

FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 741

94TH GENERAL ASSEMBLY

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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).

Reported from the Committee on Rules March 28, 2007 with recommendation that House Committee Substitute for House Bill No. 741 Do Pass.

Taken up for Perfection April 4, 2007. House Committee Substitute for House Bill No. 741 ordered Perfected and printed, as amended.

D. ADAM CRUMBLISS, Chief Clerk

1592L.02P

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## AN ACT

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

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

Section A. Chapter 99, RSMo, is amended by adding thereto twenty-six new sections,  
2 to be known as sections 99.1100, 99.1102, 99.1104, 99.1106, 99.1108, 99.1110, 99.1112,  
3 99.1114, 99.1116, 99.1118, 99.1120, 99.1122, 99.1124, 99.1126, 99.1128, 99.1130, 251.600,  
4 251.603, 251.605, 251.610, 251.615, 251.618, 251.621, 251.624, 251.627, and 251.630, to read  
5 as 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:**

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.

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

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

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

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

**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 of or relating to any contract of a commission entered into under the Missouri economic development code, such commission shall be conclusively deemed to have become established and authorized to transact business and exercise its powers under the Missouri economic development code upon proof of the adoption of the appropriate ordinance or order prescribed in section 99.1104. Each such ordinance or order shall be deemed sufficient if it authorizes the exercise of powers under the Missouri economic development code by the commission and sets forth the findings of the municipality or county as required in subdivision (2) of section 99.1104.**

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

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

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

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

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

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

**(3) Within a development area, to acquire by purchase, lease, gift, grant, bequest, devise, obtain options upon, or otherwise acquire any real or personal property or any interest therein, necessary or incidental to a development project, all in the manner and at such price as the municipality, county or commission determines is reasonably necessary 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 the program to be undertaken to accomplish the development projects and related objectives and shall include, but need not be limited to:**

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

**(2) The street address or other description of the location of the development site;**

**(3) The estimated development project costs;**

**(4) The anticipated sources of funds to pay such development project costs;**

**(5) Evidence of the commitments to finance such development project costs;**

**(6) The anticipated type and term of the sources of funds to pay such development project costs;**

**(7) The anticipated type and terms of the obligations to be issued;**

**(8) The most recent equalized assessed valuation of the property within the development project area;**

**(9) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;**

**(10) The general land uses to apply in the development area;**

**(11) A list of community and economic benefits that are expected to result from the project;**

**(12) A list of all development subsidies that any business benefiting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;**

**(13) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding under the Missouri economic development code is being sought; and**

**(14) A certification by the chief officer of the applicant as to the accuracy of the development plan.**

**2. The development plan may be adopted by a municipality or county in reliance on findings that a reasonable person would believe:**

**(1) The development area has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the implementation of one or more development projects and the adoption of development financing;**

**(2) The estimated dates of the completion of such development project and retirement of obligations incurred to finance development project costs which shall not be 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 year, the status of the development area, the development plan, the development projects in the development plan, the amount of outstanding obligations, and any additional information that the municipality or county deems necessary shall be published in a newspaper of general circulation in the municipality or county.**

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

**251.600. Sections 251.600 to 251.630 shall be known and may be cited as the "Regional Economic Development District Law".**

**251.603. As used in sections 251.600 to 251.630, the following terms shall mean:**

**(1) "Baseline year", the calendar year prior to the effective date of a resolution by the regional economic development district board approving a regional economic development project; provided, however, if economic activity taxes from businesses other than businesses locating in the regional economic development project area decrease in the regional economic development project area in the year following the year in which the resolution approving a regional economic development project is approved by a regional economic development district board, the baseline year may, at the option of the regional economic development district board approving the regional economic development project, be the year following the year of the adoption of the resolution approving the regional economic development project;**

**(2) "Board", a regional economic development district board created under the provisions of section 251.605;**

**(3) "Collecting officer", the officer of the municipality, county, or other taxing jurisdiction responsible for receiving and processing payments in lieu of taxes and economic activity taxes and the officer of the municipality, county, or other taxing jurisdiction responsible for receiving and processing local sales tax revenues collected by the director of revenue on behalf of such municipality, county, or other taxing jurisdiction;**

