

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Substitute No. 2 for Senate Bill No. 704, Pages
2 22-26, Section 99.805, Lines 1-138, by deleting all of said section and lines and inserting in lieu
3 thereof the following:
4

5 "99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise,
6 the following terms shall mean:

7 (1) "Blighted area", an area which, by reason of the predominance of defective or
8 inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements,
9 ~~[improper subdivision or obsolete platting,]~~ or the existence of conditions which endanger life or
10 property by fire and other causes, or any combination of such factors, retards the provision of
11 housing accommodations or constitutes an economic or social liability or a menace to the public
12 health, safety, ~~[morals,]~~ or welfare in its present condition and use, and, for areas located in a city
13 not within a county, which are located in a census tract that is defined as a low-income community
14 under 26 U.S.C. Section 45D(e) or is eligible to be designated as a qualified opportunity zone under
15 26 U.S.C. Section 1400Z;

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

19 (3) "Conservation area", any improved area within the boundaries of a redevelopment area
20 located within the territorial limits of a municipality in which fifty percent or more of the structures
21 in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is
22 detrimental to the public health, safety, ~~[morals,]~~ or welfare and may become a blighted area
23 because of any one or more of the following factors: dilapidation; obsolescence; deterioration;
24 illegal use of individual structures; presence of structures below minimum code standards;
25 abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of
26 ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land
27 use or layout; depreciation of physical maintenance; and lack of community planning. A
28 conservation area shall meet at least three of the factors provided in this subdivision for projects
29 approved on or after December 23, 1997. For all redevelopment plans and projects approved on or
30 after January 1, 2022, in retail areas, a conservation area shall meet the dilapidation factor as one of
31 the three factors required under this subdivision;

32 (4) "Economic activity taxes", the total additional revenue from taxes which are imposed by
33 a municipality and other taxing districts, and which are generated by economic activities within a
34 redevelopment area over the amount of such taxes generated by economic activities within such
35 redevelopment area in the calendar year prior to the adoption of the ordinance designating such a
36 redevelopment area, while tax increment financing remains in effect, but excluding personal

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1 property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of
2 hotels and motels, licenses, fees or special assessments. For redevelopment projects or
3 redevelopment plans approved after December 23, 1997, if a retail establishment relocates within
4 one year from one facility to another facility within the same county and the governing body of the
5 municipality finds that the relocation is a direct beneficiary of tax increment financing, then for
6 purposes of this definition, the economic activity taxes generated by the retail establishment shall
7 equal the total additional revenues from economic activity taxes which are imposed by a
8 municipality or other taxing district over the amount of economic activity taxes generated by the
9 retail establishment in the calendar year prior to its relocation to the redevelopment area;

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

15 (a) Discourage commerce, industry or manufacturing from moving their operations to
16 another state; or

17 (b) Result in increased employment in the municipality; or

18 (c) Result in preservation or enhancement of the tax base of the municipality;

19 (6) "Gambling establishment", an excursion gambling boat as defined in section 313.800
20 and any related business facility including any real property improvements which are directly and
21 solely related to such business facility, whose sole purpose is to provide goods or services to an
22 excursion gambling boat and whose majority ownership interest is held by a person licensed to
23 conduct gambling games on an excursion gambling boat or licensed to operate an excursion
24 gambling boat as provided in sections 313.800 to 313.850. This subdivision shall be applicable only
25 to a redevelopment area designated by ordinance adopted after December 23, 1997;

26 (7) "Greenfield area", any vacant, unimproved, or agricultural property that is located
27 wholly outside the incorporated limits of a city, town, or village, or that is substantially surrounded
28 by contiguous properties with agricultural zoning classifications or uses unless said property was
29 annexed into the incorporated limits of a city, town, or village ten years prior to the adoption of the
30 ordinance approving the redevelopment plan for such greenfield area;

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

34 (9) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of
35 indebtedness issued by a municipality to carry out a redevelopment project or to refund outstanding
36 obligations;

37 (10) "Ordinance", an ordinance enacted by the governing body of a city, town, or village or
38 a county or an order of the governing body of a county whose governing body is not authorized to
39 enact ordinances;

40 (11) "Payment in lieu of taxes", those estimated revenues from real property in the area
41 selected for a redevelopment project, which revenues according to the redevelopment project or plan
42 are to be used for a private use, which taxing districts would have received had a municipality not
43 adopted tax increment allocation financing, and which would result from levies made after the time
44 of the adoption of tax increment allocation financing during the time the current equalized value of
45 real property in the area selected for the redevelopment project exceeds the total initial equalized
46 value of real property in such area until the designation is terminated pursuant to subsection 2 of
47 section 99.850;

