

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 741
94TH GENERAL ASSEMBLY

Reported from the Special Committee on Job Creation and Economic Development March 7, 2007 with recommendation that House Committee Substitute for House Bill No. 741 Do Pass. Referred to the Committee on Rules pursuant to Rule 25(21)(f).

D. ADAM CRUMBLISS, Chief Clerk

1592L.02C

AN ACT

To amend chapter 99, RSMo, by adding thereto sixteen new sections relating to the Missouri economic development code.

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

Section A. Chapter 99, RSMo, is amended by adding thereto sixteen new sections, to be
2 known as sections 99.1100, 99.1102, 99.1104, 99.1106, 99.1108, 99.1110, 99.1112, 99.1114,
3 99.1116, 99.1118, 99.1120, 99.1122, 99.1124, 99.1126, 99.1128, and 99.1130, to read as
4 follows:

99.1100. 1. Sections 99.1100 to 99.1130 shall be known and may be cited as the
2 **"Missouri Economic Development Code".**

3 **2. Insofar as the provisions of the Missouri economic development code are**
4 **inconsistent with the provisions of any other law, the provisions of the Missouri economic**
5 **development code shall be controlling.**

99.1102. As used in sections 99.1100 to 99.1130, unless otherwise stated, the
2 **following terms shall mean:**

3 **(1) "Baseline year", the calendar year prior to the effective date of an ordinance**
4 **or order by the municipality or county approving a development project;**

5 **(2) "Collecting officer", the officer of the municipality, county, or other taxing**
6 **jurisdiction responsible for receiving and processing tax payments and economic activity**
7 **taxes and the officer of the municipality, county, or other taxing jurisdiction responsible**

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

- 8 for receiving and processing local sales tax revenues collected by the director of revenue
9 on behalf of such municipality, county, or other taxing jurisdiction;
- 10 (3) "Commission", the Missouri economic development code job creation
11 commission for a municipality or county, created under section 99.1104;
- 12 (4) "County", any county of this state and any city not within a county;
- 13 (5) "Development area", an area designated by a municipality or county which
14 shall have the following characteristics:
- 15 (a) It includes only those parcels of real property directly and substantially
16 benefitted by the proposed development plan;
- 17 (b) It will be improved by the development project;
- 18 (c) It is contiguous;
- 19 (d) It is not included in any other redevelopment plan under this chapter or using
20 any tax increment financing program; and
- 21 (e) The commission has declared development of the area is not likely to occur
22 without benefit of the proposed development plan;
- 23 (6) "Development plan", the comprehensive program of a municipality or county
24 to improve a development area, thereby enhancing the tax bases of the taxing districts
25 which extend into the development area, through the reimbursement, payment, or other
26 financing of development project costs in accordance with the Missouri economic
27 development code. The development plan shall conform to the requirements of section
28 99.1116;
- 29 (7) "Development project", any development project within a development area
30 which constitutes a major initiative in furtherance of the objectives of the development
31 plan, and any such development project shall include a legal description of the area
32 selected for such development project;
- 33 (8) "Development project area", the area located within a development area
34 selected for a development project;
- 35 (9) "Development project costs", the costs to the development plan or a
36 development project, as applicable, which are expended on public property, buildings, or
37 rights-of-ways for public purposes to provide infrastructure or support for a development
38 project. Such costs shall only be allowed as an initial expense which, to be recoverable,
39 shall be included in the costs of a development plan or development project, including any
40 amendments thereto adopted by the municipality or county. Such infrastructure costs
41 include but are not limited to the following:
- 42 (a) Costs of studies, appraisals, surveys, plans, and specifications;

- 43 **(b) Professional service costs, including but not limited to architectural,**
44 **engineering, legal, marketing, financial, planning, or special services;**
- 45 **(c) Property assembly costs, including but not limited to acquisition of land and**
46 **other property, real or personal, or rights or interests therein, demolition of buildings, and**
47 **the clearing and grading of land;**
- 48 **(d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public**
49 **buildings and fixtures;**
- 50 **(e) Costs of construction of public works or improvements;**
- 51 **(f) Financing costs, including but not limited to all necessary expenses related to the**
52 **issuance of obligations issued to finance all or any portion of the infrastructure costs of one**
53 **or more development projects, and which may include capitalized interest on any such**
54 **obligations and reasonable reserves related to any such obligations; and**
- 55 **(g) All or a portion of a taxing district's capital costs resulting from any**
56 **development project necessarily incurred or to be incurred in furtherance of the objectives**
57 **of the development plan, to the extent the municipality or county by written agreement**
58 **accepts and approves such infrastructure costs;**
- 59 **(10) "Economic activity taxes", the total additional revenue from taxes which are**
60 **imposed by the municipality, county, and other taxing districts, and which are generated**
61 **by economic activities within each development project area, which exceed the amount of**
62 **such taxes generated by economic activities within such development project area in the**
63 **baseline year; but excluding personal property taxes, taxes imposed on sales or charges for**
64 **sleeping rooms paid by transient guests of hotels and motels, licenses, fees, special**
65 **assessments, and any taxes imposed by the municipality, county, or other taxing district**
66 **after the effective date of an ordinance or order by the municipality or county approving**
67 **a development project;**
- 68 **(11) "Gambling establishment", an excursion gambling boat, as defined in section**
69 **313.800, RSMo, and any related business facility including any real property**
70 **improvements which are directly and solely related to such business facility, whose sole**
71 **purpose is to provide goods or services to an excursion gambling boat and whose majority**
72 **ownership interest is held by a person licensed to conduct gambling games on an excursion**
73 **gambling boat or licensed to operate an excursion gambling boat as provided in sections**
74 **313.800 to 313.850, RSMo;**
- 75 **(12) "Municipality", any city, village, or incorporated town of this state;**
- 76 **(13) "Obligations", bonds, loans, debentures, notes, special certificates, or other**
77 **evidences of indebtedness issued by the municipality, county, or commission, or other**

