

SECOND REGULAR SESSION

# HOUSE BILL NO. 1834

100TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE GREEN.

4275H.011

DANA RADEMAN MILLER, Chief Clerk

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## AN ACT

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

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

Section A. Sections 99.805, 99.810, and 99.845, RSMo, are repealed and eight new sections enacted in lieu thereof, to be known as sections 99.805, 99.810, 99.845, 99.867, 99.868, 99.870, 99.872, and 99.873, to read as follows:

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, unsanitary 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) **"Central business district", the area at or near the historic core of a city, village, or town that is locally known as "downtown"; with eighty percent or more of the land use being dedicated to a combination of business, commercial, financial, transportation, and government purposes; and with the majority of the buildings built more than fifty years prior to the redevelopment;**

(3) "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.

17           ~~[(3)]~~ (4) "Conservation area", any improved area within the boundaries of a  
 18 redevelopment area located within the territorial limits of a municipality in which fifty percent  
 19 or more of the structures in the area have an age of thirty-five years or more. Such an area is not  
 20 yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may  
 21 become a blighted area because of any one or more of the following factors: dilapidation;  
 22 obsolescence; deterioration; illegal use of individual structures; presence of structures below  
 23 minimum code standards; abandonment; excessive vacancies; overcrowding of structures and  
 24 community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities;  
 25 excessive land coverage; deleterious land use or layout; depreciation of physical maintenance;  
 26 and lack of community planning. A conservation area shall meet at least three of the factors  
 27 provided in this subdivision for projects approved on or after December 23, 1997;

28           ~~[(4)]~~ (5) "Economic activity taxes", the total additional revenue from taxes which are  
 29 imposed by a municipality and other taxing districts, and which are generated by economic  
 30 activities within a redevelopment area over the amount of such taxes generated by economic  
 31 activities within such redevelopment area in the calendar year prior to the adoption of the  
 32 ordinance designating such a redevelopment area, while tax increment financing remains in  
 33 effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping  
 34 rooms paid by transient guests of hotels and motels, licenses, fees ~~[or]~~, special assessments, **or**  
 35 **sales taxes dedicated by a vote of the people to specific purposes or projects.** For  
 36 redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail  
 37 establishment relocates within one year from one facility to another facility within the same  
 38 county and the governing body of the municipality finds that the relocation is a direct beneficiary  
 39 of tax increment financing, then for purposes of this definition, the economic activity taxes  
 40 generated by the retail establishment shall equal the total additional revenues from economic  
 41 activity taxes which are imposed by a municipality or other taxing district over the amount of  
 42 economic activity taxes generated by the retail establishment in the calendar year prior to its  
 43 relocation to the redevelopment area;

44           ~~[(5)]~~ (6) "Economic development area", any area or portion of an area located within the  
 45 territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and  
 46 ~~[(3)]~~ (4) of this section, and in which the governing body of the municipality finds that  
 47 redevelopment will not be solely used for development of commercial businesses which unfairly  
 48 compete in the local economy and is in the public interest because it will~~[-~~

49 ~~——(a)] discourage commerce, industry or manufacturing from moving their operations to~~  
 50 ~~another state; [or~~

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

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

53 ———(6)] (7) "Gambling establishment", an excursion gambling boat as defined in section  
54 313.800 and any related business facility including any real property improvements which are  
55 directly and solely related to such business facility, whose sole purpose is to provide goods or  
56 services to an excursion gambling boat and whose majority ownership interest is held by a person  
57 licensed to conduct gambling games on an excursion gambling boat or licensed to operate an  
58 excursion gambling boat as provided in sections 313.800 to 313.850. This subdivision shall be  
59 applicable only to a redevelopment area designated by ordinance adopted after December 23,  
60 1997;

61 [(7)] (8) "Greenfield area", any vacant, unimproved, or agricultural property that is  
62 located wholly outside the incorporated limits of a city, town, or village, or that is substantially  
63 surrounded by contiguous properties with agricultural zoning classifications or uses unless said  
64 property was annexed into the incorporated limits of a city, town, or village ten years prior to the  
65 adoption of the ordinance approving the redevelopment plan for such greenfield area;