48 (12) "Port infrastructure project", docks and associated equipment, cargo and passenger
49 terminals, storage warehouses, or any other similar infrastructure directly related to port facilities

1 located in a port district created pursuant to the provisions of chapter 68 and located within one-half
 2 of one mile of a navigable waterway;

3 ~~[(12)]~~ (13) "Redevelopment area", an area designated by a municipality, in respect to which
 4 the municipality has made a finding that there exist conditions which cause the area to be classified
 5 as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant
 6 to sections 135.200 to 135.256, or a combination thereof, which area includes only those parcels of
 7 real property directly and substantially benefitted by the proposed redevelopment project;

8 ~~[(13)]~~ (14) "Redevelopment plan", the comprehensive program of a municipality for
 9 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
 10 conditions, the existence of which qualified the redevelopment area as a blighted area, conservation
 11 area, economic development area, or combination thereof, and to thereby enhance the tax bases of
 12 the taxing districts which extend into the redevelopment area. Each redevelopment plan shall
 13 conform to the requirements of section 99.810;

14 ~~[(14)]~~ (15) "Redevelopment project", any development project within a redevelopment area
 15 in furtherance of the objectives of the redevelopment plan; any such redevelopment project shall
 16 include a legal description of the area selected for the redevelopment project;

17 ~~[(15)]~~ (16) "Redevelopment project costs" include the sum total of all reasonable or
 18 necessary costs incurred or estimated to be incurred, and any such costs incidental to a
 19 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited
 20 to, the following:

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

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

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

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

29 b. Demolition of buildings; and

30 c. The clearing and grading of land;

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

33 (e) Initial costs for an economic development area;

34 (f) Costs of construction of public works or improvements;

35 (g) Financing costs, including, but not limited to, all necessary and incidental expenses
 36 related to the issuance of obligations, and which may include payment of interest on any obligations
 37 issued pursuant to sections 99.800 to 99.865 accruing during the estimated period of construction of
 38 any redevelopment project for which such obligations are issued and for not more than eighteen
 39 months thereafter, and including reasonable reserves related thereto;

40 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment
 41 project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment
 42 plan and project, to the extent the municipality by written agreement accepts and approves such
 43 costs;

44 (i) Relocation costs to the extent that a municipality determines that relocation costs shall be
 45 paid or are required to be paid by federal or state law;

46 (j) Payments in lieu of taxes;

47 (17) "Retail area", a proposed redevelopment area for which most of the projected tax
 48 increment financing revenue will be generated from retail businesses, which shall be businesses that
 49 primarily sell or offer to sell goods to a buyer primarily for the buyer's personal, family, or

1 household use and not primarily for business, commercial, or agricultural use;

2 (18) "Retail infrastructure projects", highways, roads, streets, bridges, sewers, traffic control
 3 systems and devices, water distribution and supply systems, curbing, sidewalks, storm water and
 4 drainage systems, or any other similar public improvements, but in no case shall retail infrastructure
 5 projects include private structures;

6 ~~[(16)]~~ (19) "Special allocation fund", the fund of a municipality or its commission which
 7 contains at least two separate segregated accounts for each redevelopment plan, maintained by the
 8 treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes
 9 are deposited in one account, and economic activity taxes and other revenues are deposited in the
 10 other account;

11 ~~[(17)]~~ (20) "Taxing districts", any political subdivision of this state having the power to
 12 levy taxes;

13 ~~[(18)]~~ (21) "Taxing districts' capital costs", those costs of taxing districts for capital
 14 improvements that are found by the municipal governing bodies to be necessary and to directly
 15 result from the redevelopment project; and

16 ~~[(19)]~~ (22) "Vacant land", any parcel or combination of parcels of real property not used for
 17 industrial, commercial, or residential buildings."; and

18
 19 Further amended said bill, Pages 26-28, Section 99.810, Lines 1-45, by deleting all of said section
 20 and lines and inserting in lieu thereof the following:

21
 22 "99.810. 1. Each redevelopment plan shall set forth in writing a general description of the
 23 program to be undertaken to accomplish the objectives and shall include, but need not be limited to,
 24 the estimated redevelopment project costs, the anticipated sources of funds to pay the costs,
 25 evidence of the commitments to finance the project costs, the anticipated type and term of the
 26 sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most
 27 recent equalized assessed valuation of the property within the redevelopment area which is to be
 28 subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an
 29 estimate as to the equalized assessed valuation after redevelopment, and the general land uses to
 30 apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality without
 31 findings that:

32 (1) The redevelopment area on the whole is a blighted area, a conservation area, or an
 33 economic development area, and has not been subject to growth and development through
 34 investment by private enterprise and would not reasonably be anticipated to be developed without
 35 the adoption of tax increment financing. Such a finding shall include, but not be limited to, a study
 36 conducted by a party other than the proponent of a redevelopment plan, which includes a detailed
 37 description of the factors that qualify the redevelopment area or project pursuant to this subdivision
 38 and an affidavit, signed by the developer or developers and submitted with the redevelopment plan,
 39 attesting that the provisions of this subdivision have been met;

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

42 (3) The estimated dates, which shall not be more than twenty-three years from the adoption
 43 of the ordinance approving a redevelopment project within a redevelopment area, of completion of
 44 any redevelopment project and retirement of obligations incurred to finance redevelopment project
 45 costs have been stated, provided that no ordinance approving a redevelopment project shall be
 46 adopted later than ten years from the adoption of the ordinance approving the redevelopment plan
 47 under which such project is authorized and provided that no property for a redevelopment project
 48 shall be acquired by eminent domain later than five years from the adoption of the ordinance
 49 approving such redevelopment project;

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

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

8 (6) A finding that the plan does not include the initial development or redevelopment of any
9 gambling establishment, provided however, that this subdivision shall be applicable only to a
10 redevelopment plan adopted for a redevelopment area designated by ordinance after December 23,
11 1997.

12 2. Tax increment allocation financing shall not be adopted under sections 99.800 to 99.865
13 in a retail area unless such financing is exclusively utilized to fund retail infrastructure projects or
14 unless such area is a blighted area or conservation area. The provisions of this subsection shall not
15 apply to any tax increment allocation financing project or plan approved before August 28, 2020,
16 nor to any amendment to tax increment allocation financing projects and plans where such projects
17 or plans were originally approved before August 28, 2020, provided that such an amendment does
18 not add buildings of new construction in excess of twenty-five percent of the scope of the original
19 redevelopment agreement.

20 3. By the last day of February each year, each commission shall report to the director of
21 economic development the name, address, phone number and primary line of business of any
22 business which relocates to the district. The director of the department of economic development
23 shall compile and report the same to the governor, the speaker of the house and the president pro
24 tempore of the senate on the last day of April each year.

25 99.821. Notwithstanding any provision of sections 99.800 to 99.865 to the contrary,
26 redevelopment plans approved or amended after December 31, 2020, by a city not within a county
27 may provide for the deposit of up to ten percent of the tax increment financing revenues generated
28 pursuant to section 99.845 into a strategic infrastructure for economic growth fund established by
29 such city in lieu of deposit into the special allocation fund. Moneys deposited into the strategic
30 infrastructure for economic growth fund pursuant to this section may be expended by the city
31 establishing such fund for the purpose of funding capital investments in public infrastructure that the
32 governing body of such city has determined to be in a census tract that is defined as a low-income
33 community under 26 U.S.C. Section 45D(e) or is eligible to be designated as a qualified opportunity
34 zone under 26 U.S.C. Section 1400Z-1."; and

35
36 Further amend said bill, Page 29, Section 99.843, Lines 1-6, by deleting all of said section and lines
37 and inserting in lieu thereof the following:

38
39 "99.843. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no
40 new tax increment financing project shall be authorized in any greenfield area, as such term is
41 defined in section 99.805[, that is located within a city not within a county or any county subject to
42 the authority of the East-West Gateway Council of Governments. Municipalities not subject to the
43 authority of the East-West Gateway Council of Governments may authorize tax increment finance
44 projects in greenfield areas].

45 99.847. 1. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no
46 new tax increment financing project shall be authorized in any area which is within an area
47 designated as flood plain by the Federal Emergency Management Agency [and which is located in
48 or partly within a county with a charter form of government with greater than two hundred fifty
49 thousand inhabitants but fewer than three hundred thousand inhabitants, unless the redevelopment

1 ~~area actually abuts a river or a major waterway and is substantially surrounded by contiguous~~
 2 ~~properties with residential, industrial, or commercial zoning classifications] unless such project is~~
 3 ~~located in:~~

4 (1) A county with a charter form of government and with more than six hundred thousand
 5 but fewer than seven hundred thousand inhabitants;

6 (2) A county of the first classification with more than two hundred thousand but fewer than
 7 two hundred sixty thousand inhabitants;

8 (3) A county of the first classification with more than eighty-three thousand but fewer than
 9 ninety-two thousand inhabitants and with a city of the fourth classification with more than four
 10 thousand five hundred but fewer than five thousand inhabitants as the county seat;

11 (4) A home rule city with more than seventy-one thousand but fewer than seventy-nine
 12 thousand inhabitants;

13 (5) A home rule city with more than one hundred fifty-five thousand but fewer than two
 14 hundred thousand inhabitants;

15 (6) A port district created under the provisions of chapter 68, provided that such financing is
 16 exclusively utilized to fund a port infrastructure project that is approved by the port authority; or

17 (7) A levee district created pursuant to chapter 245 or a drainage district created pursuant to
 18 chapters 242 or 243 prior to August 28, 2020.

