

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 1236
99TH GENERAL ASSEMBLY

4082H.04C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 99.805, 99.810, 99.825, 99.843, and 99.845, RSMo, and to enact in lieu thereof five new sections relating to tax increment financing districts.

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

Section A. Sections 99.805, 99.810, 99.825, 99.843, and 99.845, RSMo, are repealed and
2 five new sections enacted in lieu thereof, to be known as sections 99.805, 99.810, 99.825,
3 99.843, and 99.845, to read as follows:

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires
2 otherwise, the following terms shall mean:

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

9 (2) "Collecting officer", the officer of the municipality responsible for receiving and
10 processing payments in lieu of taxes or economic activity taxes from taxpayers or the department
11 of revenue;

12 (3) [~~"Conservation area", any improved area within the boundaries of a redevelopment~~
13 ~~area located within the territorial limits of a municipality in which fifty percent or more of the~~
14 ~~structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted~~
15 ~~area but is detrimental to the public health, safety, morals, or welfare and may become a blighted~~
16 ~~area because of any one or more of the following factors: dilapidation; obsolescence;~~
17 ~~deterioration; illegal use of individual structures; presence of structures below minimum code~~

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.

18 standards; abandonment; excessive vacancies; overcrowding of structures and community
19 facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land
20 coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of
21 community planning. A conservation area shall meet at least three of the factors provided in this
22 subdivision for projects approved on or after December 23, 1997;

23 ~~————(4)]~~ "Economic activity taxes", the total additional revenue from taxes which are imposed
24 by a municipality and other taxing districts, and which are generated by economic activities
25 within a redevelopment area over the amount of such taxes generated by economic activities
26 within such redevelopment area in the calendar year prior to the adoption of the ordinance
27 designating such a redevelopment area, while tax increment financing remains in effect, but
28 excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by
29 transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment
30 projects or redevelopment plans approved after December 23, 1997, if a retail establishment
31 relocates within one year from one facility to another facility within the same county and the
32 governing body of the municipality finds that the relocation is a direct beneficiary of tax
33 increment financing, then for purposes of this definition, the economic activity taxes generated
34 by the retail establishment shall equal the total additional revenues from economic activity taxes
35 which are imposed by a municipality or other taxing district over the amount of economic
36 activity taxes generated by the retail establishment in the calendar year prior to its relocation to
37 the redevelopment area;

38 ~~————[(5) "Economic development area", any area or portion of an area located within the~~
39 ~~territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and~~
40 ~~(3) of this section, and in which the governing body of the municipality finds that redevelopment~~
41 ~~will not be solely used for development of commercial businesses which unfairly compete in the~~
42 ~~local economy and is in the public interest because it will:~~

43 ~~————(a) Discourage commerce, industry or manufacturing from moving their operations to~~
44 ~~another state; or~~

45 ~~————(b) Result in increased employment in the municipality; or~~

46 ~~————(c) Result in preservation or enhancement of the tax base of the municipality;~~

47 ~~————(6)]~~ (4) "Gambling establishment", an excursion gambling boat as defined in section
48 313.800 and any related business facility including any real property improvements which are
49 directly and solely related to such business facility, whose sole purpose is to provide goods or
50 services to an excursion gambling boat and whose majority ownership interest is held by a person
51 licensed to conduct gambling games on an excursion gambling boat or licensed to operate an
52 excursion gambling boat as provided in sections 313.800 to 313.850. This subdivision shall be

53 applicable only to a redevelopment area designated by ordinance adopted after December 23,
54 1997;

55 ~~[(7)]~~ (5) "Greenfield area", any vacant, unimproved, or agricultural property that is
56 located wholly outside the incorporated limits of a city, town, or village, or that is substantially
57 surrounded by contiguous properties with agricultural zoning classifications or uses unless said
58 property was annexed into the incorporated limits of a city, town, or village ten years prior to the
59 adoption of the ordinance approving the redevelopment plan for such greenfield area;

60 ~~[(8)]~~ (6) "Municipality", a city, village, or incorporated town or any county of this state.
61 For redevelopment areas or projects approved on or after December 23, 1997, municipality
62 applies only to cities, villages, incorporated towns or counties established for at least one year
63 prior to such date;

64 ~~[(9)]~~ (7) "Obligations", bonds, loans, debentures, notes, special certificates, or other
65 evidences of indebtedness issued by a municipality to carry out a redevelopment project or to
66 refund outstanding obligations;

67 ~~[(10)]~~ (8) "Ordinance", an ordinance enacted by the governing body of a city, town, or
68 village or a county or an order of the governing body of a county whose governing body is not
69 authorized to enact ordinances;

