

FIRST REGULAR SESSION

HOUSE BILL NO. 447

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES FUNDERBURK (Sponsor), ZERR, GATSCHENBERGER, PARKINSON, SCHNEIDER, STREAM, BAHR, CONWAY (14), FALLERT, ALLEN, COLONA, WALTON GRAY, PACE, TAYLOR AND CARTER (Co-sponsors).

1192L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 99.820 and 99.825, RSMo, and to enact in lieu thereof two new sections relating to tax increment financing.

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

Section A. Sections 99.820 and 99.825, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 99.820 and 99.825, to read as follows:

99.820. 1. A municipality may:

(1) By ordinance introduced in the governing body of the municipality within fourteen to ninety days from the completion of the hearing required in section 99.825, approve redevelopment plans and redevelopment projects, and designate redevelopment project areas pursuant to the notice and hearing requirements of sections 99.800 to 99.865. No redevelopment project shall be approved unless a redevelopment plan has been approved and a redevelopment area has been designated prior to or concurrently with the approval of such redevelopment project and the area selected for the redevelopment project shall include only those parcels of real property and improvements thereon directly and substantially benefitted by the proposed redevelopment project improvements;

(2) Make and enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan or project;

(3) Pursuant to a redevelopment plan, subject to any constitutional limitations, acquire by purchase, donation, lease or, as part of a redevelopment project, eminent domain, own, convey, lease, mortgage, or dispose of land and other property, real or personal, or rights or

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.

16 interests therein, and grant or acquire licenses, easements and options with respect thereto, all
17 in the manner and at such price the municipality or the commission determines is reasonably
18 necessary to achieve the objectives of the redevelopment plan. No conveyance, lease, mortgage,
19 disposition of land or other property, acquired by the municipality, or agreement relating to the
20 development of the property shall be made except upon the adoption of an ordinance by the
21 governing body of the municipality. Each municipality or its commission shall establish written
22 procedures relating to bids and proposals for implementation of the redevelopment projects.
23 Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating
24 to the development of property shall be made without making public disclosure of the terms of
25 the disposition and all bids and proposals made in response to the municipality's request. Such
26 procedures for obtaining such bids and proposals shall provide reasonable opportunity for any
27 person to submit alternative proposals or bids;

28 (4) Within a redevelopment area, clear any area by demolition or removal of existing
29 buildings and structures;

30 (5) Within a redevelopment area, renovate, rehabilitate, or construct any structure or
31 building;

32 (6) Install, repair, construct, reconstruct, or relocate streets, utilities, and site
33 improvements essential to the preparation of the redevelopment area for use in accordance with
34 a redevelopment plan;

35 (7) Within a redevelopment area, fix, charge, and collect fees, rents, and other charges
36 for the use of any building or property owned or leased by it or any part thereof, or facility
37 therein;

38 (8) Accept grants, guarantees, and donations of property, labor, or other things of value
39 from a public or private source for use within a redevelopment area;

40 (9) Acquire and construct public facilities within a redevelopment area;

41 (10) Incur redevelopment costs and issue obligations;

42 (11) Make payment in lieu of taxes, or a portion thereof, to taxing districts;

43 (12) Disburse surplus funds from the special allocation fund to taxing districts as
44 follows:

45 (a) Such surplus payments in lieu of taxes shall be distributed to taxing districts within
46 the redevelopment area which impose ad valorem taxes on a basis that is proportional to the
47 current collections of revenue which each taxing district receives from real property in the
48 redevelopment area;

49 (b) Surplus economic activity taxes shall be distributed to taxing districts in the
50 redevelopment area which impose economic activity taxes, on a basis that is proportional to the

51 amount of such economic activity taxes the taxing district would have received from the
52 redevelopment area had tax increment financing not been adopted;

53 (c) Surplus revenues, other than payments in lieu of taxes and economic activity taxes,
54 deposited in the special allocation fund, shall be distributed on a basis that is proportional to the
55 total receipt of such other revenues in such account in the year prior to disbursement;

