

FIRST REGULAR SESSION

HOUSE BILL NO. 240

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BECK.

0718H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 99.805, 99.820, and 99.845, RSMo, and to enact in lieu thereof four new sections relating to tax increment financing projects.

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

Section A. Sections 99.805, 99.820, and 99.845, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 29.207, 99.805, 99.820, and 99.845, to read as follows:

29.207. Notwithstanding any provision of law to the contrary, the state auditor shall have the power to audit any redevelopment project created under the real property tax increment allocation redevelopment act, sections 99.800 to 99.866, within the state in the same manner as the auditor may audit any agency of the state.

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

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

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

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.

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
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, **local sales taxes whose revenue is dedicated to an**
30 **education program, local sales taxes whose revenue is dedicated to a fire protection district,**
31 licenses, fees or special assessments. For redevelopment projects or redevelopment plans
32 approved after December 23, 1997, if a retail establishment relocates within one year from one
33 facility to another facility within the same county and the governing body of the municipality
34 finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of
35 this definition, the economic activity taxes generated by the retail establishment shall equal the
36 total additional revenues from economic activity taxes which are imposed by a municipality or
37 other taxing district over the amount of economic activity taxes generated by the retail
38 establishment in the calendar year prior to its relocation to the redevelopment area;

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

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

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

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

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

55 (7) "Greenfield area", any vacant, unimproved, or agricultural property that is located
56 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) "Municipality", a city, village, or incorporated town or any county of this state. For
61 redevelopment areas or projects approved on or after December 23, 1997, municipality applies
62 only to cities, villages, incorporated towns or counties established for at least one year prior to
63 such date;

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

67 (10) "Ordinance", an ordinance enacted by the governing body of a city, town, or village
68 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) "Payment in lieu of taxes", those estimated revenues from real property in the area
71 selected for a redevelopment project, which revenues according to the redevelopment project or
72 plan are to be used for a private use, which taxing districts would have received had a
73 municipality not adopted tax increment allocation financing, and which would result from levies
74 made after the time of the adoption of tax increment allocation financing during the time the
75 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. **For purposes of sections 99.800 to**
78 **99.865, "payment in lieu of taxes" shall not include revenue from any tax levied on real**
79 **property whose revenue is dedicated to an education program or a fire protection district;**

80 (12) "Redevelopment area", an area designated by a municipality, in respect to which the
81 municipality has made a finding that there exist conditions which cause the area to be classified
82 as a blighted area, a conservation area, an economic development area, an enterprise zone
83 pursuant to sections 135.200 to 135.256, or a combination thereof, which area includes only

84 those parcels of real property directly and substantially benefitted by the proposed redevelopment
85 project;

86 (13) "Redevelopment plan", the comprehensive program of a municipality for
87 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
88 conditions, the existence of which qualified the redevelopment area as a blighted area,
89 conservation area, economic development area, or combination thereof, and to thereby enhance
90 the tax bases of the taxing districts which extend into the redevelopment area. Each
91 redevelopment plan shall conform to the requirements of section 99.810;

92 (14) "Redevelopment project", any development project within a redevelopment area in
93 furtherance of the objectives of the redevelopment plan; any such redevelopment project shall
94 include a legal description of the area selected for the redevelopment project;

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

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

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

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

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

106 b. Demolition of buildings; and

107 c. The clearing and grading of land;

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

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

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

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

117 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment
118 project necessarily incurred or to be incurred in furtherance of the objectives of the

119 redevelopment plan and project, to the extent the municipality by written agreement accepts and
120 approves such costs;

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

123 (j) Payments in lieu of taxes;

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

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

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

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

99.820. 1. A municipality may:

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

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

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

151

152 No city, town, or village subject to this subsection shall create or maintain a commission under
153 subsection 2 of this section, except as necessary to complete a public hearing for which notice
154 under section 99.830 has been provided prior to August 28, 2008, and to vote or make
155 recommendations relating to redevelopment plans, redevelopment projects, or designation of
156 redevelopment areas, or amendments thereto that were the subject of such public hearing;

157 (2) Members appointed to the commission created under this subsection, except those
158 six members appointed by either the county executive or presiding commissioner, shall serve on
159 the commission for a term to coincide with the length of time a redevelopment project,
160 redevelopment plan, or designation of a redevelopment area is considered for approval by the
161 commission. The six members appointed by either the county executive or the presiding
162 commissioner shall serve on all such commissions until replaced. The city, town, or village that

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

176 4. (1) Any commission created under this section, subject to approval of the governing
177 body of the municipality, may exercise the powers enumerated in sections 99.800 to 99.865,
178 except final approval of plans, projects and designation of redevelopment areas. The
179 commission shall hold public hearings and provide notice pursuant to sections 99.825 and
180 99.830.