70 ~~[(11)]~~ (9) "Payment in lieu of taxes", those estimated revenues from real property in the
71 area selected for a redevelopment project, which revenues according to the redevelopment
72 project or plan are to be used for a private use, which taxing districts would have received had
73 a municipality not adopted tax increment allocation financing, and which would result from
74 levies made after the time of the adoption of tax increment allocation financing during the time
75 the current equalized value of real property in the area selected for the redevelopment project
76 exceeds the total initial equalized value of real property in such area until the designation is
77 terminated pursuant to subsection 2 of section 99.850;

78 ~~[(12)]~~ (10) "Redevelopment area", an area designated by a municipality, in respect to
79 which the municipality has made a finding that there exist conditions which cause the area to be
80 classified as a blighted area, ~~[a conservation area, an economic development area, an enterprise~~
81 ~~zone pursuant to sections 135.200 to 135.256, or a combination thereof,]~~ which area includes
82 only those parcels of real property directly and substantially benefitted by the proposed
83 redevelopment project;

84 ~~[(13)]~~ (11) "Redevelopment plan", the comprehensive program of a municipality for
85 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
86 conditions, the existence of which qualified the redevelopment area as a blighted area,
87 ~~[conservation area, economic development area, or combination thereof,]~~ and to thereby enhance

88 the tax bases of the taxing districts which extend into the redevelopment area. Each
89 redevelopment plan shall conform to the requirements of section 99.810;

90 ~~[(14)]~~ **(12)** "Redevelopment project", any development project within a redevelopment
91 area in furtherance of the objectives of the redevelopment plan; any such redevelopment project
92 shall include a legal description of the area selected for the redevelopment project;

93 ~~[(15)]~~ **(13)** "Redevelopment project costs" include the sum total of all reasonable or
94 necessary costs incurred or estimated to be incurred, and any such costs incidental to a
95 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not
96 limited to, the following:

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

98 (b) Professional service costs, including, but not limited to, architectural, engineering,
99 legal, marketing, financial, planning or special services. Except the reasonable costs incurred
100 by the commission established in section 99.820 for the administration of sections 99.800 to
101 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be
102 included in the costs of a redevelopment plan or project;

103 (c) Property assembly costs, including, but not limited to:

104 a. Acquisition of land and other property, real or personal, or rights or interests therein;

105 b. Demolition of buildings; and

106 c. The clearing and grading of land;

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

109 ~~[(e)]~~ ~~Initial costs for an economic development area;~~

110 ~~[(f)]~~ Costs of construction of public works or improvements;

111 ~~[(g)]~~ **(f)** Financing costs, including, but not limited to, all necessary and incidental
112 expenses related to the issuance of obligations, and which may include payment of interest on
113 any obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period
114 of construction of any redevelopment project for which such obligations are issued and for not
115 more than eighteen months thereafter, and including reasonable reserves related thereto;

116 ~~[(h)]~~ **(g)** All or a portion of a taxing district's capital costs resulting from the
117 redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of
118 the redevelopment plan and project, to the extent the municipality by written agreement accepts
119 and approves such costs;

120 ~~[(i)]~~ **(h)** Relocation costs to the extent that a municipality determines that relocation
121 costs shall be paid or are required to be paid by federal or state law;

122 ~~[(j)]~~ **(i)** Payments in lieu of taxes;

123 [(16)] (14) "Special allocation fund", the fund of a municipality or its commission which
124 contains at least two separate segregated accounts for each redevelopment plan, maintained by
125 the treasurer of the municipality or the treasurer of the commission into which payments in lieu
126 of taxes are deposited in one account, and economic activity taxes and other revenues are
127 deposited in the other account;

128 [(17)] (15) "Taxing districts", any political subdivision of this state having the power
129 to levy taxes;

130 [(18)] (16) "Taxing districts' capital costs", those costs of taxing districts for capital
131 improvements that are found by the municipal governing bodies to be necessary and to directly
132 result from the redevelopment project; and

133 [(19)] (17) "Vacant land", any parcel or combination of parcels of real property not used
134 for industrial, commercial, or residential buildings.

99.810. 1. Each redevelopment plan shall set forth in writing a general description of
2 the program to be undertaken to accomplish the objectives and shall include, but need not be
3 limited to, the estimated redevelopment project costs, the anticipated sources of funds to pay the
4 costs, evidence of the commitments to finance the project costs, the anticipated type and term
5 of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued,
6 the most recent equalized assessed valuation of the property within the redevelopment area
7 which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to
8 section 99.845, an estimate as to the equalized assessed valuation after redevelopment, and the
9 general land uses to apply in the redevelopment area. No redevelopment plan shall be adopted
10 by a municipality without findings that:

11 (1) The redevelopment area on the whole is a blighted area~~], a conservation area, or an~~
12 ~~economic development area,~~ and has not been subject to growth and development through
13 investment by private enterprise and would not reasonably be anticipated to be developed
14 without the adoption of tax increment financing. Such a finding shall include, but not be limited
15 to, a **study conducted by a third party which includes a** detailed description of the factors that
16 qualify the redevelopment area or project pursuant to this subdivision and an affidavit, signed
17 by the developer or developers and submitted with the redevelopment plan, attesting that the
18 provisions of this subdivision have been met;