**(4) "County", any county of the state of Missouri and any city not within a county;**

20           (5) "Economic activity taxes", the total additional revenue from taxes which are  
21 imposed by a municipality, county, or other taxing districts, and which are generated by  
22 economic activities within each regional economic development project area, which exceed  
23 the amount of such taxes generated by economic activities within such regional economic  
24 development project area in the baseline year; but excluding personal property taxes, taxes  
25 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and  
26 motels, licenses, fees, special assessments, and any taxes imposed by the municipality,  
27 county, or other taxing district after the effective date of a resolution by a regional  
28 economic development district board approving a regional economic development project;

29           (6) "Gambling establishment", an excursion gambling boat as defined in section  
30 313.800, RSMo, and any related business facility including any real property  
31 improvements which are directly and solely related to such business facility, whose sole  
32 purpose is to provide goods or services to an excursion gambling boat and whose majority  
33 ownership interest is held by a person licensed to conduct gambling games on an excursion  
34 gambling boat or licensed to operate an excursion gambling boat as provided in sections  
35 313.800 to 313.850, RSMo;

36           (7) "Governing body", a legislative body or other authority governing a city,  
37 county, or a city not within a county;

38           (8) "Obligations", bonds, loans, debentures, notes, special certificates, or other  
39 evidences of indebtedness issued by a regional economic development district, municipality,  
40 county, or commission, or other public entity authorized to issue such obligations under  
41 the regional economic development district law to carry out a regional economic  
42 development project or to refund outstanding obligations;

43           (9) "Payment in lieu of taxes", those revenues from real property in each regional  
44 economic development project area, which taxing districts would have received had the  
45 regional economic development district not adopted a regional economic development plan  
46 and which would result from levies made after the effective date of a resolution of the  
47 board approving a regional economic development project during the time the current  
48 equalized value of real property in such regional economic development project area  
49 exceeds the total equalized value of real property in such regional economic development  
50 project area during the baseline year until incremental tax financing for such regional  
51 economic development project area expires or is terminated under the provisions of the  
52 regional economic development district law;

53           (10) "Regional economic development area", an area designated by a regional  
54 economic development district board which shall have the following characteristics:

55 (a) It includes only those parcels of real property directly and substantially  
56 benefited by the proposed regional economic development plan;

57 (b) It will be improved by the regional economic development project;

58 (c) It is contiguous;

59 (d) It is not included in any other redevelopment plan or using any other tax  
60 increment financing program; and

61 (e) The board has declared development of the area is not likely to occur without  
62 benefit of the proposed regional economic development plan;

63 (11) "Regional economic development district", a district formed by agreement of  
64 two or more county or city governing bodies for the purpose of the economic development  
65 of such district, the boundaries of which may encompass all or any part of one or more  
66 entire counties and all or any part of one or more entire cities;

67 (12) "Regional economic development plan", the comprehensive program of a  
68 regional economic development district to improve a regional economic development area,  
69 thereby enhancing the tax bases of the taxing districts which extend into the regional  
70 economic development area, through the reimbursement, payment, or other financing of  
71 regional economic development project costs in accordance with the regional economic  
72 development district law. The regional economic development plan shall conform to the  
73 requirements of section 251.621;

74 (13) "Regional economic development project", any regional economic  
75 development project within a regional economic development area which constitutes a  
76 major initiative in furtherance of the objectives of the regional economic development plan,  
77 and any such regional economic development project shall include a legal description of  
78 the area selected for such regional economic development project;

79 (14) "Regional economic development project area", the area located within a  
80 regional economic development area selected for a regional economic development project;