78 public entity authorized to issue such obligations under the Missouri economic
79 development code to carry out a development project or to refund outstanding obligations;

80 (14) "Ordinance", an ordinance enacted by the governing body of any municipality
81 or county or an order of the governing body of such a municipal or county entity whose
82 governing body is not authorized to enact ordinances;

83 (15) "Special allocation fund", the fund of the municipality or county established
84 by agreement under section 99.1126;

85 (16) "Tax payments", the revenues from real property taxes in each development
86 project area, which taxing districts have allocated to finance a development plan until
87 development financing for such development project area expires or is terminated under
88 the Missouri economic development code;

89 (17) "Taxing district's capital costs", the costs of taxing districts for capital
90 improvements that are found by the governing body of the municipality or county to be
91 necessary and to directly result from a development project;

92 (18) "Taxing districts", any political subdivision of this state having the power to
93 levy taxes if the future tax revenues of such district would be affected by the establishment
94 of a development project.

99.1104. Each municipality or county may create a commission to be known as a
2 "Missouri Economic Development Code Job Creation Commission"; provided, however:

3 (1) No such commission shall transact any business or exercise its powers under the
4 Missouri economic development code until and unless the governing body of such
5 municipality or county shall approve, by ordinance or order, the exercise of the powers,
6 functions, and duties of a commission under the Missouri economic development code, as
7 provided in section 99.1120;

8 (2) No governing body of a municipality or county shall adopt an ordinance under
9 subdivision (1) of this section unless it finds:

10 (a) That it would be in the interest of the public to consider the establishment of a
11 development area in accordance with the Missouri economic development code;

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

15 (c) That it is anticipated that such a development area can be improved through a
16 series of one or more development projects.

99.1106. Each commission created under section 99.1104 shall be governed by a
2 board of commissioners with one commissioner appointed by each taxing jurisdiction. The
3 number of commissioners serving on the board of each commission shall be determined by

4 the number of taxing districts located wholly or partially within the development project
5 area. All commissioners appointed under this subsection shall be appointed by each taxing
6 district located wholly or partially within the development project area for a term of two
7 years. Commissioners representing a county shall be appointed by the county governing
8 body, except in charter counties where the commissioners shall be appointed by the county
9 executive with approval of the governing body. Commissioners representing a
10 municipality shall be appointed by the mayor with the approval of the governing body;
11 provided, however, employees of the municipality or county shall be ineligible for
12 appointment to the commission under this section. Commissioners representing other
13 taxing districts shall be appointed by the taxing districts, but failure of one or more taxing
14 districts to appoint a commissioner shall not prevent the commission from exercising its
15 powers and authorities granted under the Missouri economic development code. Successor
16 commissioners and all vacancies shall be filled in the same manner.

2 **99.1108. 1.** The powers of the commission created under section 99.1104 shall be
3 exercised by its board of commissioners. A majority of the commissioners shall constitute
4 a quorum of such board for the purpose of conducting business and exercising the powers
5 of the commission and for all other purposes. Action may be taken by the board upon a
6 vote of a majority of the commissioners present in person or by teleconference, unless in
7 any case the bylaws of the commission shall require a larger number. Meetings of the
8 board of the commission shall be held in compliance with the provisions of chapter 610,
9 RSMo.

10 **2.** The commissioners shall annually elect a chair and vice chair from among the
11 commissioners. The commission may employ an executive director, technical experts, and
12 such other officers, agents, and employees, permanent and temporary, as it may require
13 and shall determine their qualifications, duties, and compensation. For such legal services
14 as it may require, a commission may call upon the chief law officer of the municipality or
15 county or may employ its own counsel and legal staff.

16 **3.** A commissioner shall receive no compensation for his or her services, but may
17 receive the necessary expenses, including traveling expenses, incurred in the discharge of
18 his or her duties. Each commissioner shall hold office until a successor has been appointed.