56 (13) If any member of the governing body of the municipality, a member of a
57 commission established pursuant to subsection 2 or 3 of this section, or an employee or
58 consultant of the municipality, involved in the planning and preparation of a redevelopment plan,
59 or redevelopment project for a redevelopment area or proposed redevelopment area, owns or
60 controls an interest, direct or indirect, in any property included in any redevelopment area, or
61 proposed redevelopment area, which property is designated to be acquired or improved pursuant
62 to a redevelopment project, he or she shall disclose the same in writing to the clerk of the
63 municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any
64 such interest, which disclosures shall be acknowledged by the governing body of the
65 municipality and entered upon the minutes books of the governing body of the municipality. If
66 an individual holds such an interest, then that individual shall refrain from any further official
67 involvement in regard to such redevelopment plan, redevelopment project or redevelopment area,
68 from voting on any matter pertaining to such redevelopment plan, redevelopment project or
69 redevelopment area, or communicating with other members concerning any matter pertaining
70 to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such
71 member or employee shall acquire any interest, direct or indirect, in any property in a
72 redevelopment area or proposed redevelopment area after either (a) such individual obtains
73 knowledge of such plan or project, or (b) first public notice of such plan, project or area pursuant
74 to section 99.830, whichever first occurs;

75 (14) Charge as a redevelopment cost the reasonable costs incurred by its clerk or other
76 official in administering the redevelopment project. The charge for the clerk's or other official's
77 costs shall be determined by the municipality based on a recommendation from the commission,
78 created pursuant to this section.

79 2. Prior to adoption of an ordinance approving the designation of a redevelopment area
80 or approving a redevelopment plan or redevelopment project, the municipality shall create a
81 commission of nine persons if the municipality is a county or a city not within a county and not
82 a first class county with a charter form of government with a population in excess of nine
83 hundred thousand, and eleven persons if the municipality is not a county and not in a first class
84 county with a charter form of government having a population of more than nine hundred
85 thousand, and twelve persons if the municipality is located in or is a first class county with a

86 charter form of government having a population of more than nine hundred thousand, to be
87 appointed as follows:

88 (1) In all municipalities two members shall be appointed by the school boards whose
89 districts are included within the redevelopment plan or redevelopment area. Such members shall
90 be appointed in any manner agreed upon by the affected districts;

91 (2) In all municipalities one member shall be appointed, in any manner agreed upon by
92 the affected districts, to represent all other districts levying ad valorem taxes within the area
93 selected for a redevelopment project or the redevelopment area, excluding representatives of the
94 governing body of the municipality;

95 (3) In all municipalities six members shall be appointed by the chief elected officer of
96 the municipality, with the consent of the majority of the governing body of the municipality;

97 (4) In all municipalities which are not counties and not in a first class county with a
98 charter form of government having a population in excess of nine hundred thousand, two
99 members shall be appointed by the county of such municipality in the same manner as members
100 are appointed in subdivision (3) of this subsection;

101 (5) In a municipality which is a county with a charter form of government having a
102 population in excess of nine hundred thousand, three members shall be appointed by the cities
103 in the county which have tax increment financing districts in a manner in which the cities shall
104 agree;

105 (6) In a municipality which is located in the first class county with a charter form of
106 government having a population in excess of nine hundred thousand, three members shall be
107 appointed by the county of such municipality in the same manner as members are appointed in
108 subdivision (3) of this subsection;

109 (7) At the option of the members appointed by the municipality, the members who are
110 appointed by the school boards and other taxing districts may serve on the commission for a term
111 to coincide with the length of time a redevelopment project, redevelopment plan or designation
112 of a redevelopment area is considered for approval by the commission, or for a definite term
113 pursuant to this subdivision. If the members representing school districts and other taxing
114 districts are appointed for a term coinciding with the length of time a redevelopment project, plan
115 or area is approved, such term shall terminate upon final approval of the project, plan or
116 designation of the area by the governing body of the municipality. Thereafter the commission
117 shall consist of the six members appointed by the municipality, except that members representing
118 school boards and other taxing districts shall be appointed as provided in this section prior to any
119 amendments to any redevelopment plans, redevelopment projects or designation of a
120 redevelopment area. If any school district or other taxing jurisdiction fails to appoint members
121 of the commission within thirty days of receipt of written notice of a proposed redevelopment

122 plan, redevelopment project or designation of a redevelopment area, the remaining members may
123 proceed to exercise the power of the commission. Of the members first appointed by the
124 municipality, two shall be designated to serve for terms of two years, two shall be designated to
125 serve for a term of three years and two shall be designated to serve for a term of four years from
126 the date of such initial appointments. Thereafter, the members appointed by the municipality
127 shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms
128 in the same manner as were the original appointments. Members appointed by the county
129 executive or presiding commissioner prior to August 28, 2008, shall continue their service on
130 the commission established in subsection 3 of this section without further appointment unless
131 the county executive or presiding commissioner appoints a new member or members.