66 (9) "High unemployment", **unemployment in the proposed redevelopment area at**  
67 **least one and one-half times greater than that of the metropolitan statistical area in which**  
68 **the proposed redevelopment area is located or, if the area is not located in a metropolitan**  
69 **statistical area, one and one-half times greater than the unemployment rate of**  
70 **nonmetropolitan counties;**

71 (10) "Low fiscal capacity", **per capita assessed valuation of property in the**  
72 **municipality of less than sixty percent of the entire county in which it is located or, in**  
73 **unincorporated areas, per capita assessed valuation of property in the school district of less**  
74 **than sixty percent of the entire county in which it is located;**

75 (11) "Moderate income", either:

76 (a) **A Missouri municipality that has a population of at least one thousand five**  
77 **hundred within a metropolitan statistical area and has a median household income under**  
78 **eighty percent of the median household income for the metropolitan statistical area**  
79 **according to the last decennial census; or**

80 (b) **A United States census block group or contiguous group of block groups within**  
81 **a metropolitan statistical area that has a population of at least one thousand five hundred**  
82 **and has, for each block group, a median household income under eighty percent of the**  
83 **median household income for the metropolitan statistical area in Missouri according to the**  
84 **last decennial census;**

85 [(8)] (12) "Municipality", a city, village, or incorporated town or any county of this state.  
86 For redevelopment areas or projects approved on or after December 23, 1997, "municipality"  
87 applies only to cities, villages, incorporated towns or counties established for at least one year  
88 prior to such date;

89           **(13) "New job", a job in a new or expanding redevelopment project not including**  
90 **jobs of recalled workers, replacement jobs, or jobs that formerly existed in the same**  
91 **industry in the area;**

92           ~~[(9)]~~ **(14)** "Obligations", bonds, loans, debentures, notes, special certificates, or other  
93 evidences of indebtedness issued by a municipality to carry out a redevelopment project or to  
94 refund outstanding obligations;

95           ~~[(10)]~~ **(15)** "Ordinance", an ordinance enacted by the governing body of a city, town, or  
96 village or a county or an order of the governing body of a county whose governing body is not  
97 authorized to enact ordinances;

98           ~~[(11)]~~ **(16)** "Payment in lieu of taxes", those estimated revenues from real property in the  
99 area selected for a redevelopment project, which revenues according to the redevelopment  
100 project or plan are to be used for a private use, which taxing districts would have received had  
101 a municipality not adopted tax increment allocation financing, and which would result from  
102 levies made after the time of the adoption of tax increment allocation financing during the time  
103 the current equalized value of real property in the area selected for the redevelopment project  
104 exceeds the total initial equalized value of real property in such area until the designation is  
105 terminated pursuant to subsection 2 of section 99.850;

106           ~~[(12)]~~ **(17)** "Redevelopment area", an area designated by a municipality, in respect to  
107 which the municipality has made a finding that there exist conditions which cause the area to be  
108 classified as a blighted area, a conservation area, an economic development area, an enterprise  
109 zone pursuant to sections 135.200 to 135.256, or a combination thereof, which area includes only  
110 those parcels of real property directly and substantially benefitted by the proposed redevelopment  
111 project;

112           ~~[(13)]~~ **(18)** "Redevelopment plan", the comprehensive program of a municipality for  
113 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those  
114 conditions, the existence of which qualified the redevelopment area as a blighted area,  
115 conservation area, economic development area, or combination thereof, and to thereby enhance  
116 the tax bases of the taxing districts which extend into the redevelopment area. Each  
117 redevelopment plan shall conform to the requirements of section 99.810;

118           ~~[(14)]~~ **(19)** "Redevelopment project", any development project within a redevelopment  
119 area in furtherance of the objectives of the redevelopment plan; any such redevelopment project  
120 shall include a legal description of the area selected for the redevelopment project;

121           ~~[(15)]~~ **(20)** "Redevelopment project costs" include the sum total of all reasonable or  
122 necessary costs incurred or estimated to be incurred, and any such costs incidental to a  
123 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not  
124 limited to, the following:

- 125 (a) Costs of studies, surveys, plans, and specifications;
- 126 (b) Professional service costs, including, but not limited to, architectural, engineering,  
127 legal, marketing, financial, planning or special services. Except the reasonable costs incurred  
128 by the commission established in section 99.820 for the administration of sections 99.800 to  
129 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be  
130 included in the costs of a redevelopment plan or project;
- 131 (c) Property assembly costs, including, but not limited to, acquisition of land and other  
132 property, real or personal, or rights or interests therein, demolition of buildings, and the clearing  
133 and grading of land;
- 134 (d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings  
135 and fixtures;
- 136 (e) Initial costs for an economic development area;
- 137 (f) Costs of construction of public works or improvements;
- 138 (g) Financing costs, including, but not limited to, all necessary and incidental expenses  
139 related to the issuance of obligations, and which may include payment of interest on any  
140 obligations issued pursuant to sections 99.800 to ~~[99.865]~~ **99.873** accruing during the estimated  
141 period of construction of any redevelopment project for which such obligations are issued and  
142 for not more than eighteen months thereafter, and including reasonable reserves related thereto;
- 143 (h) All or a portion of a taxing district's capital costs resulting from the redevelopment  
144 project necessarily incurred or to be incurred in furtherance of the objectives of the  
145 redevelopment plan and project, to the extent the municipality by written agreement accepts and  
146 approves such costs;
- 147 (i) Relocation costs to the extent that a municipality determines that relocation costs shall  
148 be paid or are required to be paid by federal or state law;
- 149 (j) Payments in lieu of taxes;
- 150 **(21) "Retail project", any development project that devotes more than fifty percent**  
151 **of the total estimated redevelopment project costs to the construction, reconstruction, or**  
152 **expansion of retail establishments, infrastructure, or facilities ancillary to sales at retail;**
- 153 ~~[(16)]~~ **(22)** "Special allocation fund", the fund of a municipality or its commission which  
154 contains at least two separate segregated accounts for each redevelopment plan, maintained by  
155 the treasurer of the municipality or the treasurer of the commission into which payments in lieu  
156 of taxes are deposited in one account, and economic activity taxes and other revenues are  
157 deposited in the other account;
- 158 ~~[(17)]~~ **(23)** "Taxing districts", any political subdivision of this state having the power to  
159 levy taxes;

160           [(18)] (24) "Taxing districts' capital costs", those costs of taxing districts for capital  
161 improvements that are found by the municipal governing bodies to be necessary and to directly  
162 result from the redevelopment project; and

163           [(19)] (25) "Vacant land", any parcel or combination of parcels of real property not used  
164 for industrial, commercial, or residential buildings.

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

12           (1) The redevelopment area on the whole is a blighted area, a conservation area, or an  
13 economic development area, and has not been subject to growth and development through  
14 investment by private enterprise and would not reasonably be anticipated to be developed  
15 without the adoption of tax increment financing. Such a finding shall include, but not be limited  
16 to, a detailed description of the factors that qualify the redevelopment area or project pursuant  
17 to this subdivision [and] ; an affidavit[<sub>s</sub>] signed by the developer or developers [and] , submitted  
18 with the redevelopment plan, **and attesting that the provisions of this subdivision have been met;**  
19 **and a study stating that records were reviewed, inspections were made, comparisons were**  
20 **made, or tasks were undertaken that demonstrate the property was not developed through**  
21 **private enterprise over a period of time. Such a study shall be signed by a responsible**  
22 **party or some party shall otherwise be designated as responsible for the study's**  
23 **representations. The study shall be of sufficient specificity to allow representatives of the**  
24 **tax increment financing commission, the municipality, or both to conduct investigations**  
25 **deemed necessary in order to confirm its findings;**

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

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

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

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

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

44 (6) A finding that the plan does not include the initial development or redevelopment of  
45 any gambling establishment, provided however, that this subdivision shall be applicable only to  
46 a redevelopment plan adopted for a redevelopment area designated by ordinance after December  
47 23, 1997; and

48 (7) **For redevelopment projects involving more than two hundred fifty thousand**  
49 **dollars in tax increment financing, an economic feasibility analysis including a pro forma**  
50 **financial statement indicating the return on investment expected without any public**  
51 **assistance. The financial statement shall detail any assumptions made. The pro forma**  
52 **statement analysis shall state the amount of assistance required to bring the return into a**  
53 **range deemed attractive to private investors. The amount of assistance shall be equal to**  
54 **the estimated reimbursable project costs.**

