

FIRST REGULAR SESSION

SENATE BILL NO. 247

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR ARTHUR.

0390S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal section 99.805, RSMo, and to enact in lieu thereof one new section relating to tax increment financing.

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

Section A. Section 99.805, RSMo, is repealed and one new
2 section enacted in lieu thereof, to be known as section 99.805,
3 to read as follows:

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

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

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

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

36 (4) "Economic activity taxes", the total additional
37 revenue from taxes which are imposed by a municipality and
38 other taxing districts, and which are generated by economic
39 activities within a redevelopment area over the amount of
40 such taxes generated by economic activities within such
41 redevelopment area in the calendar year prior to the
42 adoption of the ordinance designating such a redevelopment
43 area, while tax increment financing remains in effect, but
44 excluding personal property taxes, taxes imposed on sales or
45 charges for sleeping rooms paid by transient guests of
46 hotels and motels, licenses, fees or special assessments.
47 For redevelopment projects or redevelopment plans approved
48 after December 23, 1997, if a retail establishment relocates
49 within one year from one facility to another facility within

50 the same county and the governing body of the municipality
51 finds that the relocation is a direct beneficiary of tax
52 increment financing, then for purposes of this definition,
53 the economic activity taxes generated by the retail
54 establishment shall equal the total additional revenues from
55 economic activity taxes which are imposed by a municipality
56 or other taxing district over the amount of economic
57 activity taxes generated by the retail establishment in the
58 calendar year prior to its relocation to the redevelopment
59 area;

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

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

70 (b) Result in increased employment in the
71 municipality; or

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

74 (6) "Gambling establishment", an excursion gambling
75 boat as defined in section 313.800 and any related business
76 facility including any real property improvements which are
77 directly and solely related to such business facility, whose
78 sole purpose is to provide goods or services to an excursion
79 gambling boat and whose majority ownership interest is held
80 by a person licensed to conduct gambling games on an
81 excursion gambling boat or licensed to operate an excursion

82 gambling boat as provided in sections 313.800 to 313.850.
83 This subdivision shall be applicable only to a redevelopment
84 area designated by ordinance adopted after December 23, 1997;

85 (7) "Greenfield area", any vacant, unimproved, or
86 agricultural property that is located wholly outside the
87 incorporated limits of a city, town, or village, or that is
88 substantially surrounded by contiguous properties with
89 agricultural zoning classifications or uses unless said
90 property was annexed into the incorporated limits of a city,
91 town, or village ten years prior to the adoption of the
92 ordinance approving the redevelopment plan for such
93 greenfield area;

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

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

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

108 (11) "Payment in lieu of taxes", those estimated
109 revenues from real property in the area selected for a
110 redevelopment project, which revenues according to the
111 redevelopment project or plan are to be used for a private
112 use, which taxing districts would have received had a
113 municipality not adopted tax increment allocation financing,

114 and which would result from levies made after the time of
115 the adoption of tax increment allocation financing during
116 the time the current equalized value of real property in the
117 area selected for the redevelopment project exceeds the
118 total initial equalized value of real property in such area
119 until the designation is terminated pursuant to subsection 2
120 of section 99.850;

121 (12) "Redevelopment area", an area designated by a
122 municipality, in respect to which the municipality has made
123 a finding that there exist conditions which cause the area
124 to be classified as a blighted area, a conservation area, an
125 economic development area, an enterprise zone pursuant to
126 sections 135.200 to 135.256, or a combination thereof, which
127 area includes only those parcels of real property directly
128 and substantially benefitted by the proposed redevelopment
129 project. **No taxable real property shall be included in a
130 redevelopment area if the school district levying taxes on
131 such property determines by resolution adopted within thirty
132 days following the conclusion of a hearing conducted
133 pursuant to section 99.825 that the proposed redevelopment
134 area will have an adverse effect on such school district.
135 The school district shall deliver a copy of such resolution
136 to the municipality establishing the redevelopment area.
137 The municipality shall within thirty days of receipt of such
138 resolution pass an ordinance removing such property from the
139 redevelopment area or terminating the redevelopment area;**

140 (13) "Redevelopment plan", the comprehensive program
141 of a municipality for redevelopment intended by the payment
142 of redevelopment costs to reduce or eliminate those
143 conditions, the existence of which qualified the
144 redevelopment area as a blighted area, conservation area,
145 economic development area, or combination thereof, and to

146 thereby enhance the tax bases of the taxing districts which
147 extend into the redevelopment area. Each redevelopment plan
148 shall conform to the requirements of section 99.810;

149 (14) "Redevelopment project", any development project
150 within a redevelopment area in furtherance of the objectives
151 of the redevelopment plan; any such redevelopment project
152 shall include a legal description of the area selected for
153 the redevelopment project;

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

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

161 (b) Professional service costs, including, but not
162 limited to, architectural, engineering, legal, marketing,
163 financial, planning or special services. Except the
164 reasonable costs incurred by the commission established in
165 section 99.820 for the administration of sections 99.800 to
166 99.865, such costs shall be allowed only as an initial
167 expense which, to be recoverable, shall be included in the
168 costs of a redevelopment plan or project;

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

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

173 b. Demolition of buildings; and

174 c. The clearing and grading of land;

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

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

178 (f) Costs of construction of public works or
179 improvements;

180 (g) Financing costs, including, but not limited to,
181 all necessary and incidental expenses related to the
182 issuance of obligations, and which may include payment of
183 interest on any obligations issued pursuant to sections
184 99.800 to 99.865 accruing during the estimated period of
185 construction of any redevelopment project for which such
186 obligations are issued and for not more than eighteen months
187 thereafter, and including reasonable reserves related
188 thereto;

189 (h) All or a portion of a taxing district's capital
190 costs resulting from the redevelopment project necessarily
191 incurred or to be incurred in furtherance of the objectives
192 of the redevelopment plan and project, to the extent the
193 municipality by written agreement accepts and approves such
194 costs;

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

198 (j) Payments in lieu of taxes;

199 (16) "Special allocation fund", the fund of a
200 municipality or its commission which contains at least two
201 separate segregated accounts for each redevelopment plan,
202 maintained by the treasurer of the municipality or the
203 treasurer of the commission into which payments in lieu of
204 taxes are deposited in one account, and economic activity
205 taxes and other revenues are deposited in the other account;

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

208 (18) "Taxing districts' capital costs", those costs of
209 taxing districts for capital improvements that are found by

210 the municipal governing bodies to be necessary and to
211 directly result from the redevelopment project; and
212 (19) "Vacant land", any parcel or combination of
213 parcels of real property not used for industrial,
214 commercial, or residential buildings.

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