19 (2) The redevelopment plan conforms to the comprehensive plan for the development
20 of the municipality as a whole;

21 (3) The estimated dates, which shall not be more than twenty-three years from the
22 adoption of the ordinance approving a redevelopment project within a redevelopment area, of
23 completion of any redevelopment project and retirement of obligations incurred to finance
24 redevelopment project costs have been stated, provided that no ordinance approving a

25 redevelopment project shall be adopted later than ten years from the adoption of the ordinance
26 approving the redevelopment plan under which such project is authorized and provided that no
27 property for a redevelopment project shall be acquired by eminent domain later than five years
28 from the adoption of the ordinance approving such redevelopment project;

29 (4) A plan has been developed for relocation assistance for businesses and residences;

30 (5) A cost-benefit analysis showing the economic impact of the plan on each taxing
31 district which is at least partially within the boundaries of the redevelopment area. The analysis
32 shall show the impact on the economy if the project is not built, and is built pursuant to the
33 redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact
34 study on every affected political subdivision, and sufficient information from the developer for
35 the commission established in section 99.820 to evaluate whether the project as proposed is
36 financially feasible;

37 (6) A finding that the plan does not include the initial development or redevelopment of
38 any gambling establishment, provided however, that this subdivision shall be applicable only to
39 a redevelopment plan adopted for a redevelopment area designated by ordinance after December
40 23, 1997.

41 2. By the last day of February each year, each commission shall report to the director of
42 economic development the name, address, phone number and primary line of business of any
43 business which relocates to the district. The director of the department of economic development
44 shall compile and report the same to the governor, the speaker of the house and the president pro
45 tempore of the senate on the last day of April each year.

99.825. 1. (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.

6 (2) At the public hearing any interested person or affected taxing district may file with
7 the commission written objections to, or comments on, and may be heard orally in respect to, any
8 issues embodied in the notice. The commission shall hear and consider all protests, objections,
9 comments and other evidence presented at the hearing. The hearing may be continued to another
10 date without further notice other than a motion to be entered upon the minutes fixing the time
11 and place of the subsequent hearing; provided, if the commission is created under ~~subsection~~
12 ~~3-0f~~ section 99.820, the hearing shall not be continued for more than thirty days beyond the date
13 on which it is originally opened unless such longer period is requested by the chief elected
14 official of the municipality creating the commission and approved by a majority of the
15 commission.

16 **(3)** Prior to the conclusion of the hearing, changes may be made in the redevelopment
17 plan, redevelopment project, or redevelopment area, provided that each affected taxing district
18 is given written notice of such changes at least seven days prior to the conclusion of the hearing.
19 After the public hearing but prior to the adoption of an ordinance approving a redevelopment
20 plan or redevelopment project, or designating a redevelopment area, changes may be made to the
21 redevelopment plan, redevelopment projects or redevelopment areas without a further hearing,
22 if such changes do not enlarge the exterior boundaries of the redevelopment area or areas, and
23 do not substantially affect the general land uses established in the redevelopment plan or
24 substantially change the nature of the redevelopment projects, provided that notice of such
25 changes shall be given by mail to each affected taxing district and by publication in a newspaper
26 of general circulation in the area of the proposed redevelopment not less than ten days prior to
27 the adoption of the changes by ordinance.

28 **(4)** After the adoption of an ordinance approving a redevelopment plan or redevelopment
29 project, or designating a redevelopment area, no ordinance shall be adopted altering the exterior
30 boundaries, affecting the general land uses established pursuant to the redevelopment plan or
31 changing the nature of the redevelopment project without complying with the procedures
32 provided in this section pertaining to the initial approval of a redevelopment plan or
33 redevelopment project and designation of a redevelopment area.

34 **(5) Within ten days of the adoption of an ordinance approving a redevelopment**
35 **plan or redevelopment project, or designating a redevelopment area, the commission**
36 **created under section 99.820 shall notify each board or body that oversees a taxing district**
37 **that is partially or wholly located within the redevelopment area of the approval of the**
38 **ordinance.**

39 **(6)** Hearings with regard to a redevelopment project, redevelopment area, or
40 redevelopment plan may be held simultaneously.

