

SECOND REGULAR SESSION

HOUSE BILL NO. 2736

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE WASHINGTON.

6711H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

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

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Section A. Sections 99.805, 99.810, and 99.845, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as sections 99.805, 99.810, 99.811, 99.812, 99.813, 99.814, and 99.845, to read as follows: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 ~~in 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] :~~

(a) **The buildings in the area are unsanitary or unsafe for living or working or are substantially vacant, provided the area qualifies as a distressed community under section 135.530;**

(b) **The level of unemployment is one and one-half times greater than the average rate of unemployment for this state, as averaged over the preceding twelve months; or**

(c) **The median household income is less than fifty percent of the median household income of the metropolitan statistical area, if any;**

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.

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

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

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

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

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

- 52 (b) Result in increased employment in the municipality; or
- 53 (c) Result in preservation or enhancement of the tax base of the municipality;
- 54 (6) “Gambling establishment”, an excursion gambling boat as defined in section 313.800
- 55 and any related business facility including any real property improvements which are directly and
- 56 solely related to such business facility, whose sole purpose is to provide goods or services to an
- 57 excursion gambling boat and whose majority ownership interest is held by a person licensed to
- 58 conduct gambling games on an excursion gambling boat or licensed to operate an excursion
- 59 gambling boat as provided in sections 313.800 to 313.850. This subdivision shall be applicable
- 60 only to a redevelopment area designated by ordinance adopted after December 23, 1997;
- 61 (7) “Greenfield area”, any vacant, unimproved, or agricultural property that is located
- 62 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 (8) **"High unemployment", if in a metropolitan statistical area, an unemployment**
- 67 **rate at least one and one-half times that of such metropolitan statistical area or, if not in**
- 68 **a metropolitan statistical area, an unemployment rate at least one and one-half times the**
- 69 **unemployment rate of nonmetropolitan counties;**
- 70 (9) **"Low fiscal capacity", a per capita assessed valuation of property in the**
- 71 **municipality of less than sixty percent of the entire county in which it is located or, if an**
- 72 **unincorporated area, a per capita assessed valuation of property in the school district of**
- 73 **less than sixty percent of the entire county in which it is located;**
- 74 (10) **"Moderate income", according to the last decennial census:**
- 75 (a) **If in a municipality in a metropolitan statistical area with a population of at**
- 76 **least one thousand five hundred, a median household income of under fifty percent of the**
- 77 **median household income for the metropolitan statistical area;**
- 78 (b) **If in a census block group or a contiguous group of block groups within a**
- 79 **metropolitan statistical area with a population of at least one thousand five hundred, a**
- 80 **median household income of under fifty percent of the median household income for the**
- 81 **metropolitan statistical area;**
- 82 (c) **If in a municipality not within a metropolitan statistical area, a median**
- 83 **household income of under sixty percent of the median household income for the**
- 84 **nonmetropolitan areas of this state; or**
- 85 (d) **If in a census block group or a contiguous group of block groups with a**
- 86 **population of at least one thousand five hundred, a median household income of under**
- 87 **sixty percent of the median household income for the nonmetropolitan areas of this state;**

88 (11) “Municipality”, a city, village, or incorporated town or any county of this state. For
89 redevelopment areas or projects approved on or after December 23, 1997, municipality applies
90 only to cities, villages, incorporated towns or counties established for at least one year prior to
91 such date;

92 ~~[(9)]~~ (12) **"New job", a job in a new or expanding redevelopment project that is not**
93 **a job of a recalled worker, a replacement job, or a job that existed in the same industry in**
94 **the area;**

95 (13) “Obligations”, bonds, loans, debentures, notes, special certificates, or other
96 evidences of indebtedness issued by a municipality to carry out a redevelopment project or to
97 refund outstanding obligations;

98 ~~[(10)]~~ (14) “Ordinance”, an ordinance enacted by the governing body of a city, town, or
99 village or a county or an order of the governing body of a county whose governing body is not
100 authorized to enact ordinances;

101 ~~[(11)]~~ (15) “Payment in lieu of taxes”, those estimated revenues from real property in
102 the area selected for a redevelopment project, which revenues according to the redevelopment
103 project or plan are to be used for a private use, which taxing districts would have received had
104 a municipality not adopted tax increment allocation financing, and which would result from
105 levies made after the time of the adoption of tax increment allocation financing during the time
106 the current equalized value of real property in the area selected for the redevelopment project
107 exceeds the total initial equalized value of real property in such area until the designation is
108 terminated pursuant to subsection 2 of section 99.850;