19 **4.** For inefficiency or neglect of duty or misconduct in office, a commissioner may
be removed by a majority vote of the commission.

99.1110. 1. In any suit, action, or proceeding involving the validity or enforcement
2 of or relating to any contract of a commission entered into under the Missouri economic
3 development code, such commission shall be conclusively deemed to have become
4 established and authorized to transact business and exercise its powers under the Missouri

5 economic development code upon proof of the adoption of the appropriate ordinance or
6 order prescribed in section 99.1104. Each such ordinance or order shall be deemed
7 sufficient if it authorizes the exercise of powers under the Missouri economic development
8 code by the commission and sets forth the findings of the municipality or county as
9 required in subdivision (2) of section 99.1104.

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

12 3. No lawsuit to set aside the creation of a commission, the approval of a
13 development plan, development project, development area or development project area,
14 or to otherwise question the validity of the proceedings related thereto, shall be brought
15 after the expiration of ninety days from the effective date of the ordinance, order, or
16 resolution in question.

99.1112. 1. The commission created under section 99.1104 shall constitute a public
2 body corporate and politic, exercising public and essential governmental functions.

3 2. A municipality or county or a commission created under section 99.1104 shall
4 have all the powers necessary or convenient to carry out and effectuate the purposes and
5 provisions of the Missouri economic development code, including the following powers in
6 addition to others granted under the Missouri economic development code:

7 (1) To prepare or cause to be prepared and approved development plans and
8 development projects to be considered at public hearings in accordance with the Missouri
9 economic development code and to undertake and carry out development plans and
10 development projects which have been adopted by ordinance, order or act of the
11 commission;

12 (2) To arrange or contract for the furnishing or repair, by any person or agency,
13 public or private, of services, privileges, streets, roads, utilities, or other facilities for or in
14 connection with any development project;

15 (3) Within a development area, to acquire by purchase, lease, gift, grant, bequest,
16 devise, obtain options upon, or otherwise acquire any real or personal property or any
17 interest therein, necessary or incidental to a development project, all in the manner and at
18 such price as the municipality, county or commission determines is reasonably necessary
19 to achieve the objectives of a development plan;

20 (4) Within a development area, subject to provisions of section 99.1114 with regard
21 to the disposition of real property, to sell, lease, exchange, transfer, assign, subdivide,
22 retain for its own use, mortgage, pledge, hypothecate, or otherwise encumber or dispose
23 of any real or personal property or any interest therein, all in the manner and at such price
24 and subject to any covenants, restrictions, and conditions as the municipality, county or

25 commission determines is reasonably necessary to achieve the objectives of a development
26 plan; to make any such covenants, restrictions, or conditions as covenants running with the
27 land, and to provide appropriate remedies for any breach of any such covenants,
28 restrictions, or conditions, including the right of the municipality, county or commission
29 to terminate such contracts and any interest in the property created thereto;

30 (5) Within a development area, to clear any area by demolition or removal of
31 existing buildings and structures;

32 (6) To install, repair, construct, reconstruct, or relocate streets, utilities, and site
33 improvements as necessary or desirable for the preparation of a development area for use
34 in accordance with a development plan;

35 (7) Within a development area, to fix, charge, and collect fees, rents, and other
36 charges for the use of any real or personal property, or any portion thereof, in which the
37 municipality, county or commission has any interest;

38 (8) To accept grants, guarantees, and donations of property, labor, or other things
39 of value from any public or private source for purposes of implementing a development
40 plan;

41 (9) In accordance with section 99.1114, to select one or more developers to
42 implement a development plan, or one or more development projects, or any portion
43 thereof;

44 (10) To charge as a development project cost the reasonable costs incurred by the
45 municipality, county, or commission in evaluating, administering, or implementing the
46 development plan or any development project;

47 (11) To borrow money and issue obligations in accordance with the Missouri
48 economic development code and provide security for any such loans or obligations;

49 (12) To insure or provide for the insurance of any real or personal property or
50 operations of the municipality, county, or commission against any risks or hazards,
51 including the power to pay premiums on any such insurance; and to enter into any
52 contracts necessary to effectuate the purposes of the Missouri economic development code;

53 (13) Within a development area, to renovate, rehabilitate, own, operate, construct,
54 repair, or improve any public improvements, buildings, parking garages, fixtures,
55 structures, and other public facilities;

56 (14) To invest any funds held in reserves or sinking funds, or any funds not
57 required for immediate disbursement, in property or securities in which savings banks may
58 legally invest funds subject to their control; to redeem obligations at the redemption price
59 established therein or to purchase obligations at less than redemption price, all obligations
60 so redeemed or purchased to be canceled;