181 (2) Any commission created under subsection 2 of this section shall vote on all proposed
182 redevelopment plans, redevelopment projects and designations of redevelopment areas, and
183 amendments thereto, within thirty days following completion of the hearing on any such plan,
184 project or designation and shall make recommendations to the governing body within ninety days
185 of the hearing referred to in section 99.825 concerning the adoption of or amendment to
186 redevelopment plans and redevelopment projects and the designation of redevelopment areas.
187 The requirements of subsection 2 of this section and this subsection shall not apply to
188 redevelopment projects upon which the required hearings have been duly held prior to August
189 31, 1991.

190 (3) Any commission created under subsection 3 of this section shall, within fifteen days
191 of the receipt of a redevelopment plan meeting the minimum requirements of section 99.810, as
192 determined by counsel to the city, town, or village creating the commission and a request by the
193 applicable city, town, or village for a public hearing, fix a time and place for the public hearing
194 referred to in section 99.825. The public hearing shall be held no later than seventy-five days
195 from the commission's receipt of such redevelopment plan and request for public hearing. The
196 commission shall vote and make recommendations to the governing body of the city, town, or
197 village requesting the public hearing on all proposed redevelopment plans, redevelopment

198 projects, and designations of redevelopment areas, and amendments thereto within thirty days
199 following the completion of the public hearing.

200 **(4) No redevelopment project shall be implemented without its redevelopment plan**
201 **receiving a recommendation of approval from the corresponding commission created**
202 **under subsection 2 or 3 of this section.** A recommendation of approval **under subdivision (2)**
203 **or (3) of this subsection** shall only be deemed to occur if a majority of the commissioners voting
204 on such plan, project, designation, or amendment thereto vote for approval. A tied vote shall be
205 considered a recommendation in opposition. If the commission fails to vote within thirty days
206 following the completion of the public hearing referred to in section 99.825 concerning the
207 proposed redevelopment plan, redevelopment project, or designation of redevelopment area, or
208 amendments thereto, such plan, project, designation, or amendment thereto shall be deemed
209 rejected by the commission.

210 5. It shall be the policy of the state that each redevelopment plan or project of a
211 municipality be carried out with full transparency to the public. The records of the tax increment
212 financing commission including, but not limited to, commission votes and actions, meeting
213 minutes, summaries of witness testimony, data, and reports submitted to the commission shall
214 be retained by the governing body of the municipality that created the commission and shall be
215 made available to the public in accordance with chapter 610.

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 incurred
26 in the payment thereof. Beginning August 28, 2014, if the voters in a taxing district vote to
27 approve an increase in such taxing district's levy rate for ad valorem tax on real property, any
28 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 redevelopment
58 project by taxing districts" shall not include the blind pension fund tax levied under the authority
59 of Article III, Section 38(b) of the Missouri Constitution, or the merchants' and manufacturers'
60 inventory replacement tax levied under the authority of subsection 2 of Section 6 of Article X
61 of the Missouri Constitution, except in redevelopment project areas in which tax increment
62 financing has been adopted by ordinance pursuant to a plan approved by vote of the governing
63 body of the municipality taken after August 13, 1982, and before January 1, 1998.

64 2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
65 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
66 approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total
67 additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing
68 districts, which are generated by economic activities within the area of the redevelopment project
69 over the amount of such taxes generated by economic activities within the area of the
70 redevelopment project in the calendar year prior to the adoption of the redevelopment project by
71 ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales
72 or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant
73 to section 70.500, licenses, fees or special assessments other than payments in lieu of taxes and
74 any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section
75 94.660, for the purpose of public transportation, shall be allocated to, and paid by the local
76 political subdivision collecting officer to the treasurer or other designated financial officer of the
77 municipality, who shall deposit such funds in a separate segregated account within the special
78 allocation fund. Any provision of an agreement, contract or covenant entered into prior to July
79 12, 1990, between a municipality and any other political subdivision which provides for an
80 appropriation of other municipal revenues to the special allocation fund shall be and remain
81 enforceable.