109 ~~[(12)]~~ (16) “Redevelopment area”, an area designated by a municipality, in respect to
110 which the municipality has made a finding that there exist conditions which cause the area to be
111 classified as a blighted area, a conservation area, an economic development area, an enterprise
112 zone pursuant to sections 135.200 to 135.256, or a combination thereof, which area includes only
113 those parcels of real property directly and substantially benefitted by the proposed redevelopment
114 project;

115 ~~[(13)]~~ (17) “Redevelopment plan”, the comprehensive program of a municipality for
116 redevelopment intended by the payment of redevelopment costs to reduce or eliminate those
117 conditions, the existence of which qualified the redevelopment area as a blighted area,
118 conservation area, economic development area, or combination thereof, and to thereby enhance
119 the tax bases of the taxing districts which extend into the redevelopment area. Each
120 redevelopment plan shall conform to the requirements of section 99.810;

121 ~~[(14)]~~ (18) “Redevelopment project”, any development project within a redevelopment
122 area in furtherance of the objectives of the redevelopment plan; any such redevelopment project
123 shall include a legal description of the area selected for the redevelopment project;

124 ~~[(15)]~~ **(19)** “Redevelopment project costs” include the sum total of all reasonable or
125 necessary costs incurred or estimated to be incurred, and any such costs incidental to a
126 redevelopment plan or redevelopment project, as applicable. Such costs include, but are not
127 limited to, the following:

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

129 (b) Professional service costs, including, but not limited to, architectural, engineering,
130 legal, marketing, financial, planning or special services. Except the reasonable costs incurred
131 by the commission established in section 99.820 for the administration of sections 99.800 to
132 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be
133 included in the costs of a redevelopment plan or project;

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

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

136 b. Demolition of buildings; and

137 c. The clearing and grading of land;

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

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

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

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

147 (h) All or a portion of a taxing district’s capital costs resulting from the redevelopment
148 project necessarily incurred or to be incurred in furtherance of the objectives of the
149 redevelopment plan and project, to the extent the municipality by written agreement accepts and
150 approves such costs;

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

153 (j) Payments in lieu of taxes;

154 ~~[(16)]~~ **(20)** “Special allocation fund”, the fund of a municipality or its commission which
155 contains at least two separate segregated accounts for each redevelopment plan, maintained by
156 the treasurer of the municipality or the treasurer of the commission into which payments in lieu
157 of taxes are deposited in one account, and economic activity taxes and other revenues are
158 deposited in the other account;

159 ~~[(17)]~~ **(21)** “Taxing districts”, any political subdivision of this state having the power to
160 levy taxes;

161 ~~[(18)]~~ **(22)** “Taxing districts’ capital costs”, those costs of taxing districts for capital
162 improvements that are found by the municipal governing bodies to be necessary and to directly
163 result from the redevelopment project; and

164 ~~[(19)]~~ **(23)** “Vacant land”, any parcel or combination of parcels of real property not used
165 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. **Sources of funds shall include, but not**
10 **be limited to, any federal, state, county, or municipal tax credits; any reduced tax rates;**
11 **any other calculable compensation, including discounts or donations on the purchase of**
12 **land.** No redevelopment plan shall be adopted by a municipality without findings that:

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

48 (7) **An economic feasibility analysis that includes a financial statement indicating**
49 **whether a return on investment can be expected without public assistance. The financial**
50 **statement shall include any assumptions made and a statement analysis estimating the**
51 **amount of assistance needed to make the return on investment attractive to private**
52 **investors.**

53 2. By the last day of February each year, each commission shall report to the director of
54 economic development the name, address, phone number and primary line of business of any
55 business which relocates to the district. The director of the department of economic development
56 shall compile and report the same to the governor, the speaker of the house and the president pro
57 tempore of the senate on the last day of April each year.

99.811. 1. Any redevelopment project consisting solely of public infrastructure
2 **improvements on public land that require no more than two million dollars in tax**
3 **increment financing and that will pay off its bonds within seven years or less shall be**
4 **exempt from the provisions of sections 99.866 to 99.872. However, no stringing of projects**
5 **shall be allowed. No exempt project under this section shall be combined with another**
6 **exempt project under this section for a period of five years.**

7 2. **Any redevelopment project for which eligible project redevelopment costs are**
8 **to be paid from the portion of total economic activity taxes and payments in lieu of taxes**

9 imposed by the municipality only and not paid with real or potential revenues from other
10 taxing jurisdictions are exempt from the provisions of sections 99.866 to 99.872.