61 **(15) To borrow money and to apply for and accept advances, loans, grants,**
62 **contributions, and any other form of financial assistance from the federal government, the**
63 **state, county, municipality, or other public body or from any sources, public or private, for**
64 **the purposes of implementing a development plan, to give such security as may be required**
65 **and to enter into and carry out contracts in connection therewith. A municipality, county,**
66 **or commission, notwithstanding the provisions of any other law, may include in any**
67 **contract for financial assistance with the federal government for a project such conditions**
68 **imposed under federal law as the municipality, county, or commission may deem**
69 **reasonable and appropriate and which are not inconsistent with the purposes of the**
70 **Missouri economic development code;**

71 **(16) To incur development project costs and make such expenditures as may be**
72 **necessary to carry out the purposes of the Missouri economic development code and to**
73 **make expenditures from funds obtained from the federal government without regard to**
74 **any other laws pertaining to the making and approval of appropriations and expenditures;**

75 **(17) To loan the proceeds of obligations issued under the Missouri economic**
76 **development code for the purpose of providing for the purchase, construction, extension,**
77 **or improvement of public infrastructure related to a development project by a developer**
78 **under a development contract approved by the municipality, county, or commission in**
79 **accordance with subdivision (2) of section 99.1114;**

80 **(18) To declare any funds, or any portion thereof, in the special allocation fund to**
81 **be excess funds, so long as such excess funds have not been pledged to the payment of**
82 **outstanding obligations or outstanding development project costs, and are not necessary**
83 **for the payment of development project costs incurred or anticipated to be incurred. Any**
84 **such funds deemed to be excess shall be disbursed in the manner of surplus funds as**
85 **provided in section 99.1128;**

86 **(19) To pledge or otherwise expend funds deposited to the special allocation fund,**
87 **or any portion thereof, for the payment or reimbursement of development project costs**
88 **incurred by the commission, the municipality, the county, a developer selected by the**
89 **municipality, county or commission, or any other entity with the consent of the**
90 **municipality, county or commission; to pledge or otherwise expend funds deposited to the**
91 **special allocation fund, or any portion thereof, or to mortgage or otherwise encumber its**
92 **property, or any portion thereof, for the payment of obligations issued to finance**
93 **development project costs; provided, however, any such pledge or expenditure of economic**
94 **activity taxes shall be subject to annual appropriation by the municipality or county; and**

95 **(20) To exercise all powers or parts or combinations of powers necessary,**
96 **convenient, or appropriate to undertake and carry out development plans and any**

97 development projects and all the powers granted under the Missouri economic
98 development code.

99 **3. If any member of the governing body of the municipality or county,**
100 **commissioner, or employee or consultant of the municipality, county or commission,**
101 **involved in the planning and preparation of a development project, owns or controls an**
102 **interest, direct or indirect, in any property included in a development project area, the**
103 **individual shall disclose the same in writing to the clerk of the municipality or county, and**
104 **shall also so disclose the dates, terms, and conditions of any disposition of any such interest**
105 **which disclosures shall be acknowledged by the governing body of the municipality or**
106 **county and entered upon the minutes books of the governing body of the municipality or**
107 **county. If an individual holds such an interest, then that individual shall refrain from any**
108 **further official involvement in regard to a development project and from voting on any**
109 **matter pertaining to such development project or communicating with other**
110 **commissioners or the municipality or county concerning any matter pertaining to such**
111 **development project. Except as provided in this subsection, no such member,**
112 **commissioner, employee, or consultant shall acquire any interest, direct or indirect, in any**
113 **property in a development project area or proposed development project area, after either**
114 **such individual obtains knowledge of a development project, or first public notice of such**
115 **development project, or development project area under subsection 2 of section 99.1122,**
116 **whichever first occurs. At any time after one year from the adoption of an ordinance**
117 **designating a development project area, any such member, commissioner, employee or**
118 **consultant may acquire an interest in real estate located in a development project area so**
119 **long as any such person discloses such acquisition and refrains from voting on any matter**
120 **related to the development project area in which the property acquired by such person is**
121 **located.**

122 **4. A commission created under section 99.1104 shall have the following powers in**
123 **addition to others granted under the Missouri economic development code:**

124 **(1) To sue and to be sued; to have a seal and to alter the same at the commission's**
125 **pleasure; to have perpetual succession; to make and execute contracts and other**
126 **instruments necessary or convenient to the exercise of the powers of the commission; and**
127 **to make and from time to time amend and repeal bylaws, rules, and regulations, not**
128 **inconsistent with the Missouri economic development code, to carry out the provisions of**
129 **the Missouri economic development code;**

130 **(2) To delegate to a municipality, county or other public body any of the powers or**
131 **functions of the commission with respect to the planning or undertaking of a development**

132 project, and any such municipality, county, or public body is hereby authorized to carry
133 out or perform such powers or functions for the commission;

134 (3) To receive and exercise powers delegated by any authority, agency, or agent of
135 a municipality or county created under this chapter or chapter 353, RSMo, excluding
136 powers of eminent domain.