41 **(7) Notwithstanding any other provision of law to the contrary, in addition to a**
42 **public hearing, the governing body of a city, town, or village shall, for a thirty-day period,**
43 **establish a forum for the public to comment on the proposed district. The forum may be**
44 **digital, physical, or both. Comments shall be recorded and delivered to the governing body**
45 **before the governing body votes on the proposed district.**

46 **(8)** A city, town, or village shall post the following information on its official
47 internet website accessible by the public and, during the thirty-day comment period, on
48 conspicuous signs located throughout the redevelopment area:

49 **(a) The boundaries of the proposed district by street location, or other readily**
50 **identifiable means if no street location exists, and a map illustrating the proposed**
51 **boundaries;**

- 52 **(b) The date, time, and place of the public hearing;**
53 **(c) A statement that a copy of the petition is available for review at the office of the**
54 **municipal clerk during regular business hours; and**
55 **(d) A statement that all interested persons shall be given an opportunity to be heard**
56 **at the public hearing.**

57

58 **If a city, town, or village does not have an official internet website, it shall make the above**
59 **information reasonably available in its most prominent building of governance.**

60 2. If, after concluding the hearing required under this section, the commission makes a
61 recommendation under section 99.820 in opposition to a proposed redevelopment plan,
62 redevelopment project, or designation of a redevelopment area, or any amendments thereto, a
63 municipality desiring to approve such project, plan, designation, or amendments shall do so only
64 upon a two-thirds majority vote of the governing body of such municipality. For plans, projects,
65 designations, or amendments approved by a municipality over the recommendation in opposition
66 by the commission formed under ~~[subsection 3 of]~~ section 99.820, the economic activity taxes
67 and payments in lieu of taxes generated by such plan, project, designation, or amendment shall
68 be restricted to paying only those redevelopment project costs contained in subparagraphs b. and
69 c. of paragraph (c) of subdivision (15) of section 99.805 per redevelopment project.

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

 99.843. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no
2 new tax increment financing project shall be authorized in any greenfield area, as such term is
3 defined in section 99.805~~], that is located within a city not within a county or any county subject~~
4 ~~to the authority of the East-West Gateway Council of Governments. Municipalities not subject~~
5 ~~to the authority of the East-West Gateway Council of Governments may authorize tax increment~~
6 ~~finance projects in greenfield areas].~~

 99.845. 1. A municipality, either at the time a redevelopment project is approved or, in
2 the event a municipality has undertaken acts establishing a redevelopment plan and
3 redevelopment project and has designated a redevelopment area after the passage and approval
4 of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with
5 the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by
6 passing an ordinance providing that after the total equalized assessed valuation of the taxable real
7 property in a redevelopment project exceeds the certified total initial equalized assessed
8 valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and

9 payments in lieu of taxes, if any, arising from the levies upon taxable real property in such
10 redevelopment project by taxing districts and tax rates determined in the manner provided in
11 subsection 2 of section 99.855 each year after the effective date of the ordinance until
12 redevelopment costs have been paid shall be divided as follows:

13 (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract,
14 or parcel of real property which is attributable to the initial equalized assessed value of each such
15 taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment
16 project shall be allocated to and, when collected, shall be paid by the county collector to the
17 respective affected taxing districts in the manner required by law in the absence of the adoption
18 of tax increment allocation financing;

19 (2) (a) Payments in lieu of taxes attributable to the increase in the current equalized
20 assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected
21 for the redevelopment project and any applicable penalty and interest over and above the initial
22 equalized assessed value of each such unit of property in the area selected for the redevelopment
23 project shall be allocated to and, when collected, shall be paid to the municipal treasurer who
24 shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation
25 Fund" of the municipality for the purpose of paying redevelopment costs and obligations
26 incurred in the payment thereof. Beginning August 28, 2014, if the voters in a taxing district
27 vote to approve an increase in such taxing district's levy rate for ad valorem tax on real property,
28 any additional revenues generated within an existing redevelopment project area that are directly
29 attributable to the newly voter-approved incremental increase in such taxing district's levy rate
30 shall not be considered payments in lieu of taxes subject to deposit into a special allocation fund
31 without the consent of such taxing district. Revenues will be considered directly attributable to
32 the newly voter-approved incremental increase to the extent that they are generated from the
33 difference between the taxing district's actual levy rate currently imposed and the maximum
34 voter-approved levy rate at the time that the redevelopment project was adopted. Payments in
35 lieu of taxes which are due and owing shall constitute a lien against the real estate of the
36 redevelopment project from which they are derived and shall be collected in the same manner
37 as the real property tax, including the assessment of penalties and interest where applicable. The
38 municipality may, in the ordinance, pledge the funds in the special allocation fund for the
39 payment of such costs and obligations and provide for the collection of payments in lieu of taxes,
40 the lien of which may be foreclosed in the same manner as a special assessment lien as provided
41 in section 88.861. No part of the current equalized assessed valuation of each lot, block, tract,
42 or parcel of property in the area selected for the redevelopment project attributable to any
43 increase above the total initial equalized assessed value of such properties shall be used in

44 calculating the general state school aid formula provided for in section 163.031 until such time
45 as all redevelopment costs have been paid as provided for in this section and section 99.850.