82 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
83 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
84 approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from
85 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and
86 which are generated by economic activities within the area of the redevelopment project over the
87 amount of such taxes generated by economic activities within the area of the redevelopment
88 project in the calendar year prior to the adoption of the redevelopment project by ordinance,
89 while tax increment financing remains in effect, but excluding personal property taxes, taxes
90 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,

91 **local sales taxes whose revenue is dedicated to an education program, local sales taxes**
92 **whose revenue is dedicated to a fire protection district,** taxes levied pursuant to section
93 70.500, taxes levied for the purpose of public transportation pursuant to section 94.660, taxes
94 imposed on sales pursuant to subsection 2 of section 67.1712 for the purpose of operating and
95 maintaining a metropolitan park and recreation district, licenses, fees or special assessments
96 other than payments in lieu of taxes and penalties and interest thereon, any sales tax imposed by
97 a county with a charter form of government and with more than six hundred thousand but fewer
98 than seven hundred thousand inhabitants, for the purpose of sports stadium improvement or
99 levied by such county under section 238.410 for the purpose of the county transit authority
100 operating transportation facilities, or for redevelopment plans and projects adopted or
101 redevelopment projects approved by ordinance after August 28, 2013, taxes imposed on sales
102 under and pursuant to section 67.700 or 650.399 for the purpose of emergency communication
103 systems, shall be allocated to, and paid by the local political subdivision collecting officer to the
104 treasurer or other designated financial officer of the municipality, who shall deposit such funds
105 in a separate segregated account within the special allocation fund. Beginning August 28, 2014,
106 if the voters in a taxing district vote to approve an increase in such taxing district's sales tax or
107 use tax, other than the renewal of an expiring sales or use tax, any additional revenues generated
108 within an existing redevelopment project area that are directly attributable to the newly
109 voter-approved incremental increase in such taxing district's levy rate shall not be considered
110 economic activity taxes subject to deposit into a special allocation fund without the consent of
111 such taxing district.

112 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
113 redevelopment projects approved by ordinance and which have complied with subsections 4 to
114 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes
115 described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,
116 as defined in subsection 8 of this section, estimated for the businesses within the project area and
117 identified by the municipality in the application required by subsection 10 of this section, over
118 and above the amount of such taxes reported by businesses within the project area as identified
119 by the municipality in their application prior to the approval of the redevelopment project by
120 ordinance, while tax increment financing remains in effect, may be available for appropriation
121 by the general assembly as provided in subsection 10 of this section to the department of
122 economic development supplemental tax increment financing fund, from the general revenue
123 fund, for distribution to the treasurer or other designated financial officer of the municipality
124 with approved plans or projects.

125 5. The treasurer or other designated financial officer of the municipality with approved
126 plans or projects shall deposit such funds in a separate segregated account within the special
127 allocation fund established ~~[pursuant to section 99.805]~~ **under sections 99.800 to 99.865.**

128 6. No transfer from the general revenue fund to the Missouri supplemental tax increment
129 financing fund shall be made unless an appropriation is made from the general revenue fund for
130 that purpose. No municipality shall commit any state revenues prior to an appropriation being
131 made for that project. For all redevelopment plans or projects adopted or approved after
132 December 23, 1997, appropriations from the new state revenues shall not be distributed from the
133 Missouri supplemental tax increment financing fund into the special allocation fund unless the
134 municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes
135 and fifty percent of economic activity taxes generated by the project shall be used for eligible
136 redevelopment project costs while tax increment financing remains in effect. This account shall
137 be separate from the account into which payments in lieu of taxes are deposited, and separate
138 from the account into which economic activity taxes are deposited.

139 7. In order for the redevelopment plan or project to be eligible to receive the revenue
140 described in subsection 4 of this section, the municipality shall comply with the requirements of
141 subsection 10 of this section prior to the time the project or plan is adopted or approved by
142 ordinance. The director of the department of economic development and the commissioner of
143 the office of administration may waive the requirement that the municipality's application be
144 submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or
145 project's approval by ordinance.

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

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

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

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

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

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

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

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

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

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

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

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

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

- 195 (b) The base year of state sales tax revenues or the base year of state income tax withheld
196 on behalf of existing employees, reported by existing businesses within the project area prior to
197 approval of the redevelopment project;
- 198 (c) The estimate of the incremental increase in the general revenue portion of state sales
199 tax revenue or the estimate for the state income tax withheld by the employer on behalf of new
200 employees expected to fill new jobs created within the redevelopment area after redevelopment;
- 201 (d) The official statement of any bond issue pursuant to this subsection after December
202 23, 1997;
- 203 (e) An affidavit that is signed by the developer or developers attesting that the provisions
204 of subdivision (1) of subsection 1 of section 99.810 have been met and specifying that the
205 redevelopment area would not be reasonably anticipated to be developed without the
206 appropriation of the new state revenues;
- 207 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal
208 impact on the state of Missouri;
- 209 (g) The statement of election between the use of the incremental increase of the general
210 revenue portion of the state sales tax revenues or the state income tax withheld by employers on
211 behalf of new employees who fill new jobs created in the redevelopment area;
- 212 (h) The name, street and mailing address, and phone number of the mayor or chief
213 executive officer of the municipality;
- 214 (i) The street address of the development site;
- 215 (j) The three-digit North American Industry Classification System number or numbers
216 characterizing the development project;
- 217 (k) The estimated development project costs;
- 218 (l) The anticipated sources of funds to pay such development project costs;
- 219 (m) Evidence of the commitments to finance such development project costs;
- 220 (n) The anticipated type and term of the sources of funds to pay such development
221 project costs;
- 222 (o) The anticipated type and terms of the obligations to be issued;
- 223 (p) The most recent equalized assessed valuation of the property within the development
224 project area;
- 225 (q) An estimate as to the equalized assessed valuation after the development project area
226 is developed in accordance with a development plan;
- 227 (r) The general land uses to apply in the development area;
- 228 (s) The total number of individuals employed in the development area, broken down by
229 full-time, part-time, and temporary positions;
- 230 (t) The total number of full-time equivalent positions in the development area;