99.1114. Real property which is acquired by a municipality, county or commission
2 in a development project area shall be disposed of as follows:

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

20 (2) The municipality, county, or commission shall, by public notice published in a
21 newspaper having a general circulation in a development area, prior to selecting one or
22 more developers for any development project, or any portion thereof, invite proposals
23 from, and make available all pertinent information to, private developers or any persons
24 interested in undertaking the development of such development project, or any portion
25 thereof. Such notice shall be published at least once each week during the two weeks
26 preceding the selection of a developer, shall identify the area of the development project
27 or development projects, or any portion thereof, for which one or more developers are to
28 be selected, and shall state that such further information as it is available may be obtained
29 at the office of the municipality, county, or commission. The municipality, county, or
30 commission shall consider all proposals and the financial and legal ability of the
31 prospective developers to carry out their proposals. The municipality, county, or

32 commission may negotiate and enter into one or more contracts with any developer selected
33 for the development of any such area for the development of such area by such developer
34 in accordance with a development plan or for the sale or lease of any real property to any
35 such developer in any such area for the purpose of developing such property in accordance
36 with the development plan. The municipality, county, or commission may enter into any
37 such contract as it deems to be in the public interest and in furtherance of the purposes of
38 the Missouri economic development code; provided that the municipality, county, or
39 commission has, not less than ten days prior thereto, notified the governing body in writing
40 of its intention to enter into such contract. Thereafter, the municipality, county, or
41 commission may execute such contract in accordance with the provisions of this section and
42 deliver deeds, leases, and other instruments and take all steps necessary to effectuate such
43 contract. In its discretion, the municipality, county, or commission may, in accordance
44 with the provisions of this section, dispose of any real property in an area selected for a
45 development project, or any portion thereof, to private developers for development under
46 such reasonable competitive bidding procedures as it shall prescribe, subject to the
47 provisions of this section;

48 (3) In carrying out a development project, the commission may:

49 (a) Convey to the municipality or county such real property as, in accordance with
50 the development plan, is to be dedicated as public right-of-way for streets, sidewalks,
51 alleys, or other public ways, this power being additional to and not limiting any and all
52 other powers of conveyance of property to municipalities expressed, generally or otherwise,
53 in the Missouri economic development code;

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

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

59 (4) The municipality, county, or commission may operate and maintain real
60 property in the development area pending the disposition or development of the property
61 in accordance with a development plan, without regard to the provisions of subdivisions
62 (1) and (2) of this section, for such uses and purposes as may be deemed desirable even
63 though not in conformity with the development plan.

99.1116. 1. A development plan shall set forth in writing a general description of
2 the program to be undertaken to accomplish the development projects and related
3 objectives and shall include, but need not be limited to:

- 4 **(1) The name, street and mailing address, and phone number of the mayor or chief**
- 5 **executive officer of the municipality or county;**
- 6 **(2) The street address or other description of the location of the development site;**
- 7 **(3) The estimated development project costs;**
- 8 **(4) The anticipated sources of funds to pay such development project costs;**
- 9 **(5) Evidence of the commitments to finance such development project costs;**
- 10 **(6) The anticipated type and term of the sources of funds to pay such development**
- 11 **project costs;**
- 12 **(7) The anticipated type and terms of the obligations to be issued;**
- 13 **(8) The most recent equalized assessed valuation of the property within the**
- 14 **development project area;**
- 15 **(9) An estimate as to the equalized assessed valuation after the development project**
- 16 **area is developed in accordance with a development plan;**
- 17 **(10) The general land uses to apply in the development area;**
- 18 **(11) A list of community and economic benefits that are expected to result from the**
- 19 **project;**
- 20 **(12) A list of all development subsidies that any business benefiting from public**
- 21 **expenditures in the development area has previously received for the project, and the name**
- 22 **of any other granting body from which such subsidies are sought;**
- 23 **(13) A list of all other public investments made or to be made by this state or units**
- 24 **of local government to support infrastructure or other needs generated by the project for**
- 25 **which the funding under the Missouri economic development code is being sought; and**
- 26 **(14) A certification by the chief officer of the applicant as to the accuracy of the**
- 27 **development plan.**
- 28 **2. The development plan may be adopted by a municipality or county in reliance**
- 29 **on findings that a reasonable person would believe:**
- 30 **(1) The development area has not been subject to growth and development through**
- 31 **investment by private enterprise and would not reasonably be anticipated to be developed**
- 32 **without the implementation of one or more development projects and the adoption of**
- 33 **development financing;**
- 34 **(2) The estimated dates of the completion of such development project and**
- 35 **retirement of obligations incurred to finance development project costs which shall not be**
- 36 **more than twenty-five years from the adoption of the ordinance or order approving any**
- 37 **development project, provided that no ordinance approving a development project shall**
- 38 **be adopted later than ten years from the adoption of the ordinance approving the**
- 39 **development plan;**