46 (b) Notwithstanding any provisions of this section to the contrary, for purposes of
47 determining the limitation on indebtedness of local government pursuant to Article VI, Section
48 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area
49 selected for redevelopment attributable to the increase above the total initial equalized assessed
50 valuation shall be included in the value of taxable tangible property as shown on the last
51 completed assessment for state or county purposes.

52 (c) The county assessor shall include the current assessed value of all property within
53 the taxing district in the aggregate valuation of assessed property entered upon the assessor's
54 book and verified pursuant to section 137.245, and such value shall be utilized for the purpose
55 of the debt limitation on local government pursuant to Article VI, Section 26(b) of the Missouri
56 Constitution;

57 (3) For purposes of this section, "levies upon taxable real property in such
58 redevelopment project by taxing districts" shall not include the blind pension fund tax levied
59 under the authority of Article III, Section 38(b) of the Missouri Constitution, or the merchants'
60 and manufacturers' inventory replacement tax levied under the authority of subsection 2 of
61 Section 6 of Article X of the Missouri Constitution, except in redevelopment project areas in
62 which tax increment financing has been adopted by ordinance pursuant to a plan approved by
63 vote of the governing body of the municipality taken after August 13, 1982, and before January
64 1, 1998;

65 (4) **The board or body that oversees a taxing district, as that term is defined under**
66 **section 99.805, may elect to have fifty percent of the property or sales taxes levied by such**
67 **district excluded from a tax increment allocation financing project or plan by passing a**
68 **resolution by two-thirds majority no later than sixty days after the project or plan is**
69 **adopted or approved by ordinance. The vote may occur before the ordinance is adopted.**
70 **At least ten days prior to the vote on the resolution, the board shall post notice of and hold**
71 **a public hearing. If the resolution passes, the board shall notify the director of revenue,**
72 **the county collector, and every other taxing district in the redevelopment area. If the**
73 **resolution passes, subdivision (2) of this subsection shall not apply to fifty percent of the**
74 **tax levied by the taxing district, and fifty percent of the revenue from such tax shall be**
75 **allocated to the district and shall not be allocated to redevelopment costs and obligations;**
76 **and**

77 (5) **A school board of a school district may elect to have fifty percent of the portion**
78 **of property tax revenue allocated to the school district by a county or municipality**
79 **excluded from a tax increment allocation financing project or plan by passing a resolution**

80 **by two-thirds majority no later than sixty days after the project or plan is adopted or**
81 **approved by ordinance. The vote may occur before the ordinance is adopted. At least ten**
82 **days prior to the vote on the resolution, the board shall post notice of and hold a public**
83 **hearing. If the resolution passes, the board shall notify the director of revenue, the county**
84 **collector, and every other taxing district in the redevelopment area. If the resolution**
85 **passes, subdivision (2) of this subsection shall not apply to fifty percent of the percentage**
86 **of property tax revenue equal to the average percentage of property tax revenue allocated**
87 **to the school district over the preceding five years, and such percentage of revenue**
88 **attributable to the increase in the current equalized assessed valuation of each taxable lot,**
89 **block, tract, or parcel of real property within the redevelopment project area shall be**
90 **allocated to the school district and shall not be allocated to redevelopment costs and**
91 **obligations.**

92 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
93 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
94 approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total
95 additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing
96 districts, which are generated by economic activities within the area of the redevelopment project
97 over the amount of such taxes generated by economic activities within the area of the
98 redevelopment project in the calendar year prior to the adoption of the redevelopment project by
99 ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales
100 or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant
101 to section 70.500, licenses, fees or special assessments other than payments in lieu of taxes and
102 any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section
103 94.660, for the purpose of public transportation, shall be allocated to, and paid by the local
104 political subdivision collecting officer to the treasurer or other designated financial officer of the
105 municipality, who shall deposit such funds in a separate segregated account within the special
106 allocation fund. Any provision of an agreement, contract or covenant entered into prior to July
107 12, 1990, between a municipality and any other political subdivision which provides for an
108 appropriation of other municipal revenues to the special allocation fund shall be and remain
109 enforceable.

110 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
111 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
112 approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from
113 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and
114 which are generated by economic activities within the area of the redevelopment project over the
115 amount of such taxes generated by economic activities within the area of the redevelopment