81 (15) "Regional economic development project costs", costs to the regional economic  
82 development plan or a regional economic development project, as applicable, which are  
83 expended on public property, buildings, or rights-of-ways for public purposes to provide  
84 infrastructure or support for a regional economic development project. Such costs shall  
85 only be allowed as an initial expense which, to be recoverable, shall be included in the costs  
86 of a regional economic development plan or regional economic development project,  
87 including any amendments thereto adopted by the board of the regional economic  
88 development district. Such infrastructure costs include, but are not limited to, the  
89 following:

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

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

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

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

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

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

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

107 (h) Payments to taxing districts on a pro rata basis to partially reimburse taxes  
108 diverted by approval of a regional economic development project as approved by the  
109 board. In addition, any revenues of the regional economic development district may be  
110 expended on or used to reimburse any reasonable or necessary costs incurred or estimated  
111 to be incurred in furtherance of a regional economic development plan or a regional  
112 economic development project;

113 (16) "Resolution", a resolution enacted by the regional economic development  
114 district board;

115 (17) "Special allocation fund", the fund of the regional economic development  
116 district required to be established under section 251.618 which special allocation fund shall  
117 contain at least three separate segregated accounts into which payments in lieu of taxes are  
118 deposited in one account, economic activity taxes are deposited in a second account, and  
119 other revenues, if any, received by the regional economic development district for the  
120 purpose of implementing a regional economic development plan or a regional economic  
121 development project are deposited in a third account;

122 (18) "Taxing district's capital costs", those costs of taxing districts for capital  
123 improvements that are found by the regional economic development district to be  
124 necessary and to directly result from a regional economic development project; and

125           **(19) "Taxing districts", any political subdivision of this state having the power to**  
126 **levy taxes if the future tax revenues of such district would be affected by the establishment**  
127 **of a regional economic development project.**

**251.605. 1. A regional economic development district may be established by two**  
2 **or more governing bodies in order to plan, formulate, develop, promote, fund, conduct or**  
3 **cause to be conducted, programs to encourage the economic development of the district.**  
4 **The governing bodies may establish such districts by enactment of identical ordinances or**  
5 **by mutual agreement of the governing bodies.**

6           **2. The qualifications, terms, and number of members of the regional economic**  
7 **development district board for each district shall be determined by the enacting ordinances**  
8 **or the mutual agreement of the governing bodies, except as provided in this subsection.**  
9 **Each governing body located in the regional economic development district shall have**  
10 **equal representation on the board. The chief executive officer of a county in the regional**  
11 **economic development district or mayor of a city in the regional economic development**  
12 **district shall appoint one resident each of such county or city to be on the board, and such**  
13 **officers shall jointly appoint one additional member to the board. The board shall select**  
14 **a chairman, treasurer, and any other officers it deems necessary to conduct its business,**  
15 **and shall meet in open session at a time and place designated by the chairman in order to**  
16 **make policy and administer the activities of the district.**

17           **3. The regional economic development district shall be a public governmental body**  
18 **for the purposes of section 610.010, RSMo, and shall comply with the provisions of chapter**  
19 **610, RSMo.**

**251.610. The ordinances or mutual agreements which establish the district shall**  
2 **specify the powers of the board. The powers of the board shall not include the power of**  
3 **eminent domain. The powers of the board may include, but shall not be limited to, the**  
4 **following:**

5           **(1) Adoption of bylaws, rules and regulations for the conduct of its business;**

6           **(2) Maintenance of a principal office;**

7           **(3) The ability to sue and be sued;**

8           **(4) The creation of a regional economic development plan for a regional economic**  
9 **development district;**

10           **(5) The making and executing of leases, contracts, and other instruments necessary**  
11 **to exercise its powers;**

12           **(6) Contracting with cities and counties for services, and with firms, corporations,**  
13 **persons, and governmental agencies in the necessary performance of its duties;**

14           **(7) The employment of personnel;**

15           **(8) Application for and acceptance of local and federal grants and appropriations;**

16           **(9) Performance of site improvements within the regional economic development**  
17 **area;**

18           **(10) Entering into lease or lease-purchase agreements for any real or personal**  
19 **property necessary or convenient for the purposes of the regional economic development**  
20 **district;**