40 **(3) The development plan contains a cost-benefit analysis showing the economic**
41 **impact of the development plan on the municipality, county, and school districts that are**
42 **at least partially within the boundaries of the development area, and that such cost-benefit**
43 **analysis complies with the requirements of this subdivision. The analysis shall show the**
44 **impact on every affected political subdivision if the development projects are not built, and**
45 **if the development projects are built under the development plan under consideration**
46 **assuming the projects are completed in the manner described in the development plan; and**

47 **(4) The development plan shall not include the initial development or**
48 **redevelopment of any gambling establishment.**

99.1118. In the event a municipality or county desires to designate a development
2 **area located in whole or in part outside the incorporated boundaries of the municipality**
3 **or county and within the boundaries of another municipality or county, such municipality**
4 **or county shall first obtain the permission of the governing body of such other municipality**
5 **or county.**

99.1120. 1. Except as provided in subsection 4 of this section, a municipality or
2 **county which has created a commission under section 99.1104 may:**

3 **(1) Approve by ordinance or order the exercise by the commission of the powers,**
4 **functions, and duties of the commission under the Missouri economic development code;**
5 **and**

6 **(2) After adopting an ordinance or order in accordance with subdivision (1) of this**
7 **subsection and after receipt of recommendations from the commission in accordance with**
8 **subsection 3 of this section, by ordinance or order, designate development areas, adopt the**
9 **development plans and development projects, designate a development project area for**
10 **each development project adopted, and adopt development financing for each such**
11 **development project area. No development plan shall be adopted until the development**
12 **area is designated. No development project shall be adopted until the development plan**
13 **is adopted and the development project area for each development project shall be**
14 **designated at the time of adopting the development project.**

15 **2. A municipality or county may authorize a commission created under section**
16 **99.1104 to exercise all powers and perform all functions of a transportation development**
17 **district under sections 238.200 to 238.275, RSMo, within a development area.**

18 **3. The municipality, county, or commission shall hold public hearings and provide**
19 **notice under section 99.1122. Within ten days following the completion of any such public**
20 **hearing, the commission shall vote on and shall make recommendation to the governing**
21 **body of the municipality or county with regard to any development plan, development**

22 projects, designation of a development area or amendments thereto which were proposed
23 at such public hearing.

24 **4. The provisions of the Missouri economic development code shall not be used for**
25 **any residential development project without the consent of the school boards of all school**
26 **districts in which such residential development project is wholly or partially located, if all**
27 **or part of the taxes that would be due to such school districts would be committed by the**
28 **school district to finance such residential development project.**

29 **5. The powers of eminent domain shall not be used by any municipality, county, or**
30 **commission to acquire any property for use in any project under the Missouri economic**
31 **development code.**

99.1122. 1. Prior to the adoption of the ordinance or order designating a
2 **development area, adopting a development plan, or approving a development project, the**
3 **municipality, county, or commission shall fix a time and place for a public hearing and**
4 **notify each taxing district located wholly or partially within the boundaries of the proposed**
5 **development area or development project area affected. Such notice shall comply with the**
6 **provisions of subsection 2 of this section. At the public hearing, any interested person or**
7 **affected taxing district may file with the municipality, county or commission written**
8 **objections to, or comments on, and may be heard orally in respect to, any issues regarding**
9 **the plan or issues embodied in the notice. The municipality, county, or commission shall**
10 **hear and consider all protests, objections, comments, and other evidence presented at the**
11 **hearing. The hearing may be continued to another date without further notice other than**
12 **a motion to be entered upon the minutes fixing the time and place of the subsequent**
13 **hearing. Prior to the conclusion of the hearing, changes may be made in the development**
14 **plan, development project, development area or development project area, provided that**
15 **written notice of such changes is available at the public hearing. After the public hearing,**
16 **but prior to the adoption of an ordinance or order designating a development area,**
17 **adopting a development plan or approving a development project, changes may be made**
18 **to any such proposed development plan, development project, development area, or**
19 **development project area without a further hearing, if such changes do not enlarge the**
20 **exterior boundaries of the development area or development project area, and do not**
21 **substantially affect the general land uses established in a development plan or development**
22 **project, provided that notice of such changes shall be given by mail to each affected taxing**
23 **district and by publication in a newspaper of general circulation in the development area**
24 **or development project area, as applicable, not less than ten days prior to the adoption of**
25 **the changes by ordinance or order. After the adoption of an ordinance or order**
26 **designating the development area adopting a development plan, approving a development**

27 project, or designating a development project area, no ordinance shall be adopted altering
28 the exterior boundaries of the development area or a development project area or
29 substantially affecting the general land uses established under the development plan or the
30 general nature of a development project without holding a public hearing in accordance
31 with this section. One public hearing may be held for the simultaneous consideration of
32 a development area, development plan, development project, or development project area.