116 project in the calendar year prior to the adoption of the redevelopment project by ordinance,
117 while tax increment financing remains in effect, but excluding personal property taxes, taxes
118 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,
119 taxes levied pursuant to section 70.500, taxes levied for the purpose of public transportation
120 pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of section 67.1712
121 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses,
122 fees or special assessments other than payments in lieu of taxes and penalties and interest
123 thereon, any sales tax imposed by a county with a charter form of government and with more
124 than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose
125 of sports stadium improvement or levied by such county under section 238.410 for the purpose
126 of the county transit authority operating transportation facilities, or for redevelopment plans and
127 projects adopted or redevelopment projects approved by ordinance after August 28, 2013, taxes
128 imposed on sales under and pursuant to section 67.700 or 650.399 for the purpose of emergency
129 communication systems, shall be allocated to, and paid by the local political subdivision
130 collecting officer to the treasurer or other designated financial officer of the municipality, who
131 shall deposit such funds in a separate segregated account within the special allocation fund.
132 Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such
133 taxing district's sales tax or use tax, other than the renewal of an expiring sales or use tax, any
134 additional revenues generated within an existing redevelopment project area that are directly
135 attributable to the newly voter-approved incremental increase in such taxing district's levy rate
136 shall not be considered economic activity taxes subject to deposit into a special allocation fund
137 without the consent of such taxing district.

138 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
139 redevelopment projects approved by ordinance and which have complied with subsections 4 to
140 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes
141 described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,
142 as defined in subsection 8 of this section, estimated for the businesses within the project area and
143 identified by the municipality in the application required by subsection 10 of this section, over
144 and above the amount of such taxes reported by businesses within the project area as identified
145 by the municipality in their application prior to the approval of the redevelopment project by
146 ordinance, while tax increment financing remains in effect, may be available for appropriation
147 by the general assembly as provided in subsection 10 of this section to the department of
148 economic development supplemental tax increment financing fund, from the general revenue
149 fund, for distribution to the treasurer or other designated financial officer of the municipality
150 with approved plans or projects.

151 5. The treasurer or other designated financial officer of the municipality with approved
152 plans or projects shall deposit such funds in a separate segregated account within the special
153 allocation fund established pursuant to section 99.805.

154 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
155 financing fund shall be made unless an appropriation is made from the general revenue fund for
156 that purpose. No municipality shall commit any state revenues prior to an appropriation being
157 made for that project. For all redevelopment plans or projects adopted or approved after
158 December 23, 1997, appropriations from the new state revenues shall not be distributed from the
159 Missouri supplemental tax increment financing fund into the special allocation fund unless the
160 municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes
161 and fifty percent of economic activity taxes generated by the project shall be used for eligible
162 redevelopment project costs while tax increment financing remains in effect. This account shall
163 be separate from the account into which payments in lieu of taxes are deposited, and separate
164 from the account into which economic activity taxes are deposited.

165 7. In order for the redevelopment plan or project to be eligible to receive the revenue
166 described in subsection 4 of this section, the municipality shall comply with the requirements of
167 subsection 10 of this section prior to the time the project or plan is adopted or approved by
168 ordinance. The director of the department of economic development and the commissioner of
169 the office of administration may waive the requirement that the municipality's application be
170 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's
171 or project's approval by ordinance.

172 8. For purposes of this section, "new state revenues" means:

173 (1) The incremental increase in the general revenue portion of state sales tax revenues
174 received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated,
175 taxes deposited to the school district trust fund in accordance with section 144.701, sales and use
176 taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by
177 law. In no event shall the incremental increase include any amounts attributable to retail sales
178 unless the municipality or authority has proven to the Missouri development finance board and
179 the department of economic development and such entities have made a finding that the sales
180 tax increment attributable to retail sales is from new sources which did not exist in the state
181 during the baseline year. The incremental increase in the general revenue portion of state sales
182 tax revenues for an existing or relocated facility shall be the amount that current state sales tax
183 revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan
184 as provided in subsection 10 of this section; or

185 (2) The state income tax withheld on behalf of new employees by the employer pursuant
186 to section 143.221 at the business located within the project as identified by the municipality.

187 The state income tax withholding allowed by this section shall be the municipality's estimate of
188 the amount of state income tax withheld by the employer within the redevelopment area for new
189 employees who fill new jobs directly created by the tax increment financing project.

190 9. Subsection 4 of this section shall apply only to the following:

191 (1) Blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256,
192 blighted areas located in federal empowerment zones, or to blighted areas located in central
193 business districts or urban core areas of cities which districts or urban core areas at the time of
194 approval of the project by ordinance, provided that the enterprise zones, federal empowerment
195 zones or blighted areas contained one or more buildings at least fifty years old; and

196 (a) Suffered from generally declining population or property taxes over the twenty-year
197 period immediately preceding the area's designation as a project area by ordinance; or

198 (b) Was a historic hotel located in a county of the first classification without a charter
199 form of government with a population according to the most recent federal decennial census in
200 excess of one hundred fifty thousand and containing a portion of a city with a population
201 according to the most recent federal decennial census in excess of three hundred fifty thousand;

202 (2) Blighted areas consisting solely of the site of a former automobile manufacturing
203 plant located in any county with a charter form of government and with more than nine hundred
204 fifty thousand inhabitants. For the purposes of this section, "former automobile manufacturing
205 plant" means a redevelopment area containing a minimum of one hundred acres, and such
206 redevelopment area was previously used primarily for the manufacture of automobiles but ceased
207 such manufacturing after the 2007 calendar year; or

208 (3) Blighted areas consisting solely of the site of a former insurance company national
209 service center containing a minimum of one hundred acres located in any county with a charter
210 form of government and with more than nine hundred fifty thousand inhabitants.