55 **2. All documentation and findings established under subsection 1 of this section**  
56 **shall be published and made available at no more than the cost of publication as a public**  
57 **document no later than thirty days prior to adoption of the plan by the municipality. Any**  
58 **resident of the municipality, or the county if in an unincorporated area, may file a petition**  
59 **in circuit court to enjoin the adoption of any redevelopment plan that has not complied**  
60 **with any requirement under subsection 1 or 3 of this section, and such injunction may**  
61 **extend until all such requirements are satisfied.**

62 **3. By the last day of February each year, each commission shall report to the director of**  
63 **economic development the name, address, phone number and primary line of business of any**  
64 **business which relocates to the district. The director of the department of economic development**  
65 **shall compile and report the same to the governor, the speaker of the house and the president pro**  
66 **tempore of the senate on the last day of April each year.**

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the event a municipality has undertaken acts establishing a redevelopment plan and redevelopment project and has designated a redevelopment area after the passage and approval of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing that after the total equalized assessed valuation of the taxable real property in a redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

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

(2) (a) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid to the municipal treasurer who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such taxing district's levy rate for ad valorem tax on real property, any additional revenues generated within an existing redevelopment project area that are directly attributable to the newly voter-approved incremental increase in such taxing district's levy rate shall not be considered payments in lieu of taxes subject to deposit into a special allocation fund without the consent of such taxing district. Revenues will be considered directly attributable to the newly voter-approved incremental increase to the extent that they are generated from the difference between the taxing district's actual levy rate currently imposed and the maximum voter-approved levy rate at the time that the redevelopment project was adopted. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the 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 taxes levied pursuant to section 70.500, taxes levied for the purpose of public transportation  
92 pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of section 67.1712  
93 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses,  
94 fees or special assessments other than payments in lieu of taxes and penalties and interest  
95 thereon, any sales tax imposed by a county with a charter form of government and with more  
96 than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose  
97 of sports stadium improvement or levied by such county under section 238.410 for the purpose  
98 of the county transit authority operating transportation facilities, or for redevelopment plans and  
99 projects adopted or redevelopment projects approved by ordinance after August 28, 2013, taxes  
100 imposed on sales under and pursuant to section 67.700 or 650.399 for the purpose of emergency  
101 communication systems, shall be allocated to, and paid by the local political subdivision  
102 collecting officer to the treasurer or other designated financial officer of the municipality, who  
103 shall deposit such funds in a separate segregated account within the special allocation fund.  
104 Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such  
105 taxing district's sales tax or use tax, other than the renewal of an expiring sales or use tax, any  
106 additional revenues generated within an existing redevelopment project area that are directly  
107 attributable to the newly voter-approved incremental increase in such taxing district's levy rate

108 shall not be considered economic activity taxes subject to deposit into a special allocation fund  
109 without the consent of such taxing district.

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

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

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

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

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

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

157 (2) The state income tax withheld on behalf of new employees by the employer pursuant  
158 to section 143.221 at the business located within the project as identified by the municipality.  
159 The state income tax withholding allowed by this section shall be the municipality's estimate of  
160 the amount of state income tax withheld by the employer within the redevelopment area for new  
161 employees who fill new jobs directly created by the tax increment financing project.

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

163 (1) Blighted areas located in **distressed communities under section 135.530, blighted**  
164 **areas located in** enterprise zones[,] pursuant to sections 135.200 to 135.256, blighted areas  
165 located in federal empowerment zones, or to blighted areas located in central business districts  
166 or urban core areas of cities which districts or urban core areas at the time of approval of the  
167 project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted  
168 areas contained one or more buildings at least fifty years old; and

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

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

175 (2) Blighted areas consisting solely of the site of a former automobile manufacturing  
176 plant located in any county with a charter form of government and with more than nine hundred  
177 fifty thousand inhabitants. For the purposes of this section, "former automobile manufacturing  
178 plant" means a redevelopment area containing a minimum of one hundred acres, and such

179 redevelopment area was previously used primarily for the manufacture of automobiles but ceased  
180 such manufacturing after the 2007 calendar year; or

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

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

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

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

194 (b) The base year of state sales tax revenues or the base year of state income tax withheld  
195 on behalf of existing employees, reported by existing businesses within the project area prior to  
196 approval of the redevelopment project;