21           **(11) Borrowing money for regional economic development district purposes at such**  
22 **rates of interest as the district may determine;**

23           **(12) Issuance of bonds, notes, and other obligations, which may be secured by**  
24 **mortgage, pledge, assignment, or deed of trust of any or all of the property and income of**  
25 **the regional economic development district, subject to any restrictions provided in the**  
26 **regional economic development district law; except that the district shall not mortgage,**  
27 **pledge, or give a deed of trust on any real property or interests which it acquired from the**  
28 **state of Missouri or any agency or political subdivision thereof without the written consent**  
29 **of the state, agency or political subdivision from which it obtained the property;**

30           **(13) Submission of a regional economic development sales tax to district voters as**  
31 **provided in section 251.615; and**

32           **(14) Adoption of incremental tax financing as provided in section 251.618.**

**251.615. 1. Any city or county that has agreed to form a regional economic**  
2 **development district created under the regional economic development district law which**  
3 **consists of all of one or more entire counties, all of one or more entire cities, or all of one**  
4 **or more entire counties and one or more entire cities which are totally outside the**  
5 **boundaries of those counties, may impose, by resolution of the governing body of the city**  
6 **or county, a sales tax on all retail sales made in the city or county which are subject to sales**  
7 **tax under chapter 144, RSMo, for the benefit of the regional economic development**  
8 **district. The sales tax may be imposed at a rate of one-eighth of one percent, one-fourth**  
9 **of one percent, three-eighths of one percent or one-half of one percent on the receipts from**  
10 **the sale at retail of all tangible personal property or taxable services at retail within any**  
11 **such city or county adopting such tax, if such property and services are subject to taxation**  
12 **by the state of Missouri under the provisions of sections 144.010 to 144.525, RSMo. The**  
13 **resolution imposing the tax shall not become effective unless the governing body of the city**  
14 **or county submits to the voters of the city or county at any citywide, county, or state**  
15 **general, primary, or special election a proposal to authorize the city or county to impose**  
16 **a tax under this section. The tax authorized in this section shall be in addition to all other**  
17 **sales taxes imposed by law and shall be stated separately from all other charges and taxes.**



54 and overpayments made, and may redeem dishonored checks and drafts deposited to the  
55 credit of such city or county.

56 7. If any city or county abolishes the tax, the governing body of the city or county  
57 shall notify the director of revenue of the action at least ninety days prior to the effective  
58 date of the repeal, and the director of revenue may order retention in the trust fund, for  
59 a period of one year, of two percent of the amount collected after receipt of such notice to  
60 cover possible refunds or overpayment of the tax and to redeem dishonored checks and  
61 drafts deposited to the credit of such accounts. After one year has elapsed after the  
62 effective date of abolition of the tax in such district, the director of revenue shall remit the  
63 balance in the account to the city or county and close the account of that city or county.  
64 The director of revenue shall notify each city or county of each instance of any amount  
65 refunded or any check redeemed from receipts due the city or county.

66 8. Except as modified in and by this section, all provisions of sections 32.085 and  
67 32.087, RSMo, shall apply to the tax imposed under this section.

68 9. All revenue generated by the tax shall be deposited in a special trust fund and  
69 shall be used solely for the designated purposes. If the tax is repealed, all funds remaining  
70 in the special trust fund shall continue to be used solely for the designated purposes. Any  
71 funds in the special trust fund which are not needed for current expenditures may be  
72 invested by the city or county in accordance with applicable laws relating to the investment  
73 of other city or county funds.

74 10. The board shall consider regional economic development plans, regional  
75 economic development projects, or designations of a regional economic development  
76 district and shall hold public hearings and provide notice of any such hearings. The board  
77 shall vote on all proposed regional economic development plans, regional economic  
78 development projects, or designations of a regional economic development district, and  
79 amendments thereto, within thirty days following completion of the hearing on any such  
80 plan, project, or designation, and shall make the final determination on use and  
81 expenditure of any funds received from the tax imposed under this section.