132 3. Beginning August 28, 2008:

133 (1) In lieu of a commission created under subsection 2 of this section, any city, town, or
134 village in a county with a charter form of government and with more than one million
135 inhabitants, in a county with a charter form of government and with more than two hundred fifty
136 thousand but fewer than three hundred fifty thousand inhabitants, or in a county of the first
137 classification with more than one hundred eighty-five thousand but fewer than two hundred
138 thousand inhabitants shall, prior to adoption of an ordinance approving the designation of a
139 redevelopment area or approving a redevelopment plan or redevelopment project, create a
140 commission consisting of twelve persons to be appointed as follows:

141 (a) Six members appointed either by the county executive or presiding commissioner;
142 notwithstanding any provision of law to the contrary, no approval by the county's governing body
143 shall be required;

144 (b) Three members appointed by the cities, towns, or villages in the county which have
145 tax increment financing districts in a manner in which the chief elected officials of such cities,
146 towns, or villages agree;

147 (c) Two members appointed by the school boards whose districts are included in the
148 county in a manner in which the school boards agree; and

149 (d) One member to represent all other districts levying ad valorem taxes in the proposed
150 redevelopment area in a manner in which all such districts agree. No city, town, or village subject
151 to this subsection shall create or maintain a commission under subsection 2 of this section,
152 except as necessary to complete a public hearing for which notice under section 99.830 has been
153 provided prior to August 28, 2008, and to vote or make recommendations relating to
154 redevelopment plans, redevelopment projects, or designation of redevelopment areas, or
155 amendments thereto that were the subject of such public hearing;

156 (2) Members appointed to the commission created under this subsection, except those
157 six members appointed by either the county executive or presiding commissioner, shall serve on

158 the commission for a term to coincide with the length of time a redevelopment project,
159 redevelopment plan, or designation of a redevelopment area is considered for approval by the
160 commission. The six members appointed by either the county executive or the presiding
161 commissioner shall serve on all such commissions until replaced. The city, town, or village that
162 creates a commission under this subsection shall send notice thereof by certified mail to the
163 county executive or presiding commissioner, to the school districts whose boundaries include
164 any portion of the proposed redevelopment area, and to the other taxing districts whose
165 boundaries include any portion of the proposed redevelopment area. The city, town, or village
166 that creates the commission shall also be solely responsible for notifying all other cities, towns,
167 and villages in the county that have tax increment financing districts and shall exercise all
168 administrative functions of the commission. The school districts receiving notice from the city,
169 town, or village shall be solely responsible for notifying the other school districts within the
170 county of the formation of the commission. If the county, school board, or other taxing district
171 fails to appoint members to the commission within thirty days after the city, town, or village
172 sends the written notice, as provided herein, that it has convened such a commission or within
173 thirty days of the expiration of any such member's term, the remaining duly appointed members
174 of the commission may exercise the full powers of the commission.

175 4. (1) Any commission created under this section, subject to approval of the governing
176 body of the municipality, may exercise the powers enumerated in sections 99.800 to 99.865,
177 except final approval of plans, projects and designation of redevelopment areas. The
178 commission shall hold public hearings and provide notice pursuant to sections 99.825 and
179 99.830.

180 (2) Any commission created under subsection 2 of this section shall vote on all proposed
181 redevelopment plans, redevelopment projects and designations of redevelopment areas, and
182 amendments thereto, within thirty days following completion of the hearing on any such plan,
183 project or designation and shall make recommendations to the governing body within ninety days
184 of the hearing referred to in section 99.825 concerning the adoption of or amendment to
185 redevelopment plans and redevelopment projects and the designation of redevelopment areas.
186 The requirements of subsection 2 of this section and this subsection shall not apply to
187 redevelopment projects upon which the required hearings have been duly held prior to August
188 31, 1991.