19 2. This ~~[subsection]~~ section shall not apply to tax increment financing projects or districts
 20 approved prior to ~~[July 1, 2003,]~~ June 30, 2021, and shall allow ~~[the aforementioned]~~ such tax
 21 increment financing projects to modify, amend or expand such projects including redevelopment
 22 project costs by not more than forty percent of such project original projected cost [including
 23 redevelopment project costs] as such projects including redevelopment project costs as such projects
 24 redevelopment projects [including redevelopment project costs existed as of June 30, 2003, and
 25 shall allow the aforementioned tax increment financing district to modify, amend or expand such
 26 districts by not more than five percent as such districts existed as of June 30, 2003].

27 3. The provisions of subsections 1 and 2 of this section notwithstanding, no new tax
 28 increment financing project shall be authorized in any area which is within an area designated as
 29 flood plain by the Federal Emergency Management Agency and which is located in or partly within
 30 a county with a charter form of government and with more than three hundred thousand but fewer
 31 than four hundred fifty thousand inhabitants, unless the redevelopment area actually abuts a river or
 32 a major waterway and is substantially surrounded by contiguous properties with residential,
 33 industrial, or commercial zoning classifications.

34 99.848. 1. (1) Notwithstanding subsection 1 of section 99.845, any ~~[district or county]~~
 35 ambulance district board operating under chapter 190, any fire protection district board operating
 36 under chapter 321, or any governing body operating a 911 center providing dispatch services under
 37 chapter 190 or chapter 321 imposing a property tax for the purposes of providing emergency
 38 services pursuant to chapter 190 or 321 shall be entitled to reimbursement from the special
 39 allocation fund in the amount of at least fifty percent but not more than one hundred percent of the
 40 district's or 911 center's tax increment. This [section] subsection shall not apply to tax increment
 41 financing projects or [districts] redevelopment areas approved prior to August 28, 2004.

42 ~~[2-]~~ (2) Beginning August 28, 2018, an ambulance district board operating under chapter
 43 190, a fire protection district board operating under chapter 321, or the governing body of a county
 44 operating a 911 center providing emergency or dispatch services under chapter 190 or 321 imposing
 45 a property tax for the purpose of providing emergency services pursuant to chapter 190 or 321 shall
 46 annually set the reimbursement rate under this subsection [1 of this section] prior to [the time the
 47 assessment is paid into the special allocation fund] November thirtieth preceding the calendar year
 48 for which the annual reimbursement is being set. If the redevelopment plan, area, or project is
 49 amended by ordinance or by other means after August 28, 2018, the ambulance or fire protection

1 district board or the governing body of a county operating a 911 center providing emergency or
2 dispatch services under chapter 190 or 321 shall have the right to recalculate the reimbursement
3 rate under this ~~[section]~~ subdivision.

4 2. (1) Notwithstanding subsection 1 of section 99.845, any ambulance district board
5 operating under chapter 190, any fire protection district operating under chapter 321, or any
6 governing body operating a 911 center imposing an economic activities tax for the purposes of
7 providing emergency services pursuant to chapter 190 or 321 shall be entitled to reimbursement
8 from the special allocation fund in the amount of at least fifty percent but not more than one
9 hundred percent of the district's or 911 center's tax increment. This subsection shall not apply to tax
10 increment financing projects or redevelopment areas approved prior to August 28, 2020.

11 (2) Beginning August 28, 2020, any ambulance district board operating under chapter 190,
12 any fire protection district operating under chapter 321, or any governing body operating a 911
13 center providing dispatch services under chapter 190 or chapter 321 shall annually set the
14 reimbursement rate under this subsection prior to November thirtieth preceding the calendar year for
15 which the annual reimbursement is being set. If the redevelopment plan, area, or project is
16 amended by ordinance or by other means after August 28, 2020, the ambulance or fire protection
17 district board or the governing body of a county operating a 911 center providing emergency or
18 dispatch services under chapter 190 or 321 shall have the right to recalculate the reimbursement rate
19 under this subdivision."; and

20
21 Further amend said bill by amending the title, enacting clause, and intersectional references
22 accordingly.