82 11. Notwithstanding any other provision of law to the contrary, the regional  
83 economic development district sales tax imposed under this section when imposed within  
84 a special taxing district, including, but not limited to a tax increment financing district,  
85 neighborhood improvement district, or community improvement district, shall be excluded  
86 from the calculation of revenues available to such districts, and no revenues from any sales  
87 tax imposed under this section shall be used for the purposes of any such district unless  
88 approved by the regional economic development district board established under the

89 regional economic development district law and the governing body of the city or county  
90 imposing the tax.

91       **12. The board of the district shall make a report at least annually on the use of the**  
92 **funds provided under this section and on the progress of any plan, project, or area**  
93 **designation adopted under this section and shall make such report available to the public**  
94 **and the governing body of the city or county imposing the tax.**

95       **13. (1) No city or county imposing a sales tax under this section may repeal or**  
96 **amend such sales tax unless such repeal or amendment will not impair the district's ability**  
97 **to repay any liabilities which it has incurred, money which it has borrowed, or revenue**  
98 **bonds, notes, or other obligations which it has issued to finance any project or projects.**

99       **(2) Whenever the governing body of any city or county in which a regional**  
100 **economic development district sales tax has been imposed in the manner provided by this**  
101 **section receives a petition, signed by ten percent of the qualified voters of such city or**  
102 **county calling for an election to repeal such regional economic development district sales**  
103 **tax, the governing body shall, if such repeal will not impair the district's ability to repay**  
104 **any liabilities which it has incurred, money which it has borrowed, or revenue bonds,**  
105 **notes, or other obligations which it has issued to finance any project or projects, submit to**  
106 **the voters of such city or county a proposal to repeal the regional economic development**  
107 **district sales tax imposed under this section. If a majority of the votes cast on the proposal**  
108 **by the qualified voters voting thereon are in favor of the proposal to repeal the regional**  
109 **economic development district sales tax, then the resolution imposing the regional**  
110 **economic development district sales tax, along with any amendments thereto, is repealed.**  
111 **If a majority of the votes cast by the qualified voters voting thereon are opposed to the**  
112 **proposal to repeal the regional economic development district sales tax, then the resolution**  
113 **imposing the regional economic development district sales tax, along with any amendments**  
114 **thereto, shall remain in effect.**

115       **14. If any provision of the regional economic development district law or the**  
116 **application thereof to any person or circumstance is held invalid, the invalidity shall not**  
117 **affect other provisions or application of the regional economic development district law**  
118 **which can be given effect without the invalid provision or application, and to this end the**  
119 **provisions of the regional economic development district law are declared severable.**

2       **251.618. 1. A regional economic development district board, after adopting a**  
3 **regional economic development plan, may adopt incremental tax financing as set forth in**  
4 **this section for the purposes of the district by passing a resolution, however, incremental**  
5 **tax financing shall not be available for any retail projects. Upon the adoption of the first**

5 of any such resolutions, the treasurer of the board shall establish a special allocation fund  
6 for the regional economic development district.

7       **2. Immediately upon the adoption of a resolution implementing incremental tax**  
8 **financing under subsection 1 of this section, the county assessor shall determine the total**  
9 **equalized assessed value of all taxable real property within such regional economic**  
10 **development district by adding together the most recently ascertained equalized assessed**  
11 **value of each taxable lot, block, tract, or parcel of real property within such regional**  
12 **economic development project area as of the date of the adoption of such resolution and**  
13 **shall provide to the treasurer of the board written certification of such amount as the total**  
14 **initial equalized assessed value of the taxable real property within such regional economic**  
15 **development district.**

16       **3. In each of the twenty-five calendar years following the adoption of a resolution**  
17 **adopting incremental tax financing for a regional economic development district under this**  
18 **section unless and until such incremental tax financing for such district is terminated by**  
19 **resolution of the regional economic development district board, the ad valorem taxes, and**  
20 **payments in lieu of taxes, if any, arising from the levies upon taxable real property in such**  
21 **regional economic development project area by taxing districts at the tax rates determined**  
22 **in the manner provided in section 251.627 shall be divided as follows:**