197 (c) The estimate of the incremental increase in the general revenue portion of state sales  
198 tax revenue or the estimate for the state income tax withheld by the employer on behalf of new  
199 employees expected to fill new jobs created within the redevelopment area after redevelopment;

200 (d) The official statement of any bond issue pursuant to this subsection after December  
201 23, 1997;

202 (e) An affidavit that is signed by the developer or developers attesting that the provisions  
203 of subdivision (1) of subsection 1 of section 99.810 have been met and specifying that the  
204 redevelopment area would not be reasonably anticipated to be developed without the  
205 appropriation of the new state revenues;

206 (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal  
207 impact on the state of Missouri;

208 (g) The statement of election between the use of the incremental increase of the general  
209 revenue portion of the state sales tax revenues or the state income tax withheld by employers on  
210 behalf of new employees who fill new jobs created in the redevelopment area;

211 (h) The name, street and mailing address, and phone number of the mayor or chief  
212 executive officer of the municipality;

213 (i) The street address of the development site;

- 214 (j) The three-digit North American Industry Classification System number or numbers  
215 characterizing the development project;
- 216 (k) The estimated development project costs;
- 217 (l) The anticipated sources of funds to pay such development project costs;
- 218 (m) Evidence of the commitments to finance such development project costs;
- 219 (n) The anticipated type and term of the sources of funds to pay such development  
220 project costs;
- 221 (o) The anticipated type and terms of the obligations to be issued;
- 222 (p) The most recent equalized assessed valuation of the property within the development  
223 project area;
- 224 (q) An estimate as to the equalized assessed valuation after the development project area  
225 is developed in accordance with a development plan;
- 226 (r) The general land uses to apply in the development area;
- 227 (s) The total number of individuals employed in the development area, broken down by  
228 full-time, part-time, and temporary positions;
- 229 (t) The total number of full-time equivalent positions in the development area;
- 230 (u) The current gross wages, state income tax withholdings, and federal income tax  
231 withholdings for individuals employed in the development area;
- 232 (v) The total number of individuals employed in this state by the corporate parent of any  
233 business benefitting from public expenditures in the development area, and all subsidiaries  
234 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,  
235 and temporary positions;
- 236 (w) The number of new jobs to be created by any business benefitting from public  
237 expenditures in the development area, broken down by full-time, part-time, and temporary  
238 positions;
- 239 (x) The average hourly wage to be paid to all current and new employees at the project  
240 site, broken down by full-time, part-time, and temporary positions;
- 241 (y) For project sites located in a metropolitan statistical area, as defined by the federal  
242 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees  
243 in this state for the industries involved at the project, as established by the United States Bureau  
244 of Labor Statistics;
- 245 (z) For project sites located outside of metropolitan statistical areas, the average weekly  
246 wage paid to nonmanagerial employees in the county for industries involved at the project, as  
247 established by the United States Department of Commerce;
- 248 (aa) A list of other community and economic benefits to result from the project;

249 (bb) A list of all development subsidies that any business benefitting from public  
250 expenditures in the development area has previously received for the project, and the name of  
251 any other granting body from which such subsidies are sought;

252 (cc) A list of all other public investments made or to be made by this state or units of  
253 local government to support infrastructure or other needs generated by the project for which the  
254 funding pursuant to this section is being sought;

255 (dd) A statement as to whether the development project may reduce employment at any  
256 other site, within or without the state, resulting from automation, merger, acquisition, corporate  
257 restructuring, relocation, or other business activity;

258 (ee) A statement as to whether or not the project involves the relocation of work from  
259 another address and if so, the number of jobs to be relocated and the address from which they  
260 are to be relocated;

261 (ff) A list of competing businesses in the county containing the development area and  
262 in each contiguous county;

263 (gg) A market study for the development area;

264 (hh) A certification by the chief officer of the applicant as to the accuracy of the  
265 development plan;

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

275 (3) The appropriation shall be either a portion of the estimate of the incremental increase  
276 in the general revenue portion of state sales tax revenues in the redevelopment area or a portion  
277 of the estimate of the state income tax withheld by the employer on behalf of new employees  
278 who fill new jobs created in the redevelopment area as indicated in the municipality's application,  
279 approved by the director of the department of economic development or his or her designee and  
280 the commissioner of the office of administration or his or her designee. At no time shall the  
281 annual amount of the new state revenues approved for disbursements from the Missouri  
282 supplemental tax increment financing fund for redevelopment projects approved prior to August  
283 28, 2018, exceed thirty-two million dollars; provided, however, that such thirty-two million