2 **99.812.** Beginning the first fiscal year in which a municipality receives payments
3 in lieu of taxes from a redevelopment project and ending the last fiscal year in which the
4 municipality receives such payments, the municipality shall pay an amount equal to
5 twenty-five percent of such payments in lieu of taxes to all other taxing entities that are
6 entitled to receive revenue from levies on real property in such municipality. Such amount
7 shall be distributed among the other taxing entities in proportion to the collections of
8 revenue from real property in the development area to which each such taxing district is
9 entitled during that tax year. If a tax increment financing project includes residential uses,
10 real property tax levies attributable to the residential portion of the development shall be
11 distributed to the local school district or districts, absent the affected school board or
boards issuing a recommendation to the contrary.

2 **99.813. 1.** The municipality and the developer shall annually submit information
to the department of economic development regarding the approved plan.

3 **2.** The department shall establish reporting requirements and may promulgate
4 other rules to implement the provisions of this section. Any rule or portion of a rule, as
5 that term is defined in section 536.010, that is created under the authority delegated in this
6 section shall become effective only if it complies with and is subject to all of the provisions
7 of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
8 nonseverable, and if any of the powers vested with the general assembly pursuant to
9 chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are
10 subsequently held unconstitutional, then the grant of rulemaking authority and any rule
11 proposed or adopted after August 28, 2018, shall be invalid and void.

12 **3.** The department shall submit a report to the governor and the general assembly
13 by the April thirtieth of each year. At a minimum, the report shall identify the number
14 and location of redevelopment areas; quantify public investment in each redevelopment
15 area; assess the public benefit, as quantified by tax revenue and net new job creation; and
16 state the economic impact of each redevelopment project on each taxing district at least
17 partially within the boundaries of the redevelopment project's redevelopment area.

2 **99.814.** A redevelopment district providing emergency services under chapter 190
3 or 321 shall be entitled to reimbursement from the special allocation fund for direct costs.
4 However, such reimbursement shall not be less than twenty-five percent or more than one
5 hundred percent of the revenue received from the redevelopment district's tax increment
6 financing. This section shall only apply to a redevelopment district located in:

6 **(1)** Any city not within a county;

- 7 **(2) Any county with a charter form of government and with more than one million**
8 **inhabitants;**
- 9 **(3) Any county of the first classification with more than one hundred ninety-eight**
10 **thousand but fewer than one hundred ninety-nine thousand two hundred inhabitants;**
- 11 **(4) Any county of the third classification without a township form of government**
12 **and with more than twenty-four thousand five hundred but fewer than twenty-four**
13 **thousand six hundred inhabitants;**
- 14 **(5) Any county with a charter form of government and with more than two**
15 **hundred fifty thousand but fewer than three hundred fifty thousand inhabitants;**
- 16 **(6) Any county of the first classification with more than ninety-three thousand eight**
17 **hundred but fewer than ninety-three thousand nine hundred inhabitants;**
- 18 **(7) Any county of the third classification without a township form of government**
19 **and with more than twenty-two thousand eight hundred but fewer than twenty-two**
20 **thousand nine hundred inhabitants;**
- 21 **(8) Any county of the third classification without a township form of government**
22 **and with more than thirty-eight thousand nine hundred but fewer than thirty-nine**
23 **thousand inhabitants;**
- 24 **(9) Any county of the fourth classification with more than fifty-five thousand six**
25 **hundred but fewer than fifty-five thousand seven hundred inhabitants;**
- 26 **(10) Any county of the third classification without a township form of government**
27 **and with more than seventeen thousand eight hundred but fewer than seventeen thousand**
28 **nine hundred inhabitants; or**
- 29 **(11) Any county of the third classification without a township form of government**
30 **and with more than twenty-three thousand two hundred fifty but fewer than twenty-three**
31 **thousand three hundred fifty inhabitants.**

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
26 incurred in the payment thereof. Beginning August 28, 2014, if the voters in a taxing district
27 vote to approve an increase in such taxing district's levy rate for ad valorem tax on real property,
28 any 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
58 redevelopment project by taxing districts" shall not include the blind pension fund tax levied
59 under the authority of Article III, Section 38(b) of the Missouri Constitution, or the merchants'
60 and manufacturers' inventory replacement tax levied under the authority of subsection 2 of
61 Section 6 of Article X of the Missouri Constitution, except in redevelopment project areas in
62 which tax increment financing has been adopted by ordinance pursuant to a plan approved by
63 vote of the governing body of the municipality taken after August 13, 1982, and before January
64 1, 1998.