- 231 (u) The current gross wages, state income tax withholdings, and federal income tax
232 withholdings for individuals employed in the development area;
- 233 (v) The total number of individuals employed in this state by the corporate parent of any
234 business benefitting from public expenditures in the development area, and all subsidiaries
235 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,
236 and temporary positions;
- 237 (w) The number of new jobs to be created by any business benefitting from public
238 expenditures in the development area, broken down by full-time, part-time, and temporary
239 positions;
- 240 (x) The average hourly wage to be paid to all current and new employees at the project
241 site, broken down by full-time, part-time, and temporary positions;
- 242 (y) For project sites located in a metropolitan statistical area, as defined by the federal
243 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees
244 in this state for the industries involved at the project, as established by the United States Bureau
245 of Labor Statistics;
- 246 (z) For project sites located outside of metropolitan statistical areas, the average weekly
247 wage paid to nonmanagerial employees in the county for industries involved at the project, as
248 established by the United States Department of Commerce;
- 249 (aa) A list of other community and economic benefits to result from the project;
- 250 (bb) A list of all development subsidies that any business benefitting from public
251 expenditures in the development area has previously received for the project, and the name of
252 any other granting body from which such subsidies are sought;
- 253 (cc) A list of all other public investments made or to be made by this state or units of
254 local government to support infrastructure or other needs generated by the project for which the
255 funding pursuant to this section is being sought;
- 256 (dd) A statement as to whether the development project may reduce employment at any
257 other site, within or without the state, resulting from automation, merger, acquisition, corporate
258 restructuring, relocation, or other business activity;
- 259 (ee) A statement as to whether or not the project involves the relocation of work from
260 another address and if so, the number of jobs to be relocated and the address from which they
261 are to be relocated;
- 262 (ff) A list of competing businesses in the county containing the development area and
263 in each contiguous county;
- 264 (gg) A market study for the development area;
- 265 (hh) A certification by the chief officer of the applicant as to the accuracy of the
266 development plan;

267 (2) The methodologies used in the application for determining the base year and
268 determining the estimate of the incremental increase in the general revenue portion of the state
269 sales tax revenues or the state income tax withheld by employers on behalf of new employees
270 who fill new jobs created in the redevelopment area shall be approved by the director of the
271 department of economic development or his or her designee and the commissioner of the office
272 of administration or his or her designee. Upon approval of the application, the director of the
273 department of economic development or his or her designee and the commissioner of the office
274 of administration or his or her designee shall issue a certificate of approval. The department of
275 economic development may request the appropriation following application approval;

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

286 (a) A former automobile manufacturing plant; or

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

289

290 At no time shall the annual amount of the new state revenues for disbursements from the
291 Missouri supplemental tax increment financing fund for redevelopment plans and projects
292 eligible under the provisions of paragraph (a) of this subdivision exceed four million dollars in
293 the aggregate. At no time shall the annual amount of the new state revenues for disbursements
294 from the Missouri supplemental tax increment financing fund for redevelopment plans and
295 projects eligible under the provisions of paragraph (b) of this subdivision exceed twelve million
296 dollars in the aggregate. To the extent a redevelopment plan or project independently meets the
297 eligibility criteria set forth in both paragraphs (a) and (b) of this subdivision, then at no such time
298 shall the annual amount of new state revenues for disbursements from the Missouri supplemental
299 tax increment financing fund for such eligible redevelopment plan or project exceed twelve
300 million dollars in the aggregate;

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

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

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

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

321 13. Redevelopment project costs may include, at the prerogative of the state, the portion
322 of salaries and expenses of the department of economic development and the department of
323 revenue reasonably allocable to each redevelopment project approved for disbursements from
324 the Missouri supplemental tax increment financing fund for the ongoing administrative functions
325 associated with such redevelopment project. Such amounts shall be recovered from new state
326 revenues deposited into the Missouri supplemental tax increment financing fund created under
327 this section.

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

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

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