33 2. Notice of the public hearing required by this section shall be given by publication
34 and mailing. Notice by publication shall be given by publication at least twice, the first
35 publication to be not more than thirty days and the second publication to be not more than
36 ten days prior to the hearing, in a newspaper of general circulation in the proposed
37 development area or development project area, as applicable. Notice by mailing shall be
38 given by depositing such notice in the United States mail by certified mail addressed to the
39 person or persons in whose name the general taxes for the last preceding year were paid
40 or were to have been paid on each lot, block, tract, or parcel of land lying within the
41 proposed development area or development project area, as applicable. Such notice shall
42 be mailed not less than ten working days prior to the date set for the public hearing. In the
43 event taxes for the last preceding year were not paid, the notice shall also be sent to the
44 persons last listed on the tax rolls within the preceding three years as the owners of such
45 property.

46 3. The notices issued under this section shall include the following:

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

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

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

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

55 (5) A statement that development financing involving the dedication of tax revenues
56 by one or more taxing districts is being sought for the project and an estimate of the
57 amount of local development financing that will be requested, if applicable; and

58 (6) Such other matters as the municipality, county, or commission may deem
59 appropriate.

60 4. Not less than forty-five days prior to the date set for the public hearing, the
61 municipality, county, or commission shall give notice by mail as provided in subsection 2
62 of this section to all taxing districts with jurisdiction over taxable property in the

63 development area or development project area, as applicable, and in addition to the other
64 requirements under subsection 3 of this section, the notice shall include an invitation to
65 each taxing district to submit comments to the municipality, county or commission
66 concerning the subject matter of the hearing prior to the date of the hearing.

99.1124. 1. For the purpose of financing development project costs, obligations may
2 be issued by the municipality or county, or, at the request of the municipality or county,
3 by the commission or any other political subdivision or public entity authorized to issue
4 bonds to pay or reimburse development project costs. Such obligations, when so issued,
5 shall be retired in the manner provided in the ordinance, order or resolution authorizing
6 the issuance of such obligations.

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

19 3. In the event the obligations contain a recital that they are issued under the
20 Missouri economic development code, such recital shall be conclusive evidence of their
21 validity and of the regularity of their issuance.

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

31 5. Obligations issued under the Missouri economic development code may be issued
32 to refund, in whole or in part, obligations theretofore issued by such entity under the

33 authority of the Missouri economic development code, whether at or prior to maturity;
34 provided, however, the last maturity of the refunding obligations shall not be expressed to
35 mature later than the last maturity date of the obligations to be refunded.

36 **6. In the event a municipality, county, or commission issues obligations under home**
37 **rule powers or other legislative authority, the proceeds of which are pledged to pay for**
38 **development project costs, the municipality, county, or commission may retire such**
39 **obligations from funds in the special allocation fund in amounts and in such manner as if**
40 **such obligations had been issued under the provisions of the Missouri economic**
41 **development code.**

99.1126. 1. A municipality or county, after designating a development area,
2 adopting a development plan, and adopting any development project in conformance with
3 the procedures of the Missouri economic development code, may adopt development
4 financing for the development project area selected for any such development project by
5 passing an ordinance or order. Upon the adoption of the first of any such ordinances, the
6 municipality or county shall establish, or shall direct the commission to establish, a special
7 allocation fund for the development area.

8 **2. Immediately upon the adoption of a resolution, ordinance, or order adopting**
9 **development financing for a development project area under subsection 1 of this section,**
10 **the county assessor shall determine the total equalized assessed value of all taxable real**
11 **property within such development project area by adding together the most recently**
12 **ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real**
13 **property within such development project area as of the date of the adoption of such**
14 **resolution, ordinance, or order and shall provide to the clerk of the municipality or county**
15 **written certification of such amount as the total initial equalized assessed value of the**
16 **taxable real property within such development project area.**

17 **3. For purposes of this section, "levies upon taxable real property in such**
18 **development area by taxing districts" shall not include the blind pension fund tax levied**
19 **under the authority of article III, section 38(b), of the Missouri Constitution, the**
20 **merchants' and manufacturers' inventory replacement tax levied under the authority of**
21 **article X, subsection 2 of section 6 of the Missouri Constitution, the desegregation sales tax,**
22 **or the conservation taxes. In each of the twenty-five calendar years following the adoption**
23 **of an ordinance adopting development financing for a development project area under**
24 **subsection 1 of this section unless and until development financing for such development**
25 **project area is terminated by ordinance or order of the municipality or county, the ad**
26 **valorem taxes arising from the levies upon taxable real property in such development**

27 project area by taxing districts may, by agreement as provided in this section, be divided
28 as follows:

29 (1) That portion of taxes, penalties, and interest levied upon each taxable lot, block,
30 tract, or parcel of real property in such development project area which is attributable to
31 the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real
32 property in such development project area as certified by the county assessor in
33 accordance with subsection 2 of this section shall be allocated to and, when collected, shall
34 be paid by the collecting authority to the respective affected taxing districts in the manner
35 required by law in the absence of the adoption of development financing;