211 10. The initial appropriation of up to fifty percent of the new state revenues authorized
212 pursuant to subsection 4 of this section shall not be made to or distributed by the department of
213 economic development to a municipality until all of the following conditions have been satisfied:

214 (1) The director of the department of economic development or his or her designee and
215 the commissioner of the office of administration or his or her designee have approved a tax
216 increment financing application made by the municipality for the appropriation of the new state
217 revenues. The municipality shall include in the application the following items in addition to the
218 items in section 99.810:

219 (a) The tax increment financing district or redevelopment area, including the businesses
220 identified within the redevelopment area;

- 221 (b) The base year of state sales tax revenues or the base year of state income tax withheld
222 on behalf of existing employees, reported by existing businesses within the project area prior to
223 approval of the redevelopment project;
- 224 (c) The estimate of the incremental increase in the general revenue portion of state sales
225 tax revenue or the estimate for the state income tax withheld by the employer on behalf of new
226 employees expected to fill new jobs created within the redevelopment area after redevelopment;
- 227 (d) The official statement of any bond issue pursuant to this subsection after December
228 23, 1997;
- 229 (e) An affidavit that is signed by the developer or developers attesting that the provisions
230 of subdivision (1) of subsection 1 of section 99.810 have been met and specifying that the
231 redevelopment area would not be reasonably anticipated to be developed without the
232 appropriation of the new state revenues;
- 233 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal
234 impact on the state of Missouri;
- 235 (g) The statement of election between the use of the incremental increase of the general
236 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
237 behalf of new employees who fill new jobs created in the redevelopment area;
- 238 (h) The name, street and mailing address, and phone number of the mayor or chief
239 executive officer of the municipality;
- 240 (i) The street address of the development site;
- 241 (j) The three-digit North American Industry Classification System number or numbers
242 characterizing the development project;
- 243 (k) The estimated development project costs;
- 244 (l) The anticipated sources of funds to pay such development project costs;
- 245 (m) Evidence of the commitments to finance such development project costs;
- 246 (n) The anticipated type and term of the sources of funds to pay such development
247 project costs;
- 248 (o) The anticipated type and terms of the obligations to be issued;
- 249 (p) The most recent equalized assessed valuation of the property within the development
250 project area;
- 251 (q) An estimate as to the equalized assessed valuation after the development project area
252 is developed in accordance with a development plan;
- 253 (r) The general land uses to apply in the development area;
- 254 (s) The total number of individuals employed in the development area, broken down by
255 full-time, part-time, and temporary positions;
- 256 (t) The total number of full-time equivalent positions in the development area;

- 257 (u) The current gross wages, state income tax withholdings, and federal income tax
258 withholdings for individuals employed in the development area;
- 259 (v) The total number of individuals employed in this state by the corporate parent of any
260 business benefitting from public expenditures in the development area, and all subsidiaries
261 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,
262 and temporary positions;
- 263 (w) The number of new jobs to be created by any business benefitting from public
264 expenditures in the development area, broken down by full-time, part-time, and temporary
265 positions;
- 266 (x) The average hourly wage to be paid to all current and new employees at the project
267 site, broken down by full-time, part-time, and temporary positions;
- 268 (y) For project sites located in a metropolitan statistical area, as defined by the federal
269 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees
270 in this state for the industries involved at the project, as established by the United States Bureau
271 of Labor Statistics;
- 272 (z) For project sites located outside of metropolitan statistical areas, the average weekly
273 wage paid to nonmanagerial employees in the county for industries involved at the project, as
274 established by the United States Department of Commerce;
- 275 (aa) A list of other community and economic benefits to result from the project;
- 276 (bb) A list of all development subsidies that any business benefitting from public
277 expenditures in the development area has previously received for the project, and the name of
278 any other granting body from which such subsidies are sought;
- 279 (cc) A list of all other public investments made or to be made by this state or units of
280 local government to support infrastructure or other needs generated by the project for which the
281 funding pursuant to this section is being sought;
- 282 (dd) A statement as to whether the development project may reduce employment at any
283 other site, within or without the state, resulting from automation, merger, acquisition, corporate
284 restructuring, relocation, or other business activity;
- 285 (ee) A statement as to whether or not the project involves the relocation of work from
286 another address and if so, the number of jobs to be relocated and the address from which they
287 are to be relocated;
- 288 (ff) A list of competing businesses in the county containing the development area and
289 in each contiguous county;
- 290 (gg) A market study for the development area;
- 291 (hh) A certification by the chief officer of the applicant as to the accuracy of the
292 development plan;