23       **(1) That portion of taxes, penalties, and interest levied upon each taxable lot, block,**  
24 **tract, or parcel of real property in such regional economic development project area which**  
25 **is attributable to the initial equalized assessed value of each such taxable lot, block, tract,**  
26 **or parcel of real property in such regional economic development project area as certified**  
27 **by the county assessor in accordance with subsection 2 of this section plus an annual tax**  
28 **base adjustment equal to the percentage change in the general price level as measured by**  
29 **the consumers price index for all urban consumers for the United States, or its successor**  
30 **index, as defined and officially recorded by the United States Department of Labor, shall**  
31 **be allocated to and, when collected, shall be paid by the collecting authority to the**  
32 **respective affected taxing districts in the manner required by law in the absence of the**  
33 **adoption of incremental tax financing. For the purpose of determining the percentage**  
34 **change in the general price level, the treasurer of the regional economic development**  
35 **district board shall determine the consumer price index as defined herein for the preceding**  
36 **calendar year over the consumer price index for the calendar year immediately prior**  
37 **thereto;**

38       **(2) Payments in lieu of taxes attributable to the increase in the current equalized**  
39 **assessed valuation of each taxable lot, block, tract, or parcel of real property in the regional**  
40 **economic development project area and any applicable penalty and interest over and above**

41 the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real  
42 property in such regional economic development project area as certified by the county  
43 assessor and as adjusted by the annual tax base adjustment as detailed in this section shall  
44 be allocated to and, when collected, shall be paid by the collecting officer of the  
45 municipality or county to the treasurer of the regional economic development district who  
46 shall deposit such payment in lieu of taxes into a separate segregated account for payments  
47 in lieu of taxes within the special allocation fund. Payments in lieu of taxes which are due  
48 and owing shall constitute a lien against the real property from which such payments in  
49 lieu of taxes are derived and shall be collected in the same manner as real property taxes,  
50 including the assessment of penalties and interest where applicable. The lien of payments  
51 in lieu of taxes may be foreclosed in the same manner as the lien of real property taxes. No  
52 part of the current equalized assessed valuation of each taxable lot, block, tract, or parcel  
53 of property in any such regional economic development project area attributable to any  
54 increase above the initial equalized assessed value of each such taxable lot, block, tract, or  
55 parcel of real property in such regional economic development project area as certified by  
56 the county assessor and as adjusted by the annual tax base adjustment as detailed in this  
57 section shall be used in calculating the general state school aid formula provided for in  
58 section 163.031, RSMo, until incremental tax financing for such regional economic  
59 development project area expires or is terminated in accordance with the regional  
60 economic development district law;

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

67 4. In each of the twenty-five calendar years following the adoption of a resolution  
68 adopting incremental tax financing for a regional economic development project area  
69 under this section, unless and until incremental tax financing for such regional economic  
70 development project area is terminated in accordance with the regional economic  
71 development district law, fifty percent of the economic activity taxes from such regional  
72 economic development project area shall be allocated to and paid by the collecting officer  
73 of any such economic activity tax to the treasurer of the regional economic development  
74 district, who shall deposit such funds in a separate segregated account for economic  
75 activity taxes within the special allocation fund.

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

(1) The name, street and mailing address, and phone number of the chairman of the regional economic development district board;

(2) The street address or other description of the location of the development site;

(3) The estimated regional economic development project costs;

(4) The anticipated sources of funds to pay such regional economic development project costs;

(5) Evidence of the commitments to finance such regional economic development project costs;

(6) The anticipated type and term of the sources of funds to pay such regional economic development project costs;

(7) The anticipated type and terms of the obligations to be issued;

(8) The most recent equalized assessed valuation of the property within the regional economic development project area;

(9) An estimate as to the equalized assessed valuation after the regional economic development project area is developed in accordance with a regional economic development plan;

(10) The general land uses to apply in the regional economic development area;

(11) A list of community and economic benefits to result from the regional economic development project;

(12) A list of all development subsidies that any business benefiting from public expenditures in the regional economic development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;

(13) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which funding under the regional economic development district law is being sought;

(14) A market study for the regional economic development area; and

(15) A certification by the regional economic development district board as to the accuracy of the regional economic development plan.

