

SS SB 22 -- TAX INCREMENT FINANCING

SPONSOR: Koenig (Grier)

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Economic Development by a vote of 8 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 9 to 0.

This bill modifies several provisions relating to tax increment financing.

This bill modifies the definitions of "blighted area" and "conservation area", and creates new definitions for "port infrastructure projects", "retail area", and "retail infrastructure projects" (Section 99.805, RSMo).

This bill modifies local tax increment financing projects by providing that a study must be conducted by a land use planner, urban planner, licensed architect, licensed commercial real estate appraiser, or licensed attorney, which details how the area meets the definition of an area eligible to receive tax increment financing.

This bill also provides that retail areas, as defined in the bill, will not receive tax increment financing unless such financing is exclusively utilized to fund retail infrastructure projects, as defined in the bill, or unless such area is a blighted or conservation area (Section 99.810).

Currently, cities, towns, and villages located in St. Louis County, St. Charles County, or Jefferson County are required to establish a 12 member commission that will include six members appointed by the county executive or presiding commissioner prior to the adoption of any resolution or ordinance approving tax increment financing projects. This bill adds Cass County to such list of counties (Section 99.820).

This bill prohibits new projects from being authorized in any Greenfield area (Section 99.843).

This bill also prohibits new projects from being authorized in an area designated as a flood plain by the Federal Emergency Management Agency unless such projects are located in:

- (1) Jackson, Platte, Clay, or Cole counties;
- (2) The cities of Springfield, St. Joseph, or Hannibal,

(3) In a port district, provided such financing is utilized for port infrastructure projects; or

(4) In a levee or drainage district created prior to August 28, 2021. Projects in flood plains will not be authorized in St. Charles County unless the redevelopment area actually abuts a river or major waterway, as described in the bill (Section 99.847).

Currently, districts and counties imposing a property tax for the purposes of providing emergency services are allowed to be entitled to reimbursement from the special allocation fund of a portion of the district's or county's tax increment. For projects approved after August 28, 2021, this bill modifies such provision to allow reimbursement to ambulance districts, fire protection districts, and governing bodies operating a 911 center providing dispatch services and which impose economic activity taxes for such purposes (Section 99.848).

This bill is similar to HB 1612 (2020), HCS SS SCS SB 108, SB 871 (2020), HB 698, SB 311, HB 32 (2019), and SS SCS SB 859 (2018).

PROPOSERS: Supporters say that TIF reform is needed in the state and this bill changes definitions in statute in order for TIFs to be utilized in economically distressed areas rather than affluent areas. Additionally, this bill helps with oversight as to whether a TIF is really needed and helps prevent rent seeking behavior. Also, this bill cleans up the special allocation fund in current law and a portion of the TIF goes into the fund so it can pay for emergency response districts. Finally, supporters claim that flood plains should not be the site of developments and development in these areas damage wildlife habitat.

Testifying for the bill were Senator Koenig; Missouri Ambulance Association; Sierra Club Missouri Chapter; Missouri Economic Development Financing Association; Arnie Dienoff; Show-Me Institute; The Nature Conservancy; Empower Mo; and the Fire Service Alliance.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill submitted online written testimony.

Testifying on the bill was Kelli Zug.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.