189 (3) Any commission created under subsection 3 of this section shall, within fifteen days
190 of the receipt of a redevelopment plan meeting the minimum requirements of section 99.810, as
191 determined by counsel to the city, town, or village creating the commission and a request by the
192 applicable city, town, or village for a public hearing, **provide a copy of the redevelopment**
193 **plan, redevelopment projects, and designations of redevelopment areas, and amendments**

194 **thereto, for the purpose of receiving comment on the regional benefits of the proposal to**
195 **the designated metropolitan planning organization, the regional chamber of commerce**
196 **organization, and any regional consortium of chief executive officers representing at least**
197 **eighty of the region's largest mid-cap companies, and** fix a time and place for the public
198 hearing referred to in section 99.825. The public hearing shall be held no later than seventy-five
199 days from the commission's receipt of such redevelopment plan and request for public hearing.
200 The commission shall vote and make recommendations to the governing body of the city, town,
201 or village requesting the public hearing on all proposed redevelopment plans, redevelopment
202 projects, and designations of redevelopment areas, and amendments thereto within thirty days
203 following the completion of the public hearing. If the commission fails to vote within thirty days
204 following the completion of the public hearing referred to in section 99.825 concerning the
205 proposed redevelopment plan, redevelopment project, or designation of redevelopment area, or
206 amendments thereto, such plan, project, designation, or amendment thereto shall be deemed
207 rejected by the commission.

99.825. 1. Prior to the adoption of an ordinance proposing the designation of a
2 redevelopment area, or approving a redevelopment plan or redevelopment project, the
3 commission shall fix a time and place for a public hearing as required in subsection 4 of section
4 99.820 and notify each taxing district located wholly or partially within the boundaries of the
5 proposed redevelopment area, plan or project. At the public hearing any interested person or
6 affected taxing district may file with the commission written objections to, or comments on, and
7 may be heard orally in respect to, any issues embodied in the notice. The commission shall hear
8 and consider all protests, objections, comments and other evidence presented at the hearing. The
9 hearing may be continued to another date without further notice other than a motion to be entered
10 upon the minutes fixing the time and place of the subsequent hearing; provided, if the
11 commission is created under subsection 3 of section 99.820, the hearing shall not be continued
12 for more than thirty days beyond the date on which it is originally opened unless such longer
13 period is requested by the chief elected official of the municipality creating the commission and
14 approved by a majority of the commission. Prior to the conclusion of the hearing, changes may
15 be made in the redevelopment plan, redevelopment project, or redevelopment area, provided that
16 each affected taxing district is given written notice of such changes at least seven days prior to
17 the conclusion of the hearing. After the public hearing but prior to the adoption of an ordinance
18 approving a redevelopment plan or redevelopment project, or designating a redevelopment area,
19 changes may be made to the redevelopment plan, redevelopment projects or redevelopment areas
20 without a further hearing, if such changes do not enlarge the exterior boundaries of the
21 redevelopment area or areas, and do not substantially affect the general land uses established in
22 the redevelopment plan or substantially change the nature of the redevelopment projects,

23 provided that notice of such changes shall be given by mail to each affected taxing district and
24 by publication in a newspaper of general circulation in the area of the proposed redevelopment
25 not less than ten days prior to the adoption of the changes by ordinance. After the adoption of
26 an ordinance approving a redevelopment plan or redevelopment project, or designating a
27 redevelopment area, no ordinance shall be adopted altering the exterior boundaries, affecting the
28 general land uses established pursuant to the redevelopment plan or changing the nature of the
29 redevelopment project without complying with the procedures provided in this section pertaining
30 to the initial approval of a redevelopment plan or redevelopment project and designation of a
31 redevelopment area. Hearings with regard to a redevelopment project, redevelopment area, or
32 redevelopment plan may be held simultaneously.

33 2. [Effective January 1, 2008,] **No municipality shall approve a proposed**
34 **redevelopment plan, redevelopment project, or designation of a redevelopment area, or any**
35 **amendments thereto**, if, after concluding the hearing required under this section, the
36 commission makes a recommendation under section 99.820 in opposition to [a proposed
37 redevelopment plan, redevelopment project, or designation of a redevelopment area, or any
38 amendments thereto, a municipality desiring to approve] such project, plan, designation, or
39 amendments [shall do so only upon a two-thirds majority vote of the governing body of such
40 municipality].

41 3. Tax incremental financing projects within an economic development area shall apply
42 to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers,
43 traffic control systems and devices, water distribution and supply systems, curbing, sidewalks
44 and any other similar public improvements, but in no case shall it include buildings.