

HCS HB 1236 -- LOCAL DEVELOPMENT INCENTIVES

SPONSOR: Stacy

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Local Government by a vote of 7 to 3. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight Committee by a vote of 8 to 2.

This bill changes and repeals certain definitions applicable to Tax Increment Financing (TIF) laws, and repeals intersectional references to the repealed language (Section 99.805, RSMo).

A municipality cannot adopt a redevelopment plan without making certain findings, which now must include a study conducted by a third party that includes a detailed description of the qualifying factors (Section 99.810).

The bill requires a 30-day comment period before a municipality may pass an ordinance establishing a TIF redevelopment project. In addition, the municipality pursuing a TIF project must also post information regarding the proposed project or plan, public hearings, and certain disclaimers on a public website.

Additionally, within 10 days of the approval of a redevelopment plan, the applicable tax increment financing commission shall notify each taxing district partially or wholly located within the commission's redevelopment area of the plan's approval (Section 99.825).

Currently, TIF projects cannot be authorized in greenfield areas located in a city not within a county or any county subject to the authority of the East-West Gateway Council of Governments. The bill removes the location restrictions (Section 99.843).

The bill also provides that the board or body overseeing a taxing district may have 50% of their property or sales taxes excluded from a TIF project or plan by passing a resolution with a two-thirds majority provided certain notice and public comment requirements are met. A school board of a school district may also have 50% of its portion of property tax revenue allocated to the district by a county or city excluded from a TIF project or plan by passing a resolution with a two-thirds majority provided certain notice and public comment requirements are met (Section 99.845).

PROPONENTS: Supporters say that this bill increases transparency within the TIF establishment process.

Testifying for the bill were Representative Stacy; Angie Lile;

Janet Parks, Coalition For Kansas City Economic Development Reform; Dr. Mike Tschlis, Ph.D., Lindbergh School District; Molly Metzger; Missouri National Education Association; Patrick Tuohey, Show Me Institute; Caitlin Lee; Jim Staley, Mid-Continent Public Library; Natalie Vowell; Missouri School Board Association; Kansas City Public Schools; American Federation of Teachers - Missouri; Clinton Adams, Jr.; and the Missouri Council of School Administrators.

OPPONENTS: Those who oppose the bill say that this is an issue of local control and TIF commissions are local representation.

Testifying against the bill were Pat Kelly, Municipal League Metro St. Louis; City of St. Louis; Melissa Boyd, Cerner Corporation; and the Economic Development Corp of Kansas City.