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

81 appropriation of other municipal revenues to the special allocation fund shall be and remain
82 enforceable.

83 3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection
84 1 of this section, for redevelopment plans and projects adopted or redevelopment projects
85 approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from
86 taxes, penalties and interest which are imposed by the municipality or other taxing districts, and
87 which are generated by economic activities within the area of the redevelopment project over the
88 amount of such taxes generated by economic activities within the area of the redevelopment
89 project in the calendar year prior to the adoption of the redevelopment project by ordinance,
90 while tax increment financing remains in effect, but excluding personal property taxes, taxes
91 imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels,
92 taxes levied pursuant to section 70.500, taxes levied for the purpose of public transportation
93 pursuant to section 94.660, taxes imposed on sales pursuant to subsection 2 of section 67.1712
94 for the purpose of operating and maintaining a metropolitan park and recreation district, licenses,
95 fees or special assessments other than payments in lieu of taxes and penalties and interest
96 thereon, any sales tax imposed by a county with a charter form of government and with more
97 than six hundred thousand but fewer than seven hundred thousand inhabitants, for the purpose
98 of sports stadium improvement or levied by such county under section 238.410 for the purpose
99 of the county transit authority operating transportation facilities, or for redevelopment plans and
100 projects adopted or redevelopment projects approved by ordinance after August 28, 2013, taxes
101 imposed on sales under and pursuant to section 67.700 or 650.399 for the purpose of emergency
102 communication systems, shall be allocated to, and paid by the local political subdivision
103 collecting officer to the treasurer or other designated financial officer of the municipality, who
104 shall deposit such funds in a separate segregated account within the special allocation fund.
105 Beginning August 28, 2014, if the voters in a taxing district vote to approve an increase in such
106 taxing district's sales tax or use tax, other than the renewal of an expiring sales or use tax, any
107 additional revenues generated within an existing redevelopment project area that are directly
108 attributable to the newly voter-approved incremental increase in such taxing district's levy rate
109 shall not be considered economic activity taxes subject to deposit into a special allocation fund
110 without the consent of such taxing district.

111 4. Beginning January 1, 1998, for redevelopment plans and projects adopted or
112 redevelopment projects approved by ordinance and which have complied with subsections 4 to
113 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes
114 described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues,
115 as defined in subsection 8 of this section, estimated for the businesses within the project area and
116 identified by the municipality in the application required by subsection 10 of this section, over

117 and above the amount of such taxes reported by businesses within the project area as identified
118 by the municipality in their application prior to the approval of the redevelopment project by
119 ordinance, while tax increment financing remains in effect, may be available for appropriation
120 by the general assembly as provided in subsection 10 of this section to the department of
121 economic development supplemental tax increment financing fund, from the general revenue
122 fund, for distribution to the treasurer or other designated financial officer of the municipality
123 with approved plans or projects.

124 5. The treasurer or other designated financial officer of the municipality with approved
125 plans or projects shall deposit such funds in a separate segregated account within the special
126 allocation fund established pursuant to section 99.805.

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

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

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

146 (1) The incremental increase in the general revenue portion of state sales tax revenues
147 received pursuant to section 144.020, excluding sales taxes that are constitutionally dedicated,
148 taxes deposited to the school district trust fund in accordance with section 144.701, sales and use
149 taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by
150 law. In no event shall the incremental increase include any amounts attributable to retail sales
151 unless the municipality or authority has proven to the Missouri development finance board and
152 the department of economic development and such entities have made a finding that the sales

153 tax increment attributable to retail sales is from new sources which did not exist in the state
154 during the baseline year. The incremental increase in the general revenue portion of state sales
155 tax revenues for an existing or relocated facility shall be the amount that current state sales tax
156 revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan
157 as provided in subsection 10 of this section; or

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

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

164 (1) Blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256,
165 blighted areas located in federal empowerment zones, or to blighted areas located in central
166 business districts or urban core areas of cities which districts or urban core areas at the time of
167 approval of the project by ordinance, provided that the enterprise zones, federal empowerment
168 zones or blighted 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; **or**

184 (4) **Blighted areas located in a distressed community, as that term is defined under**
185 **section 135.530.**

