necessary shall be published in a newspaper of
3 general circulation in the district.

4 2. Five years after the establishment of a development plan
5 and every five years thereafter the port authority shall hold a
6 public hearing regarding the development plan and the projects
7 adopted pursuant to sections 68.200 to 68.240. The purpose of
8 the hearing shall be to determine if the development plan and the
9 projects are making satisfactory progress under the proposed time
10 schedule contained within the approved development plan for
11 completion of such projects. Notice of such public hearing shall
12 be given in a newspaper of general circulation in the district
13 once each week for four weeks immediately prior to the hearing.

14 68.236. Beginning in calendar year 2005, and every five
15 years thereafter, a joint committee of the general assembly,
16 composed of five members appointed by the speaker of the house of
17 representatives and five members appointed by the president pro
18 tempore of the senate, shall review sections 68.200 to 68.240. A
19 report based on such review, with any recommended legislative
20 changes, shall be submitted to the speaker of the house of
21 representatives and the president pro tempore of the senate no
22 later than February first following the year in which the review
23 is conducted.

24 68.238. No lawsuit to set aside a district or project area

1 established, development plan or project approved, or a tax
2 levied pursuant to sections 68.200 to 68.240 or to otherwise
3 question the validity of the proceedings related thereto shall be
4 brought after the expiration of ninety days from the effective
5 date of the resolution in question.

6 68.240. If any section, subsection, subdivision, paragraph,
7 sentence, or clause of sections 68.200 to 68.240 is, for any
8 reason, held to be invalid or unconstitutional, such decision
9 shall not affect any remaining portion, section, or part thereof
10 which can be given effect without the invalid provision.

11 72.080. 1. Any unincorporated city, town or other area of
12 the state may, except as otherwise provided in sections 72.400 to
13 72.420, become a city of the class to which its population would
14 entitle it pursuant to this chapter, and be incorporated pursuant
15 to the law for the government of cities of that class, in the
16 following manner: whenever a number of voters equal to fifteen
17 percent of the votes cast in the last gubernatorial election in
18 the area proposed to be incorporated shall present a petition to
19 the governing body of the county in which such city or town or
20 area is situated, such petition shall describe, by metes and
21 bounds, the area to be incorporated and be accompanied by a plat
22 thereof, shall state the approximate population and the assessed
23 valuation of all real and personal property in the area and shall
24 state facts showing that the proposed city shall have the ability

1 to furnish normal municipal services within a reasonable time
2 after its incorporation is to become effective and praying that
3 the question be submitted to determine if it may be incorporated.
4 If the governing body shall be satisfied that a number of voters
5 equal to fifteen percent of the votes cast in the last
6 gubernatorial election in the area proposed to be incorporated
7 have signed such petition, the governing body shall submit the
8 question to the voters.

9 2. The county may make changes in the petition to correct
10 technical errors or to redefine the metes and bounds of the area
11 to be incorporated to reflect other boundary changes occurring
12 within six months prior to the time of filing the petition.
13 Petitions submitted by proposing agents may be submitted with
14 exclusions for the signatures collected in areas originally
15 included in the proposal but subsequently annexed or incorporated
16 separately as a city, town or village, although the governing
17 body shall be satisfied as to the sufficiency of the signatures
18 for the final proposed area. If a majority of the voters voting
19 on the question vote for incorporation, the governing body shall
20 declare such city, town or other area incorporated, designating
21 in such order the metes and bounds thereof, and thenceforth the
22 inhabitants within such bounds shall be a body politic and
23 incorporate, by the name and style of "the city of",
24 or "the town of", and the first officers of such city

1 or town shall be designated by the order of the governing body,
2 who shall hold their offices until the next municipal election
3 and until their successors shall be duly elected and qualified.
4 The county shall pay the costs of the election.

5 3. In any county with a charter form of government where
6 fifty or more cities, towns and villages have been incorporated,
7 an unincorporated city, town or other area of the state shall not
8 be incorporated except as provided in sections 72.400 to 72.420.