2. The regional economic development plan may be adopted by a regional economic development district in reliance on findings that a reasonable person would believe:

(1) The regional economic development area has not been subject to growth and development through investment by private enterprise and would not reasonably be

36 anticipated to be developed without the implementation of one or more regional economic  
37 development projects and the adoption of incremental tax financing;

38 (2) The estimated dates of the completion of such regional economic development  
39 project and retirement of obligations incurred to finance regional economic development  
40 project costs which shall not be more than twenty-five years from the adoption of the  
41 resolution approving any regional economic development project, provided that no  
42 resolution approving a regional economic development project shall be adopted later than  
43 fifteen years from the adoption of the resolution approving the regional economic  
44 development plan;

45 (3) The development plan contains a cost-benefit analysis showing the economic  
46 impact of the regional economic development plan on any municipality, county, regional  
47 economic development district, and school districts that are at least partially within the  
48 boundaries of the regional economic development area. The analysis shall show the impact  
49 on the economy if the regional economic development projects are not built according to  
50 the regional economic development plan under consideration;

51 (4) The regional economic development plan does not include the initial  
52 development or redevelopment of any gambling establishment; and

53 (5) An economic feasibility analysis including a pro forma financial statement  
54 indicating the return on investment that may be expected without public assistance. The  
55 financial statement shall detail any assumptions made, a pro forma statement analysis  
56 demonstrating the amount of assistance required to bring the return into a range deemed  
57 attractive to private investors, which amount shall not exceed the estimated reimbursable  
58 project costs.

251.624. 1. When all regional economic development project costs and all  
2 obligations issued to finance regional economic development project costs have been paid  
3 in full, the regional economic development district shall adopt a resolution terminating  
4 incremental tax financing for all regional economic development project areas.  
5 Immediately upon the adoption of such resolution, all payments in lieu of taxes, all  
6 economic activity taxes, and other net new revenues then remaining in the special  
7 allocation fund shall be deemed to be surplus funds; thereafter, the rates of the taxing  
8 districts shall be extended, and taxes shall be levied, collected, and distributed in the  
9 manner applicable in the absence of the adoption of incremental tax financing. Surplus  
10 payments in lieu of taxes shall be paid to the county collector who shall immediately  
11 thereafter pay such funds to the taxing districts in the regional economic development area  
12 selected in the same manner and proportion as the most recent distribution by the collector  
13 to the affected taxing districts of real property taxes from real property in the regional

14 economic development area. Surplus economic activity taxes shall be paid to the taxing  
15 districts in the regional economic development area in proportion to the then current levy  
16 rates of such taxing districts that are attributable to such economic activity taxes. Any  
17 other funds remaining in the special allocation fund following the adoption of a resolution  
18 terminating incremental tax financing in accordance with this section shall be deposited  
19 to the general fund of the municipalities or counties that originally formed the regional  
20 economic development district in a pro rata amount determined by the regional economic  
21 development district board.

22       2. Upon the payment of all regional economic development project costs, retirement  
23 of obligations, and the distribution of any surplus funds under this section, the regional  
24 economic development district shall adopt a resolution dissolving the special allocation  
25 fund and terminating the designation of the regional economic development area as a  
26 regional economic development area.

27       3. Nothing in the regional economic development district law shall be construed as  
28 relieving property in such areas from paying a uniform rate of taxes, as required by article  
29 X, section 3 of the Missouri Constitution.