293 (2) The methodologies used in the application for determining the base year and
294 determining the estimate of the incremental increase in the general revenue portion of the state
295 sales tax revenues or the state income tax withheld by employers on behalf of new employees
296 who fill new jobs created in the redevelopment area shall be approved by the director of the
297 department of economic development or his or her designee and the commissioner of the office
298 of administration or his or her designee. Upon approval of the application, the director of the
299 department of economic development or his or her designee and the commissioner of the office
300 of administration or his or her designee shall issue a certificate of approval. The department of
301 economic development may request the appropriation following application approval;

302 (3) The appropriation shall be either a portion of the estimate of the incremental increase
303 in the general revenue portion of state sales tax revenues in the redevelopment area or a portion
304 of the estimate of the state income tax withheld by the employer on behalf of new employees
305 who fill new jobs created in the redevelopment area as indicated in the municipality's
306 application, approved by the director of the department of economic development or his or her
307 designee and the commissioner of the office of administration or his or her designee. At no time
308 shall the annual amount of the new state revenues approved for disbursements from the Missouri
309 supplemental tax increment financing fund exceed thirty-two million dollars; provided, however,
310 that such thirty-two million dollar cap shall not apply to redevelopment plans or projects initially
311 listed by name in the applicable appropriations bill after August 28, 2015, which involve either:

312 (a) A former automobile manufacturing plant; or

313 (b) The retention of a federal employer employing over two thousand geospatial
314 intelligence jobs.

315

316 At no time shall the annual amount of the new state revenues for disbursements from the
317 Missouri supplemental tax increment financing fund for redevelopment plans and projects
318 eligible under the provisions of paragraph (a) of this subdivision exceed four million dollars in
319 the aggregate. At no time shall the annual amount of the new state revenues for disbursements
320 from the Missouri supplemental tax increment financing fund for redevelopment plans and
321 projects eligible under the provisions of paragraph (b) of this subdivision exceed twelve million
322 dollars in the aggregate. To the extent a redevelopment plan or project independently meets the
323 eligibility criteria set forth in both paragraphs (a) and (b) of this subdivision, then at no such time
324 shall the annual amount of new state revenues for disbursements from the Missouri supplemental
325 tax increment financing fund for such eligible redevelopment plan or project exceed twelve
326 million dollars in the aggregate;

327 (4) Redevelopment plans and projects receiving new state revenues shall have a duration
328 of up to fifteen years, unless prior approval for a longer term is given by the director of the

329 department of economic development or his or her designee and the commissioner of the office
330 of administration or his or her designee; except that, in no case shall the duration exceed
331 twenty-three years.

332 11. In addition to the areas authorized in subsection 9 of this section, the funding
333 authorized pursuant to subsection 4 of this section shall also be available in a federally approved
334 levee district, where construction of a levee begins after December 23, 1997, and which is
335 contained within a county of the first classification without a charter form of government with
336 a population between fifty thousand and one hundred thousand inhabitants which contains all
337 or part of a city with a population in excess of four hundred thousand or more inhabitants.

338 12. There is hereby established within the state treasury a special fund to be known as
339 the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the
340 department of economic development. The department shall annually distribute from the
341 Missouri supplemental tax increment financing fund the amount of the new state revenues as
342 appropriated as provided in the provisions of subsection 4 of this section if and only if the
343 conditions of subsection 10 of this section are met. The fund shall also consist of any gifts,
344 contributions, grants or bequests received from federal, private or other sources. Moneys in the
345 Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to
346 state appropriations.

347 13. Redevelopment project costs may include, at the prerogative of the state, the portion
348 of salaries and expenses of the department of economic development and the department of
349 revenue reasonably allocable to each redevelopment project approved for disbursements from
350 the Missouri supplemental tax increment financing fund for the ongoing administrative functions
351 associated with such redevelopment project. Such amounts shall be recovered from new state
352 revenues deposited into the Missouri supplemental tax increment financing fund created under
353 this section.

354 14. For redevelopment plans or projects approved by ordinance that result in net new
355 jobs from the relocation of a national headquarters from another state to the area of the
356 redevelopment project, the economic activity taxes and new state tax revenues shall not be based
357 on a calculation of the incremental increase in taxes as compared to the base year or prior
358 calendar year for such redevelopment project, rather the incremental increase shall be the amount
359 of total taxes generated from the net new jobs brought in by the national headquarters from
360 another state. In no event shall this subsection be construed to allow a redevelopment project
361 to receive an appropriation in excess of up to fifty percent of the new state revenues.

362 15. Notwithstanding any other provision of the law to the contrary, the adoption of any
363 tax increment financing authorized under sections 99.800 to 99.865 shall not supersede, alter,
364 or reduce in any way a property tax levied under section 205.971.

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