284 dollar cap shall not apply to redevelopment plans or projects initially listed by name in the  
285 applicable appropriations bill after August 28, 2015, which involve:

286 (a) A former automobile manufacturing plant;

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

289 (c) A health information technology employer employing over seven thousand  
290 employees in the state of Missouri and which is estimated to create in excess of fifteen thousand  
291 new jobs with an average annual wage of more than seventy-five thousand dollars.

292

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

304 (4) At no time shall the annual amount of the new state revenues approved for  
305 disbursements from the Missouri supplemental tax increment financing fund for redevelopment  
306 plans or projects approved on or after August 28, 2018, and before August 28, 2028, be increased  
307 by or exceed ten million dollars. Any individual redevelopment plan or project approved prior  
308 to August 28, 2018, which is expanded with buildings of new construction shall not be increased  
309 by more than three million dollars annually in excess of the original previously approved  
310 maximum annual projected amount. At no time shall the annual amount of the new state  
311 revenues approved for disbursements from the Missouri supplemental tax increment financing  
312 fund for redevelopment plans or projects approved on or after August 28, 2028, exceed twenty  
313 million dollars; provided, however, that such ceilings shall not apply to redevelopment plans or  
314 projects exempted from such ceilings under subdivision (3) of this subsection. For all  
315 redevelopment plans or projects initially approved on or after August 28, 2018, at no time shall  
316 a single redevelopment plan or project within such redevelopment plan receive an appropriation  
317 under this section that exceeds three million dollars annually;

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



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

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

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

338 13. Redevelopment project costs may include, at the prerogative of the state, the portion  
339 of salaries and expenses of the department of economic development and the department of  
340 revenue reasonably allocable to each redevelopment project approved for disbursements from  
341 the Missouri supplemental tax increment financing fund for the ongoing administrative functions  
342 associated with such redevelopment project. Such amounts shall be recovered from new state  
343 revenues deposited into the Missouri supplemental tax increment financing fund created under  
344 this section.

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

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

2 **99.867. 1. Except as provided under section 99.868 and subsections 2 and 3 of this**  
 3 **section, sections 99.867 to 99.873 shall apply to any municipality located within the state.**  
 4 **Sections 99.867 to 99.873 shall apply to all redevelopment projects that are approved by**  
 5 **a municipality after June 30, 2022.**

6 **2. Any redevelopment project consisting solely of public infrastructure**  
 7 **improvements on public land and requiring two hundred fifty thousand dollars or less in**  
 8 **tax increment financing, wherein the bonds for such project will be paid off in seven years**  
 9 **or less, shall be exempt from the provisions of sections 99.867 to 99.873, provided that no**  
 10 **stringing of projects shall be allowed. No exempt project under this section shall be**  
 11 **combined with another exempt project under this section for a period of five years.**

12 **3. Any redevelopment project for which eligible project redevelopment costs are**  
 13 **to be paid from only the portion of the total economic activity taxes and payments in lieu**  
 14 **of taxes imposed by the municipality and for which no real or potential revenues from**  
 15 **other taxing jurisdictions are involved is exempt from the provisions of sections 99.867 to**  
 16 **99.873.**

17 **99.868. 1. For redevelopment projects located entirely or partially within**  
 18 **metropolitan statistical areas of the state, as defined by the federal Office of Management**  
 19 **and Budget, the municipality and any proposed redevelopment area shall meet the**  
 20 **requirements of section 99.810 and this section. An area may qualify if:**

21 **(1) The host municipality or, for unincorporated areas, the host school district has**  
 22 **low fiscal capacity;**

23 **(2) The census block group or groups, as defined in the most recent decennial**  
 24 **census, containing the proposed redevelopment area have high unemployment; or**

25 **(3) The municipality or census block group or groups, as defined in the most recent**  
 26 **decennial census, containing the proposed redevelopment area are characterized by**  
 27 **moderate income.**

28 **2. For retail projects not located entirely or partially within a metropolitan**  
 29 **statistical area in the state, tax increment financing may be used if the municipality has**  
 30 **made a finding that conditions exist that cause the area to be classified as a blighted area**  
 31 **or a conservation area. Such area shall have the following additional characteristics:**