9 4. Any unincorporated area located within any county of the
10 first classification without a charter form of government and
11 with more than eighty-two thousand but less than eighty-two
12 thousand one hundred inhabitants may incorporate as a city of the
13 class to which its population would entitle it pursuant to this
14 chapter notwithstanding any proposed annexation of the
15 unincorporated area by any city of the third or fourth
16 classification or any home rule city with more than four hundred
17 thousand inhabitants and located in more than one county. If any
18 city of the third or fourth classification or any home rule city
19 with more than four hundred thousand inhabitants and located in
20 more than one county proposes annexation by ordinance or
21 resolution of any unincorporated area as defined in this
22 subsection, no such annexation shall become effective until after
23 the qualified voters in the unincorporated area proposed to be
24 incorporated fail to approve the proposed incorporation by a

1 majority vote in the election described in subsection 2 of this
2 section.

3 5. Prior to the election described in subsection 2 of this
4 section, if the owner or owners of either the majority of the
5 commercial or the majority of the agricultural classification of
6 real property in the proposed area to be incorporated object to
7 such incorporation, such owner or owners may file an action in
8 the circuit court of the county in which such unincorporated area
9 is situated, pursuant to [the provisions of] chapter 527, RSMo,
10 praying for a declaratory judgment requesting that such
11 incorporation be declared unreasonable by the court. As used in
12 this subsection, a "majority of the commercial or agricultural
13 classification" means a majority as determined by the assessed
14 valuation of the tracts of real property in either classification
15 to be determined by the assessments made according to chapter
16 137, RSMo. The petition in such action shall state facts showing
17 that such incorporation including the real property owned by the
18 petitioners is not reasonable based on the same criteria as
19 specified in subsection 3 of section 72.403 and is not necessary
20 to the proper development of the city or town. If the circuit
21 court finds that such inclusion is not reasonable and necessary,
22 it may enjoin the incorporation or require the petition
23 requesting the incorporation to be resubmitted excluding all or
24 part of the property of the petitioners from the proposed

1 incorporation.

2 72.130. Except as provided in sections 72.400 to 72.420, no
3 city, town, village or other area shall be organized within this
4 state under and by virtue of any law thereof, adjacent to or
5 within two miles of the limits of any city of the first, second,
6 third or fourth classification or any constitutional charter
7 city, unless the city, town, village or other area be in a
8 different county from the city or unless the city, town, or
9 village is located within any county of the first classification
10 without a charter form of government and with more than
11 eighty-two thousand but less than eighty-two thousand one hundred
12 inhabitants, except that a city, town, village or other area may
13 be incorporated within the two-mile area if a petition signed by
14 a number of voters equal to fifteen percent of the votes cast in
15 the last gubernatorial election in the area proposed to be
16 incorporated is presented to the existing city requesting that
17 the boundaries of the existing city be extended to include the
18 area proposed to be incorporated and if action taken thereon by
19 the existing city is unfavorable to the petition, or if no action
20 is taken by the existing city on the petition, then the city,
21 town, village or other area may be incorporated after the
22 expiration of one year from the date of the petition and upon a
23 favorable majority vote on the question.

24 135.259. In addition to the number of enterprise zones

1 authorized pursuant to sections 135.206, 135.210, 135.256, and
2 135.257, the department of economic development shall designate
3 one such zone for any county of the third classification without
4 a township form of government and with more than seventeen
5 thousand nine hundred but less than eighteen thousand
6 inhabitants. Such enterprise zone designation shall only be made
7 if such area which is to be included in the enterprise zone meets
8 all the requirements of section 135.205.

9 Section 1. Notwithstanding any provision of law to the
10 contrary, the licensing or certification provisions of sections
11 198.003 to 198.200, RSMo, shall not apply to any entity that has:

12 (1) Presented its operating model to the department of
13 health and senior services or the department of social services
14 prior to beginning operation;

15 (2) Received a letter from the department confirming that
16 no licensure or certification is required for such operating
17 model;

18 (3) Continues to follow the model presented to the
19 department; and

20 (4) Received zoning or other governmental approval prior to
21 April 20, 2001, for no more than two additional properties to be
22 operated accordingly to the previously approved model.