36 (2) Taxes attributable to the increase in the current equalized assessed valuation
37 of each taxable lot, block, tract, or parcel of real property in the development project area
38 and any applicable penalty and interest over and above the initial equalized assessed value
39 of each such taxable lot, block, tract, or parcel of real property in such development project
40 area as certified by the county assessor in accordance with subsection 2 of this section may,
41 by agreement as provided in this section, be allocated to and, when collected, shall be paid
42 to the collecting officer of the municipality or county who shall deposit such payment in the
43 special allocation fund. No part of the current equalized assessed valuation of each taxable
44 lot, block, tract, or parcel of property in any such development project area attributable
45 to any increase above the initial equalized assessed value of each such taxable lot, block,
46 tract, or parcel of real property in such development project area as certified by the county
47 assessor in accordance with subsection 2 of this section shall be used in calculating the
48 general state school aid formula provided for in section 163.031, RSMo, until development
49 financing for such development project area expires or is terminated in accordance with
50 the Missouri economic development code.

51 4. In each of the twenty-five calendar years following the adoption of an ordinance,
52 order, or resolution adopting development financing for a development project area under
53 subsection 1 of this section unless and until development financing for such development
54 project area is terminated in accordance with the Missouri economic development code,
55 a percentage of the economic activity taxes from such development project area may, by
56 agreement as provided in this section be allocated to, and paid by the collecting officer of
57 any such economic activity tax to the treasurer or other designated financial officer of the
58 municipality or county, who shall deposit such funds in the special allocation fund.

59 5. No tax revenue shall be used for development financing as provided in this
60 section unless and until the taxing district levying the tax has approved the use of such
61 revenue for development financing and has set forth such approval in a written agreement
62 with the municipality, county, or commission. The municipality, county, or commission

63 may establish such agreements with any taxing districts for the repayment of obligations
64 issued under the provisions of the Missouri economic development code. Such agreements
65 shall set forth the percentages of economic activity taxes and the amount or percentages
66 of other tax payments that will be pledged by the taxing district for the payment or
67 repayment of any obligations or expenses authorized to be paid under the provisions of the
68 Missouri economic development code. Such agreements shall remain in effect until the
69 obligations or expenses to which such economic activity taxes or tax payments have been
70 pledged have been paid in full or retired. The use of such tax revenue shall not be
71 considered relief from taxation under the provisions of article X, section 7 of the Missouri
72 Constitution, nor shall any tax be abated or any tax relief provided as a result of the use
73 of development financing under the Missouri economic development code.

99.1128. 1. When all development project costs and all obligations issued to finance
2 development project costs have been paid in full, the municipality or county shall adopt an
3 ordinance terminating development financing for all development project areas.
4 Immediately upon the adoption of such ordinance, all revenues then remaining in the
5 special allocation fund shall be deemed to be surplus funds. Surplus tax payments shall
6 be paid to the county collector who shall immediately thereafter pay such funds to the
7 taxing districts in the development area selected in the same manner and proportion as
8 provided in the agreement established under section 99.1126. Surplus economic activity
9 taxes shall be paid to the taxing districts in the development area in proportion to the then
10 current levy rates of such taxing districts that are attributable to economic activity taxes.
11 Any other funds remaining in the special allocation fund following the adoption of an
12 ordinance terminating development financing in accordance with this section shall be
13 distributed as provided in the agreement established under section 99.1126.

14 2. Upon the payment of all development project costs, retirement of obligations, and
15 the distribution of any surplus funds under this section, the municipality or county shall
16 adopt an ordinance or order dissolving the special allocation fund and terminating the
17 designation of the development area as a development area.

18 3. Nothing in the Missouri economic development code shall be construed as
19 relieving property in such areas from paying a uniform rate of taxes, as required by article
20 X, section 3, of the Missouri Constitution.

99.1130. 1. An annual statement showing all funds received and expended in that
2 year, the status of the development area, the development plan, the development projects
3 in the development plan, the amount of outstanding obligations, and any additional
4 information that the municipality or county deems necessary shall be published in a
5 newspaper of general circulation in the municipality or county.

6 **2. Five years after the establishment of the development area and the development**
7 **plan and every five years thereafter the governing body of the municipality, county, or**
8 **commission shall hold a public hearing regarding the development area and the**
9 **development plan and the development projects adopted under the Missouri economic**
10 **development code. The purpose of the hearing shall be to determine if the development**
11 **area, development plan, and the included development projects are making satisfactory**
12 **progress under the proposed time schedule contained within the approved development**
13 **plan for completion of such development projects. Notice of such public hearing shall be**
14 **given in a newspaper of general circulation in the area served by the municipality, county,**
15 **or commission once each week for four weeks immediately prior to the hearing.**

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