32 **(1) It is located in the central business district of a city, town, or village;**

33 **(2) It includes only those parcels of real property directly and substantially**  
 34 **benefitted by the proposed redevelopment plan;**

35 **(3) It can be renovated through one or more redevelopment projects;**

36 **(4) The establishments in the area have generally suffered from stagnant or**  
 37 **declining taxable sales or corporate receipts during the preceding three years;**

22           **(5) It is contiguous or includes up to three noncontiguous areas selected for**  
 23 **redevelopment projects, provided that each noncontiguous area meets the requirements**  
 24 **of subdivisions (1) to (4) of this subsection; and**

25           **(6) The redevelopment area shall not exceed ten percent of the entire area of the**  
 26 **municipality.**

27  
 28 **Tax increment financing shall not be used to develop retail projects in an area outside the**  
 29 **metropolitan statistical areas of the state unless the area meets the criteria above.**

30           **3. Tax increment financing shall not be used for more than five percent of the total**  
 31 **estimated redevelopment costs or thirty percent of the infrastructure costs, whichever is**  
 32 **greater, of a project that is primarily retail unless the redevelopment is in a municipality,**  
 33 **census block group, or group of block groups with a median household income less than**  
 34 **seventy percent of that of the metropolitan area; a distressed community as defined in**  
 35 **section 135.530; a federal enterprise zone; or a federal empowerment zone. Tax increment**  
 36 **financing shall not be used to develop sites in which twenty-five percent or more of the area**  
 37 **is vacant and was not previously developed, presently qualifies as "open space" under**  
 38 **section 67.900, or is presently used for agricultural or horticultural purposes, except if the**  
 39 **redevelopment project is contained in the municipality's comprehensive plan or consumes**  
 40 **less than ten acres of land contiguous to a central business district located outside a**  
 41 **metropolitan statistical area of the state.**

**99.870. Commencing with the first fiscal year in which any municipality receives**  
 2 **any payments in lieu of taxes from a redevelopment project and continuing through the**  
 3 **last fiscal year in which the municipality receives such payments, the municipality shall pay**  
 4 **to any other taxing entities entitled to receive revenue from levies on real property in such**  
 5 **municipality an amount equal to twenty-five percent of the payments in lieu of taxes**  
 6 **received by the municipality. This amount shall be divided among the other affected**  
 7 **taxing entities on a basis that is proportional to the collections of revenue from real**  
 8 **property in the development area to which each such taxing district is entitled during that**  
 9 **tax year. If a tax increment financing project includes residential uses, absent a**  
 10 **recommendation to the contrary from commission members representing the affected**  
 11 **school board or boards, real property tax levies attributable to the residential portion of**  
 12 **the development shall pass through to the school district or districts.**

**99.872. 1. The municipality and the developer shall annually submit information**  
 2 **to the department of economic development regarding the approved plan. The report**  
 3 **shall, at a minimum, identify the number and location of redevelopment areas, quantify**  
 4 **public investment in each, assess the public benefit as quantified in terms of tax revenue**

5 and net new job creation, and show the economic impact of the project on each taxing  
6 district that is at least partially within the boundaries of the redevelopment area.

7       **2. The department of economic development shall establish reporting requirements**  
8 **by rule promulgated under chapter 536. Any rule or portion of a rule, as that term is**  
9 **defined in section 536.010, that is created under the authority delegated in this section shall**  
10 **become effective only if it complies with and is subject to all of the provisions of chapter**  
11 **536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable, and**  
12 **if any of the powers vested with the general assembly pursuant to chapter 536 to review,**  
13 **to delay the effective date, or to disapprove and annul a rule are subsequently held**  
14 **unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted**  
15 **after August 28, 2020, shall be invalid and void.**

16       **3. The department of economic development shall submit a report to the governor**  
17 **and the general assembly by April thirtieth of each year.**

**99.873. Any district providing emergency services under chapter 190 or 321 shall**  
2 **be entitled to reimbursement from the special allocation fund for direct costs. However,**  
3 **such reimbursement shall not be less than twenty-five percent nor more than one hundred**  
4 **percent of the district's tax increment.**

✓