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

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

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

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

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

202 (d) The official statement of any bond issue pursuant to this subsection after December
203 23, 1997;

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

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

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

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

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

216 (j) The three-digit North American Industry Classification System number or numbers
217 characterizing the development project;

218 (k) The estimated development project costs;

219 (l) The anticipated sources of funds to pay such development project costs;

220 (m) Evidence of the commitments to finance such development project costs;

221 (n) The anticipated type and term of the sources of funds to pay such development
222 project costs;

223 (o) The anticipated type and terms of the obligations to be issued;

- 224 (p) The most recent equalized assessed valuation of the property within the development
225 project area;
- 226 (q) An estimate as to the equalized assessed valuation after the development project area
227 is developed in accordance with a development plan;
- 228 (r) The general land uses to apply in the development area;
- 229 (s) The total number of individuals employed in the development area, broken down by
230 full-time, part-time, and temporary positions;
- 231 (t) The total number of full-time equivalent positions in the development area;
- 232 (u) The current gross wages, state income tax withholdings, and federal income tax
233 withholdings for individuals employed in the development area;
- 234 (v) The total number of individuals employed in this state by the corporate parent of any
235 business benefitting from public expenditures in the development area, and all subsidiaries
236 thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time,
237 and temporary positions;
- 238 (w) The number of new jobs to be created by any business benefitting from public
239 expenditures in the development area, broken down by full-time, part-time, and temporary
240 positions;
- 241 (x) The average hourly wage to be paid to all current and new employees at the project
242 site, broken down by full-time, part-time, and temporary positions;
- 243 (y) For project sites located in a metropolitan statistical area, as defined by the federal
244 Office of Management and Budget, the average hourly wage paid to nonmanagerial employees
245 in this state for the industries involved at the project, as established by the United States Bureau
246 of Labor Statistics;
- 247 (z) For project sites located outside of metropolitan statistical areas, the average weekly
248 wage paid to nonmanagerial employees in the county for industries involved at the project, as
249 established by the United States Department of Commerce;
- 250 (aa) A list of other community and economic benefits to result from the project;
- 251 (bb) A list of all development subsidies that any business benefitting from public
252 expenditures in the development area has previously received for the project, and the name of
253 any other granting body from which such subsidies are sought;
- 254 (cc) A list of all other public investments made or to be made by this state or units of
255 local government to support infrastructure or other needs generated by the project for which the
256 funding pursuant to this section is being sought;
- 257 (dd) A statement as to whether the development project may reduce employment at any
258 other site, within or without the state, resulting from automation, merger, acquisition, corporate
259 restructuring, relocation, or other business activity;

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

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

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

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

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

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

287 (a) A former automobile manufacturing plant; or

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

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291 At no time shall the annual amount of the new state revenues for disbursements from the
292 Missouri supplemental tax increment financing fund for redevelopment plans and projects
293 eligible under the provisions of paragraph (a) of this subdivision exceed four million dollars in
294 the aggregate. At no time shall the annual amount of the new state revenues for disbursements
295 from the Missouri supplemental tax increment financing fund for redevelopment plans and

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

302 (4) Redevelopment plans and projects receiving new state revenues shall have a duration
303 of up to fifteen years, unless prior approval for a longer term is given by the director of the
304 department of economic development or his or her designee and the commissioner of the office
305 of administration or his or her designee; except that, in no case shall the duration exceed
306 twenty-three years.

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

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

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

329 14. For redevelopment plans or projects approved by ordinance that result in net new
330 jobs from the relocation of a national headquarters from another state to the area of the
331 redevelopment project, the economic activity taxes and new state tax revenues shall not be based

332 on a calculation of the incremental increase in taxes as compared to the base year or prior
333 calendar year for such redevelopment project, rather the incremental increase shall be the amount
334 of total taxes generated from the net new jobs brought in by the national headquarters from
335 another state. In no event shall this subsection be construed to allow a redevelopment project
336 to receive an appropriation in excess of up to fifty percent of the new state revenues.

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

340 **16. In addition to the other provisions of this section, no redevelopment project**
341 **shall be occur in a redevelopment area unless:**

342 **(1) All school districts in such redevelopment area have low fiscal capacity;**

343 **(2) All census blocks or census blocks groups, as established in the most recent**
344 **census, in such redevelopment area have high unemployment; or**

345 **(3) All, municipalities, census blocks, or census blocks groups, as established in the**
346 **most recent census, in such redevelopment area are characterized by moderate income.**

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