251.627. In each of the twenty-five calendar years following the adoption of a  
2 resolution adopting incremental tax financing for a regional economic development project  
3 area, unless and until incremental tax financing for such regional economic development  
4 project area is terminated by resolution of the regional economic development district  
5 board, then, in respect to every taxing district containing such regional economic  
6 development project area, the county clerk or any other official required by law to  
7 ascertain the amount of the equalized assessed value of all taxable property within such  
8 regional economic development project area for the purpose of computing any debt service  
9 levies to be extended upon taxable property within such regional economic development  
10 project area, shall in every year that incremental tax financing is in effect ascertain the  
11 amount of value of taxable property in such regional economic development project area  
12 by including in such amount the certified total initial equalized assessed value of all taxable  
13 real property in such regional economic development project area in lieu of the equalized  
14 assessed value of all taxable real property in such regional economic development project  
15 area. For the purpose of measuring the size of payments in lieu of taxes under the regional  
16 economic development district law, all tax levies shall then be extended to the current  
17 equalized assessed value of all property in the regional economic development project area  
18 in the same manner as the tax rate percentage is extended to all other taxable property in  
19 the taxing district.

**251.630. 1. A regional economic development district may at any time authorize**  
2 **or issue revenue bonds for the purpose of paying all or any part of the cost of any regional**  
3 **economic development project. Every issue of such bonds shall be payable out of the**  
4 **revenues of the regional economic development district and may be further secured by**  
5 **other property of the regional economic development district which may be pledged,**  
6 **assigned, mortgaged, or a security interest granted for such payment, without preference**  
7 **or priority of the first bonds issued, subject to any agreement with the holders of any other**  
8 **bonds pledging any specified property or revenues. Such bonds shall be authorized by**  
9 **resolution of the regional economic development district, and if issued by the regional**  
10 **economic development district, shall bear such date or dates and shall mature at such time**  
11 **or times, but not in excess of twenty-five years, as the resolution shall specify. Such bonds**  
12 **shall be in such denomination, bear interest at such rate or rates, be in such form, either**  
13 **coupon or registered, be issued as current interest bonds, compound interest bonds,**  
14 **variable rate bonds, convertible bonds, or zero coupon bonds, be issued in such manner,**  
15 **be payable in such place or places, and subject to redemption as such resolution may**  
16 **provide notwithstanding the provisions of section 108.170, RSMo. The bonds may be sold**  
17 **at either public or private sale at such interest rates, and at such price or prices as the**  
18 **regional economic development district board shall determine.**

19 **2. Any issue of regional economic development district bonds outstanding may be**  
20 **refunded at any time by the regional economic development district by issuing its**  
21 **refunding bonds in such amount as the regional economic development district may deem**  
22 **necessary. Such bonds may not exceed the amount sufficient to refund the principal of the**  
23 **bonds to be refunded together with any unpaid interest thereon and any premiums,**  
24 **commissions, service fees, and other expenses necessary to be paid in connection with the**  
25 **refunding. Any such refunding may be effected whether the bonds to be refunded then**  
26 **shall have matured or thereafter shall mature, either by sale of the refunding bonds and**  
27 **the application of the proceeds thereof to the payment of the bonds being refunded or by**  
28 **the exchange of the refunding bonds for the bonds being refunded with the consent of the**  
29 **holder or holders of the bonds being refunded. Refunding bonds may be issued regardless**  
30 **of whether the bonds being refunded were issued in connection with the same project or**  
31 **a separate project and regardless of whether the bonds proposed to be refunded shall be**  
32 **payable on the same date or different dates or shall be due serially or otherwise.**

33 **3. Bonds issued under this section shall exclusively be the responsibility of the**  
34 **regional economic development district payable solely out of regional economic**  
35 **development district funds and property as provided in the regional economic development**  
36 **district law and shall not constitute a debt or liability of the state of Missouri or any agency**

37 or political subdivision of the state. The regional economic development district shall not  
38 be obligated to pay such bonds with any funds other than those specifically pledged to  
39 repayment of the bonds. Any bonds issued by a regional economic development district  
40 shall state on their face that they are not obligations of the state of Missouri or any agency  
41 or political subdivision thereof other than the regional economic development district.

42 **4. Bonds issued under this section, the interest thereon, or any proceeds from such**  
43 **bonds shall be exempt from taxation in the state of Missouri.**

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